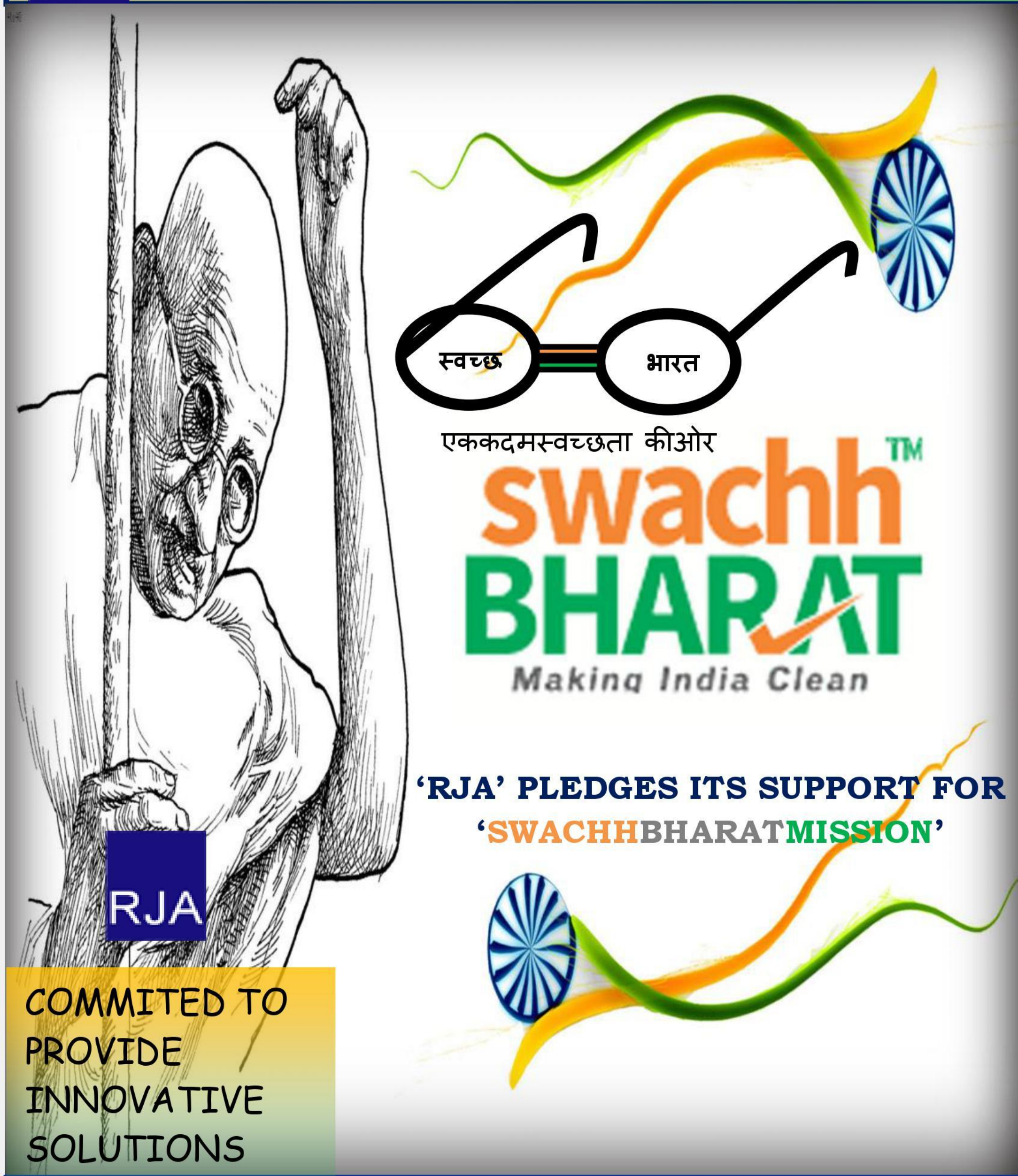
Tax & Corporate law Bulletin

RAJPUT JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS



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October 2017

From the Editor's Desk...

Dear Reader,

Greetings for the season,

- *Section 50C does not apply to transfer of leasehold rights in land; Government would require Rs 6 lakh crore to train 300million people;L&T wins Rs. 2,125-crore contracts including major Karnataka highway project and Read Many more ...*

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & associates

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DIRECT TAX

- **CBDT extends due date for filing Income Tax Returns and Tax Audit Reports**

Press Release, dated-October, 2017

On consideration of representations from various stakeholders for further extension of 'due date', being 30th September 2017 for those liable to file returns by 30.09.2017 and to facilitate ease of compliance by the taxpayers, CBDT has further extended the 'due-date' for filing Income Tax Returns and various reports of audit prescribed under the Income-tax Act,1961 pertaining to AY 2017-18 from 31st October, 2017 to 7th November, 2017 for all such taxpayers.

- **SwasthyaSathiSamiti**

Press Release, dated- October, 2017

S.O. 3440(E).—In exercise of the powers conferred by clause (46) of section 10 of the Income-tax Act, 1961 (43 of 1961), the Central Government hereby notifies for the purposes of the said clause, 'SwasthyaSathiSamiti', Kolkata, a body established by the Government of West Bengal, in respect of the following specified income arising to that body, namely:—

a) Grant received from the Government of West Bengal; and

b) Interest income on grants.

2. This notification shall be effective subject to the conditions that SwasthyaSathiSamiti, Kolkata,-

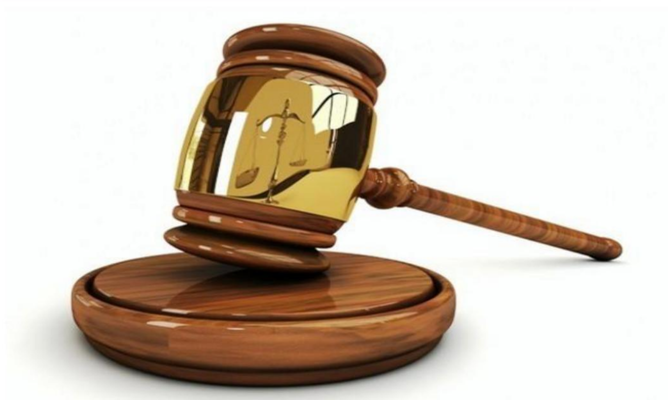
(a)Shall not engage in any commercial activity;

(b)Activities and the nature of the specified income shall remain unchanged throughout the financial years; and

(c)Shall file return of income in accordance with the provision of clause (g) of sub-section (4C) of section 139 of the Income-tax Act, 1961.

3. This notification shall be deemed to have been applied for the financial Years 2016-2017 and shall apply with respect to the Financial Years 2017-2018, 2018-2019, 2019-2020 and 2020-2021.

RECENT JUDGEMENTS



- **Section- 263 Revisions was held bad in law and without carrying appropriate enquiry**

Press Release, In October, 2017

For the purposes of exercising jurisdiction under Section 263 of the Act, the conclusion that the order of the AO is erroneous and prejudicial to the interests of the Revenue has to be preceded by some minimal inquiry. In fact, if the PCIT is of the view that the AO did not undertake any inquiry, it becomes incumbent on the PCIT to conduct such inquiry. Even sending the entire matter back to the AO for a fresh assessment can be exercised only after PCIT undertakes an inquiry himself in the manner indicated.

The court observes that following reasons, hardly constitute the reasons for revision - "in the case of the Assessee company, the AO was duty bound to calculate and allow depreciation on the BOT in conformity of the CBDT Circular 9/2014 but the AO failed to do so. Therefore, the order of the AO is erroneous insofar as prejudicial to the interest of revenue"

➢ Section 138 of the Income Tax Act 1961 – Disclosure of Information respecting assessees to specified officer, Authority or body performing functions under any other law

Specified Authority for furnishing bulk information to notified authority under section 138(1)(a)(ii). [249 Taxman (St.) 22]

The Central Board of Direct Taxes, in exercise of power conferred u/s. 138 (1)(a) of the Income Tax Act, hereby directs that Principal General of Income Tax (Systems), New Delhi (Pr. DGIT (systems)) shall be specified authority for furnishing the 'bulk information' to Joint Secretary, Ministry of Corporate Affairs (MCA), Government of India, as notified vide Notification No. 74/2017, dated 26/7/2017 under sub clause (ii) of clause (a) of sub section (1) of section 138 of the act. Following "bulk information' shall be furnished:

i. Pan data in respect of corporates;
ii. Income Tax Return (ITRs) of corporates (specific relevant fields to be decided in consultation between Pr. DGIT (systems) & MCA);
iii. Audit reports under section 44AB of the Income Tax Act, 1961 in case of corporates (specific relevant fields to be decided in consultation between Pr DGIT (systems) & MCA);
iv. SFT information relating to corporates;
v. Identified PAN CIN Associations;
vi. Identified PAN DIN Associations; and
vii. Any further information considered necessary for identifying 'dormant companies' (to be decided on basis of mutual consultation between Pr DGIT (systems) & MCA)

➢ Rejection of department's application for condonation of delay of 1371 days – High Court also made other serious observations

CIT v Reliance Industries Ltd. [2017] 84 taxmann.com 313 (Bombay)

It was observed that revenue is giving regular explanations that if advocate fails to inform or seek instructions; the officials are not to be blamed as they are not conversant with procedural or substantive law. It only means that the Department or Revenue official in-charge can claim that he is not obliged to attend the case or give any instructions to the Advocate or the arguing Advocate and his responsibility is over the moment the appeals and papers are handed over to the Panel Advocate. It is this disturbing trend. Such explanations or reasons are routinely assigned though there is a full-fledged legal wing or branch in the Department.

➢ Section 50C does not apply to transfer of leasehold rights in land

FaridGulmohamed vs. ITO (ITAT Mumbai)

Section 50C of the Act provides that if the consideration received or accruing is less than the value adopted or assessed or assessable by the stamp valuation authority of the State Government for such transfer then the value so adopted or assessed or assessable shall be deemed to be the full value of consideration and the capital gains will be computed accordingly.

The section 50C of the Act clearly provides that it would apply only to "a capital asset, being land or building or both". There cannot be a dispute to the proposition that the expression land by itself cannot include within its fold leasehold right in land also. Of-course, leasehold right in land is also a capital asset and we find no fault with this stand of the Revenue. So however, every kind of a 'capital asset' is not covered within the scope of section 50C of the Act for the purposes of ascertaining the full value of consideration.

Therefore, there is significance to the expression "a capital asset, being land or building or both" contained in section 50C of the Act. The significance is that only capital asset being land or building or both are covered within the scope of section 50C of the Act, and not all kinds of capital assets.

➢ Section 2(22)(d): Redemption of preference shares does not constitute "deemed dividend"

Uday K. Pradhan vs. ITO (ITAT Mumbai)

As can be seen by s. 2(22)(d), there should be a reduction of its capital and distribution to the shareholders out of the accumulated profits. Section

80(3) of the Companies Act states that the redemption of preference shares under this section by a company shall not be taken as reducing the amount of its authorised share capital. By virtue of section 80(3) redemption of preference shares cannot be considered as reduction of authorised share capital, therefore, treating them as deemed dividend does not arise, as the provisions of section 2(22)(d) can only be invoked only when there is distribution of accumulated profits by way of reduction of share capital.

Therefore the question of invoking deemed dividend provision on this transaction does not arise, even though the redemption of shares are to be made out of the profits of the company by virtue of section 80(1) of the Companies Act. However, since it cannot be treated as reduction of authorised share capital by virtue of section 80(3) of the Companies Act, the amount received by assessee on redemption of preference shares cannot be treated as deemed dividend.

- **Section 14A/ Rule 8D: No disallowance can be made on shares held as stock-in-trade**

PareshPritamlal Mehta vs. ITO (ITAT Pune)

Assessee is engaged in the business of share trading earned Rs. 12.04 lacs as exempt dividend income. The AO made a disallowance of Rs. 46, 89,748/- u/s 14A read with Rule 8D. Before the CIT (A), the assessee stated that the Tribunal in assessee's own case for AY 2010-11 has held that no disallowance u/s 14A read with Rule 8D can be made on dividend income from shares held as stock-in-trade.

The Bombay High Court in the case of CIT Vs. India Advantage Securities Ltd. (supra) has confirmed the order of Tribunal wherein it was held that no disallowance u/s 14A read with Rule 8D can be made on shares held as stock-in-trade. However, it restrained from commenting on the judicial indiscipline committed by the CIT (A) and expected that the CIT (A) concerned shall be more careful in future in honoring the orders of the higher Appellate Authorities.

- **Section 48: Interest on borrowed money utilized for acquiring shares can be capitalized as cost of acquisition**

DCIT vs. Fritz D. Silva (ITAT Mumbai)

The controversy before was as to whether the interest paid by the assessee on loans taken for acquiring the shares in the past can be allowed as a deduction u/s 48 as cost of acquisition while computing capital gain on sale of such shares.

In the case before the Hon'ble Madras High Court, the assessee was carrying on the business of investment in shares/securities and the profit derived from sale of shares was held subject to capital gains. Apart from other issues, the Revenue had contested the order of the Tribunal wherein the assessee was allowed the interest liability incurred on borrowings utilized to acquire the shares, while determining the cost of acquisition of shares for the purpose of computing capital gain.

The Hon'ble High Court affirmed the decision of this Tribunal that the interest payable on moneys borrowed for acquisition of shares should be added to the cost of acquisition of shares for the purpose of computing capital gains.

Theassessee had also asserted before the CIT(A) without rebuttal, that the interest cost so incurred in the past was not claimed as a deduction against any other income.Therefore, having regard to the factual findings of the CIT (A), in our view, the legal position as propounded by the Hon'ble Madras High Court in the case of Trishul Investments Ltd (supra) supports the plea of the assessee that interest paid for acquisition of the shares would partake the character of cost of shares and, therefore, assessee had rightly capitalized the interest along with the cost of acquisition for the purpose of computing capital gains.

- **Transfer Pricing - alleged excess investment in share capital of wholly owned subsidiary cannot be termed as loan and notional interest charged thereon**

Topsgrup Electronic Systems v ITO (ITAT Mumbai)

The Tribunal deleted TP addition on account of

a) alleged excess consideration paid on investment in share capital of wholly owned subsidiary re-characterized as loan
b) and notional interest thereon on the ground that
   - Chapter X of the Act is inapplicable to an international transaction on capital account which does not result in income chargeable to tax and
   - Re-characterization of the transaction is not permitted under the Act, and
   - That potential income, to qualify as income subject to transfer pricing under the Act, should arise from the impugned international transaction which is before the TPO for consideration and not out of a hypothetical transaction that may or may not take place in the future.

INDIRECT TAX

Goods &Service Tax

Press Release, dated -October, 2017

G.S.R. …..(E). In exercise of the powers conferred by the first proviso to sub-section (2) of section 38 and sub-section (6) of section 39 read with section 168 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Commissioner hereby makes the following amendments in the notification number 30/2017-Central Tax, dated the 11th September, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, sub-section

(i), vide number G.S.R. 1144 (E), dated the 11th September, 2017, namely:- in the table, a) against Sl. No. 2, in column (4), for the words, figures and letters "Upto 31st October, 2017", the words, figures and letters "Upto 30th November, 2017" shall be substituted; b) against Sl. No. 3, in column (4), for the words, figures and letters "Upto 10th November, 2017", the words, figures and letters "Upto 11th December, 2017" shall be substituted.

- **Notification No. 49/2017-Central Tax**

G.S.R. (E).- In exercise of the powers conferred by clause (g) of sub-rule (2) of rule 89 of the Central Goods and Services Tax Rules, 2017 read with notification No. 48/2017-Central Tax, dated the 18th October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section

(i) vide number G.S.R. 1305 (E), dated the 18th October, 2017, the Central Government hereby notifies the following, as detailed in column (2) of the Table below, as evidences which are required to be produced by the supplier of deemed export supplies for claiming refund, namely:-

1. Acknowledgment by the jurisdictional Tax officer of the Advance Authorisation holder or Export Promotion Capital Goods Authorisation holder, as the case may be, that the said deemed export supplies have been received by the said Advance Authorisation or Export Promotion Capital Goods Authorisation holder, or a copy of the tax invoice under which such supplies have been made by the supplier, duly signed by the recipient Export Oriented Unit that said deemed export supplies have been received by it.

2. An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.

3. An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund.

➢ Central Tax (Rate)

Notification No. 40/2017-Central Tax (Rate) Press Release dated October 2017

In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of taxable goods (hereafter in this notification referred to as "the said goods") by a registered supplier to a registered recipient for export, from so much of the central tax leviable thereon under section 9 of the said Act, as is in excess of the amount calculated at the rate of 0.05 per cent., subject to fulfilment of the following conditions, namely: -

- ❖ the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- ❖ the registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;
- ❖ the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;
- ❖ the registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognised by the Department of Commerce;
- ❖ the registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;
- ❖ the registered recipient shall move the said goods from place of registered supplier – (a) directly to the Port, Inland Container Deport, Airport or Land Customs Station from where the said goods are to be exported; or (b) directly to a registered warehouse from where the said goods shall be move to the Port, Inland Container Deport, Airport or Land Customs Station from where the said goods are to be exported;
- ❖ if the registered recipient intends to aggregate supplies from multiple registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Deport, Airport or Land Customs Station from where they shall be exported;
- ❖ in case of situation referred to in condition(vii), the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice and the acknowledgment of the warehouse operator shall be provided to the registered supplier as well as to the jurisdictional tax officer of such supplier; and (ix) when goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.

2. The registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.

➢ Integrated Tax

Notification No. 11/2017 Press Release dated October, 2017

G.S.R….(E).- In exercise of the powers conferred by section 4 of the Integrated Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as the "IGST Act"), on the recommendations of the Council, the Central Government hereby specifies that the officers appointed under the respective State Goods and Services Tax Act, 2017 or the Union Territory Goods and Service Tax Act, 2017 (14 of 2017) (hereafter in this notification referred to as "the said Acts") who are authorized to be the proper officers for the purposes of section 54 or section 55 of the said Acts (hereafter in this notification referred to as "the said officers") by the Commissioner of the said Acts, shall act as proper officers for the purpose of sanction of refund under section 20 of the IGST Act, read with section 54 or section 55 of the Central Goods and Services Tax Act, 2017 and the rules made thereunder, except rule 96 of the Central Goods and Services Tax Rules, 2017, in respect of a registered person located in the territorial jurisdiction of the said officers who applies for the sanction of refund to the said officers..

➢ On Petroleum & Oil Sector

Press Release dated October, 2017

To reduce the cascading of taxes arising on account of non-inclusion of petrol, diesel, ATF, natural gas and crude oil in GST and to incentivize investments in the E&P (exploration and production) sector and downstream sector, the GST Council in its 22nd meeting held on 6th October, 2017 has made the following recommendations for GST rate structure for specified goods and services:

i. Offshore works contract services and associated services relating to oil and gas exploration and production in the offshore areas beyond 12 nautical miles shall attract GST of 12%;

ii. Transportation of natural gas through pipeline will attract GST of 5% without input tax credits (ITC) or 12% with full ITC;

iii. Import of rigs and ancillary goods imported under lease will be exempted from IGST, subject to payment of appropriate IGST on the supply/import of such lease service and fulfilment of other specified conditions.

2. Further, GST rate on bunker fuel is being reduced to 5%, both for foreign going vessels and coastal vessels.

3. Notifications to give effect to the above proposals will be issued shortly.

CORPORATE LAWS

➢ MCA General Circular No. IBC/01/2017 dated October 2017 – Clarification with regard to Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

Clarification has been sought by stakeholders as to whether approval of shareholders/ members of the corporate debtor/ company is required for a resolution plan at any stage during the process for its consideration and approval as laid down under sections 30 and 31 of the Insolvency and Bankruptcy Code, 2016 (the Code) and after approval during its implementation, for any actions contained in the resolution plan which would normally require specific approval of shareholders/ members under provisions of Companies Act, 2013 or any other law. The clarification is sought in view of the requirement under section 30(2)(e) of the Code for the resolution professional to confirm that each resolution plan received by him does not contravene any of the provisions of the law for the time being in force.

2. The matter has been examined in the Ministry in the light of provisions of sections 30 and 31 of the Code which provide a detailed procedure from the time of receipt of resolution plan by the resolution professional to its approval by the Adjudicating Authority and there is no requirement for obtaining approval of shareholders/ members of the corporate debtor during this

3. It is understood that the requirement of section 30(2) (e) of the Code is to ensure that the resolution plan(s) considered and approved by the Committee of Creditors and the Adjudicating Authority is compliant

with the provisions of the applicable laws and therefore is legally implementable. For example, a resolution plan must not contemplate 100% foreign investment in a corporate debtor if the FDI policy/ relevant foreign exchange laws permit foreign investment only up to 75% in the relevant sector of the industry; it should be compliant with requirements such as restrictions on an Indian entity to issue securities to a person resident outside India under Foreign Exchange Management Act, 1999, etc. The purpose is to prevent approval of resolution plans, which are not legally implementable.

4. Section 31(1) of the Code further provides that a resolution plan approved by the Adjudicating Authority shall be binding on the corporate debtor and its employees, members, creditors, guarantors and other stakeholders involved in the resolution plan. The notes to clauses appended to the Insolvency and Bankruptcy Code, 2015 (Bill) in respect of such clause explains: "Therefore, if a plan requires stakeholders to do or not do certain actions for the successful implementation of a plan, it shall be binding on all the affected parties who shall be bound to undertake the actions set out in the plan".

5. In view of above, if is also clarified that the approval of shareholders/ members of the corporate debtor/ company for a particular action required in the resolution plan for its implementation, which would have been required under the Companies Act, 2013 or any other law if the resolution plan of the company was not being considered under the Code, is deemed to have been given on its approval by the Adjudicating Authority.

6. This issues with the approval of competent authority.

- **Sub-section (1) of section 458 of the companies Act (18 of 2013)**

The central government being satisfied that circumstances warrant, hereby delegates the powers to appoint inspectors for inspection of books and papers of a company under sub-section (5) of section 206, as ordered by central government, to the regional directors.

FEMA

Notification No. fema. 388/2017-RB, dated – October 2017

G.S.R.1324(E).-In exercise of the powers conferred by clause (h) of sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank hereby makes the following amendments in the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000), namely:-

1. Short Title and Commencement

i. These regulations may be called the Foreign Exchange Management (Foreign Exchange Derivative Contracts) (Second Amendment) Regulations, 2017.

ii. These regulations come into force with effect from the date of their publication in the Official Gazette.

2. Amendment to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 (Notification No. FEMA 25/RB-2000 dated May 3, 2000):

i. Under the principal regulations, a new para 5C to be added :

5C. Permission to resident and non-resident entities to undertake hedge transactions with simplified Procedures

Notwithstanding anything contained in paras 4, 5, 5A and 5B, resident entities with foreign currency exposures and non- resident entities with rupee exposures, other than individuals, may hedge underlying exchange rate risk arising out of transactions permitted under Foreign Exchange Management Act, 1999, or rules or regulations or directions or orders made or issued there under, subject to such simplified terms and conditions as may be set forth in the directions issued by the Reserve Bank from time to time.

➢ Amendment to Sovereign Gold Bond Scheme

Notification No.4 (25)-W&M/2017dated-October, 2017

1. GSR — In exercise of the powers conferred by clause (iii) of section 3 of the Government Securities Act, 2006 (38 of 2006), the Central Government hereby amends the conditions specified in clause 13 of the Sovereign Gold Bond Scheme notified vide Notification No. F. 4 (25)-W&M/2017 dated 06th October 2017 [Notification No. GSR 1225(E)] 2. In place of clause 13 of the original notification the following shall be substituted: "13. Eligibility for Statutory Liquidity Ratio – Bonds acquired by the banks through the process of invoking lien/hypothecation/pledge alone, shall be counted towards Statutory Liquidity Ratio."

1. POLICY WATCH

➢ Delhi HC stays 14% service tax on senior advocates

NEW DELHI: The Delhi High Court on Friday stayed the government's decision to impose a 14% service tax on senior lawyers, who are so designated by either the high courts or the Supreme Court because of their stature or knowledge of law.

The union budget had withdrawn the service tax exemption given to services offered by these senior advocates to an advocate or partnership firm of advocates providing legal service; and people represented on arbitral tribunals.

➢ Government would require Rs 6 lakh crore to train 300million people

Skills development minister R.P Rudy on Monday urged industry to partner with the government to achieve the robust target of imparting skills to 400m workforces over the next four years.

"Challenge for the government is how to partner with industry so as to create an ecosystem to proliferate skills across India at all levels," Rudy said at the CII annual session.

Rudy said estimate suggests that government would require Rs 6 lakh crore to train 300 million.

➢ GST rates changed for 40 items, deadline for GSTR 1 filing extended to October

HYDERABAD: The Goods and Services Tax Council on Saturday raised the cess on motor vehicles--mid-size cars, large cars and sports utility vehicles by 2%, 5% and 7% respectively instead of whole 10% increase effected in the law, while keeping the overall tax incidence within 50%.

This increase in cess rate would take the overall tax incidence on mid size cars to 45%, large cars to 48% and SUVs to 50% from 43%(28% GST+ 15% cess)

Industry had pitched for differential.

➢ Finance Ministry announces bank recapitalization and road building

The Ministry of Finance announced steps to increase public spending in the economy.4 While announcing these steps, the Ministry also highlighted some trends related to inflation and foreign exchange reserves in the country, among others. Key announcements made by the Ministry include:

▪ Road construction: An umbrella road building project will be launched with a proposed expenditure of Rs 6.92 lakh crore over the next five years. This expenditure will be financed by raising debt from the market, mobilizing private investments, and providing funds out of the Central Road Fund.

▪ Bank recapitalization: The government will infuse Rs 2.11 lakh crore as capital into public sector banks over the next two years. Of this, approximately Rs 18,000 crore will come through budgetary support and Rs 1.35 lakh crore will come by issuing recapitalization bonds. The remaining Rs 58,000 crore will be raised by banks from the market.

Guidelines for the scheme for budgetary support under GST regime to units in north-eastern and hilly states released

The Department of Industrial Policy and Promotion (DIPP) released guidelines for the scheme for budgetary support under the Goods and Service Tax (GST) regime to certain industrial units. These units are located in Jammu and Kashmir, Uttarakhand, Himachal Pradesh and north-eastern states including Sikkim.8 the scheme was approved in August with a budgetary support of Rs 27,413 crore.9 the scheme will be valid for a period of 10 years (July 2017-June 2027). Key features of the scheme include:

▪ Eligible industrial units: Units under the new scheme include those which were eligible for benefits under (i) the North East Industrial and Investment Promotion Policy 2007, and (ii) the Package for Special Category States for Jammu & Kashmir, Uttarakhand, and Himachal Pradesh. These schemes provided excise duty exemption to industrial units and ceased to apply from July 2017.

▪ Budgetary support: Industrial units will be provided with budgetary support equal to 58% of the Central Goods and Services Tax and 29% of the Integrated Goods and Services Tax paid by them. This amount will be disbursed to them by the DIPP.

Government rolls back restrictions on withdrawal of provident fund

NEW DELHI: Bowing to pressure from trade unions, the government has set aside the controversial provident fund (PF) withdrawal norms that had restricted complete withdrawal from PF account before the retirement age of 58 years.

This is the second major stepback by the government on provident fund in less than two months and comes close on the heels of it withdrawing the budget announcement of imposing tax on withdrawal from Employee Provident Fund (EPF) account.

Now, government plans a fund of funds for equity, debt ETF for PSUs

NEW DELHI: After helping the government mop up a record Rs 90,000 crore, the department of investment and public asset management (Dipam) is readying two products to deepen the market for equities as well as corporate debt, a top government official said on Friday.

Pointing to amendments in the Budget, Dipam secretary Neeraj Gupta said that his team would now work on a fund of funds that will tap into the base of six crore mutual fund investors and enable them to invest in exchan.

Market Now: PSU bank stocks in the red; Union Bank of India cracks 5%

NEW DELHI: Most of the PSU bank stocks were trading down in morning trade on Monday.

The Nifty PSU Bank index was trading 1.73 per cent down at 3,432 around 10:20 am (IST).

Shares of Union Bank of IndiaBSE 2.07 % (down 5.10 per cent), Allahabad Bank (down 3.48 per cent), Andhra BankBSE 1.62 % (down 2.95 per cent), Oriental Bank of Commerce (down 2.40 per cent), Syndicate BankBSE 1.64 % (down 2.31 per cent) and Punjab National BankBSE 1.37 % (down 2.16 per cent) were the top losers in the Nifty PSU Bank index.

➢ Govt urged to exempt small hospitals from Clinical Establishments Bill

The Kozhikode branch of Kerala Association of Small Hospitals and Clinics has urged the State government to exempt small hospitals and out-patient (OP) clinics from the Clinical Establishments Bill, which will come up before the Assembly soon.

Association president Sushama Anil told reporters here on Tuesday that small hospitals and OP clinics, with fewer than 20 beds and only a handful of staff members, could not afford to follow the regulations under the Bill. "More than 800 small hospitals and OP clinics have closed down across the State recently. If they are brought under the Clinical Establishments Act, the remaining will also be forced to close down," she said.

Abdul Khader, the vice chairman (north zone) of the association said that small hospitals and OP clinics did not get any support from the government. "The new doctors are no more interested in opening OP clinics in rural areas due to the discouraging attitude of the government. Even the IRDA has made a decision not to include hospitals with less than 25 beds for empanelment," he said.

The association wants the government to remove at least two clauses in the bill that could prove fatal for the existence of small hospitals and clinics. "As per the stabilization clause, a hospital has to ensure that a patient, when referred to a tertiary health care facility during emergency, should reach there alive. If it was possible to keep a patient alive using our limited facilities, why would we refer them to another hospital?" said Dr. Sushama.

Another clause that a doctor should be available for 24 hours was not possible in small hospitals where usually a single doctor runs the show. The clauses related to the minimum area of a hospital, staff pattern, emergency equipment and 24 hours availability of electricity too are harmful for small hospitals, said Dr. Sushama.

➢ Foreigners paddling towards cleaner, healthier Himachal

SHIMLA: Foreigners were paddling towards a cleaner and healthier countryside in Himachal Pradesh, literally.

The central government's ambitious programme Swachh Bharat Abhiyan may not be on their agenda, but they were racing towards generating awareness among school children and local villagers on the importance of hygiene and sanitation while negotiating sharp curves.

They are associated with the eight-day 13th Hero MTB (mountain biking) Himalaya race that began from the state capital on September 29 and will culminate in Dharamsala town after traversing largely over tiny helmets spread over 650 km on October 7.

"A team of eight volunteers, comprising six foreigners, are part of our social initiatives, mainly Mission Smile this year," Mohit Sood, President of the Himalayan Adventure Sports and Tourism Promotion Association (HASTPA), the local club that organises the MTB Himalaya rally, told IANS.

Mission Smile, the fourth year in succession that runs along with the MTB Himalaya race, is a HASTPA's social initiative that aims to educate the children and their parents to eradicate open defecation and improve hygiene.

The so-called 'Ambassadors of Hygiene' every day visit around eight government schools located along the race route and educate the students along with their teachers and parents throug ..

➢ Government refuses recall of 1% excise duty on jewellery

NEW DELHI: Luxury brands are approaching top-end malls — from Emporio in New Delhi to UB City in Bengaluru — for rental reductions, saying they are one of the hardesthit sectors by demonetization.

"They have asked for about 25% cut in rentals," said the head of a mall that is home to several bridge to-luxury brands, such as Britain's Burburry and Armani Jeans. Luxury retailers, such as Genesis Luxury that sells a bouquet of high-end labels in India including Jimmy Choo, Canaliand Giorgio Armani, have also asked for rental concessions from malls, according to sources.

Similarly, Reliance Brands that sells a host of global luxury and bridge-to-luxury brands including ErmenegildoZegna, Paul & Shark, Thomas Pink, Kenneth Cole and Steve Madden is said to have sought a rental cut. Darshan Mehta, chief executive of Reliance Brands, said the company kept on undertaking rental negotiations with malls from time to time. "This is an ongoing process and nothing in response to the demonetization," he said.

Genesis Luxury declined to comment on the matter, and a spokesperson from DLF Emporio also re-fused to speak on the issue. On the other hand, a spokesperson at UB City stated it was business as usual. The government's decision in November 2016 to scrap Rs 1,000 and Rs 500 notes and replace them with new notes led to a severe cash crunch. The demonetization deeply hurt luxury retailers, as their goods are sold primarily in cash. Sales in the luxury sector have halved since demonetization, according to estimates by some industry insiders.

"Sales have come down by about 50%. People are busy sorting out their mess," an industry insider said. However, analysts say the demand to cut rentals could be a kneejerk reaction. The sector was perceived to be one of the worst hit by demonetization and companies would want to take advantage, analysts said, adding that in the long term, things should improve. Luxury retailers reportedly told the malls they were already paying high rentals and the declining business over the months were adding to their woes. Pratik Dalmia, chairman of ASSOCHAM's National Council on Luxury and Lifestyle, agrees that luxury rentals in India are high.

INDUSTRY WATCH& CORPORATE HIGHLIGHT

➢ L&T wins Rs. 2,125-crore contracts

-including major Karnataka highway project

Infrastructure major Larsen & Toubro (L&T) has won contracts worth Rs 2,125 crore, including a major highway project in Karnataka. The transportation infrastructure business has bagged a new engineering, procurement and construction order worth Rs 821 crore from the National Highways Authority of India (NHAI)," the company said in a statement.

The contract is for four-laning of the Add hole (Gundya) to Bantwal cross of NH-75 (old NH no. 48) in Karnataka. The project is scheduled be completed in 30 months and involves construction of 63 kms of four-lane dual carriage way with concrete pavement in addition to the construction of 14.5 km of service roads, two flyovers, two major bridges, 14 minor bridges, nine underpasses and a toll plaza. Larsen & Toubro is an Indian multinational engaged in technology, engineering, construction, manufacturing and financial services with over USD 15 billion in revenue.

- **Expectations of strong Q4 show lift airline stocks**

The recent decline in crude oil prices is rekindling investor interest in aviation stocks. Shares of Jet Airways, InterGlobe Aviation and Spice Jetrose 3-6% as companies are expected to post strong earnings in the March quarter aided by weaker crude prices and a surge in passenger traffic.

The aviation sector has been the biggest beneficiary of the slump in crude oil prices as it makes up for almost 50% of their operating costs. Airline companies saw a huge surge in share prices last year when crude oil consistently fell.

- **BHEL Q2 net up 5.9%**

New Delhi: Bharat Heavy Electricals BSE 4.20 % Limited (BHELBSE 4.20 %) posted a 5.9 per cent growth in its net profit for the second quarter at Rs 115 crore, as against a net profit of Rs 109 crore in the corresponding quarter in the previous year.

The company recorded a turnover for the second quarter of Rs 6,168 crore, an official statement said.

"The growth in profitability has been made possible despite the provisions made for the increase in wages due to the impending wage revision.

The management has adopted multiple cost optimization measures which are reflecting in these results. The turnover for the quarter has been maintained despite delays in taking-off of some held up projects," it said.

- **Unitech plans to raise Rs 500 crore from private equity firms**

NEW DELHI: Realty firm Unitech is looking to raise about Rs 500 crore from private equity firms for the development of housing project in Noida and repay LIC's debt.

The company is in advance stage of discussion with 2-3 private equity firms, including one from the Middle East, to raise funds, sources said.

Unitech would use the amount raised to clear the dues of Life Insurance Corporation of India (LIC) and development of a new housing project in Noida, they added. The company has recently raised Rs 85 crore from Primal group, sources said.

Unitech had last year raised about Rs 70 crore from Primal group to complete construction of its joint venture housing project in Chennai.

Unitech spokesperson declined to comment on this matter.

- **High Court seeks replies from Centre, DGFT on Cairn India's plea**

NEW DELHI: Delhi High Court today sought the responses of the Centre and Directorate General of Foreign Trade (DGFT) on a plea by CairnBSE 0.90 % India Ltd challenging a single judge order dismissing its petition for exporting its share of crude oil from Barmer oil field in Rajasthan.

A bench of Chief Justice G Rohini and Justice SangitaDhingraSehgal asked the Centre and DGFT to respond to the petition and posted the matter for hearing on March 30.

Cairn India Ltd has approached the division bench against the order of October last year of a single judge who had rejected its plea on the ground that domestic crude cannot be exported till India attained "self sufficiency".

In its plea, Cairn India has sought setting aside of the October 18 last year order on the ground that foreign trade policy permits free export of crude oil.

"The (single) judge erred in noticing that the only law governing the subject of exports is the foreign trade policy which by its express terms permits the free export of crude oil...," the plea said.

It said, "furthermore, when there is a policy permitting the export of crude oil, as found in the foreign trade policy, respondent number two (Centre's) denial of permission to export the Rajasthan block crude oil on account of respondent number two view that export of crude oil should not be permitted is on the face of it contrary to the foreign trade policy and ex-facie arbitrary and illegal.

➢ Reliance Industrial Infrastructure Q3 net profit down 1.5%

Reliance Industrial Infrastructure Ltd on Friday reported a decline of 1.5% in its standalone net profit for the third quarter (Q3) of 2017-18. The company's net profit stood at Rs 2.67 crore for the quarter ended December 31, 2017, down from Rs 2.71 crore in the corresponding quarter of last fiscal.

According to the company, during the quarter ended December 31, 2017, RIIL's total revenue was Rs 2,571 lakh as compared to Rs 2,380 lakh in the previous quarter for 2017-2018. It further added that during the nine months ended December 31, 2017, RIIL's total revenue was Rs 7,433 lakh as compared to Rs 7.793 lakh in the corresponding period of 2016-2017.

"RIIL continues to provide infrastructure support services, namely transportation of petroleum products and water through pipelines, construction machinery on hire and other support services to Reliance Industries Group, with a substantial portion provided to Reliance Industries," the company said.

It also announced that it has no expansion plan on the anvil, and that income from hiring construction machineries decreased from Rs 2,637 lakh to Rs 1, 8867 lakh on the Y-o-Y basis.

Reliance Industrial Infrastructure Limited is a MukeshAmbani company and a Reliance Group enterprise. It is an industrial infrastructure company based in Mumbai. The company has set up a 200

Millimeter diameter twin pipeline system that connects the Bharat Petroleum refinery at Mahul, Maharashtra to Reliance's petrochemical complex at Patalaganga in Maharashtra. The pipeline carries petroleum products like Naptha and Kerosene.

Calculate your income tax post budget 2018 through this Income Tax Calculator, get latest news on Budget 2018 and Auto Expo 2018. Like us on Facebook and follow us on Twitter.

➢ Buy Infosys, Yes Bank, Kotak Mahindra Bank: AshwaniGujral

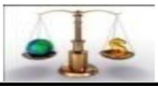
AshwaniGujral of ashwanigujral.com told CNBC-TV18, "Infosys is a buy with a stop loss of Rs 1,130 and target of Rs 1,175. Yes Bank is a buy with a stop loss of Rs 330 and target of Rs 352. Kotak Mahindra Bank is a buy with a stop loss of Rs 1,030 and target of 1,065."

"Interglobe Aviation is a buy with a stop loss of Rs 1,240 and target of Rs 1,300. It is very close to its 200-day moving average, plus has triggers of crude, etc."

"Mother Son is a buy with a stop loss of Rs 360 and target of Rs 385. IT is doing particularly well.
So, Tech Mahindra is a buy with a stop loss of Rs 600 and target of Rs 650."

"Eicher Motors has gone through a mini-bear market. The good news is that the downside is probably couple of thousand, Rs 26,000, and upside if it starts, could be back to Rs 34,000-35,000. So, this is one of those stocks which are way ahead in its correction cycle than the rest of the market. So, maybe even in this fall it could fall a lot less."

Statuary compliance calendar for the month of October 2017

Due Date	Statuary Compliance Under Act	Particulars	FORM NO. / CHALLAN NO.
			
07/10/2017	INCOME TAX	DEPOSIT OF TDS/TCS COLLECTED DURING SEPTEMBER 2017	281
		DEPOSIT OF TDS/TCS COLLECTED DURING QUARTER JULY 2017 TO SEPTEMBER 2017 WHEN ASSESSING OFFICER HAS PERMITTED QUARTERLY DEPOSIT OF TDS	
10/10/2017	GST	LAST DATE FOR SUBMISSION OF DETAILS OF OUTWARD SUPPLY(SALES) FOR JULY 2017	GSTR-1
15/10/2017	INCOME TAX	DUE DATE FOR ISSUE OF TDS CERTIFICATE FOR TAX DEDUCTED UNDER SECTION 194-IA IN THE MONTH OF AUGUST 2017	26QB
		FURNISHING OF FORM BY AN OFFICE OF GOVERNMENT WHERE TDS FOR THE MONTH OF SEPTEMBER 2017, HAS BEEN PAID WITHOUT CHALLAN	24G
		QUARTERLY REMITTANCE OF FOREIGN REMITTANCE BY AUTHORISED DEALERS	15CC
		QUARTERLY STATEMENT OF TCS DEPOSITED FOR THE QUARTER ENDED 30TH SEPTEMBER, 2017	27Q
	EPF	PAYMENT OF EPF CONTRIBUTION FOR SEPTEMBER 2017	
		CONSOLIDATED STATEMENTS OF DUES AND REMITTANCES UNDER EPF AND EDLI FOR SEPTEMBER 2017	12A
		MONTHLY RETURNS OF EMPLOYEES WHO JOINED/LEFT THE ORGANISATION IN SEPTEMBER 2017	5/10
20/10/2017	GST	DETAILS OF INVOICES & PAYMENT PERTAINING TO SEPTEMBER 2017 (SUMMARY RETURN)	GSTR-3B
21/10/2017	ESI	DEPOSIT OF ESI CONTRIBUTIONS AND COLLECTIONS FOR SEPTEMBER 2017	
30/10/2017	INCOME TAX	DUE DATE FOR FURNISHING OF CHALLAN-CUM-STATEMENT IN RESPECT OF TAX DEDUCTED UNDER SECTION 194-IA IN THE MONTH OF SEPTEMBER 2017	26QB
		QUARTERLY TCS CERTIFICATE FOR THE QUARTER ENDING 30TH SEPTEMBER 2017	
	LLP	FILING OF ANNUAL ACCOUNTS AND SOLVENCY FOR FY 2016-17	11
	COMPANIES ACT	FILING OF ANNUAL RETURN AND ANNUAL ACCOUNTS FOR FY 2016-17 (FOR AGM HELD OF 30TH SEPTEMBER, 2017)	MGT-7 & AOC-4
31/10/2017	INCOME TAX	QUARTERLY STATEMENT OF TDS DEPOSITEED FOR THE QUARTER ENDED 30TH SEPTEMBER 2017	24Q/26Q
		ANNUAL AUDITED ACCOUNTS FOR EACH APPROVED PROGRAMMES UNDER SECTION 35(2AA)	
		QUARTERLY STATEMENT OF NON DEDUCTION OF TAX AT SOURCE BY A BANKING COMPANY FROM INTEREST ON TERM DEPOSITS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2017	
		ANNUAL RETURN OF INCOME FOR ASSESSMENT YEAR 2017-18 IF THE ASSESSEE IS (i) CORPORATE ASSESSEE (ii) NON-CORPORATE ASSESSEE (WHOSE BOOKS OF ACCOUNT ARE REQUIRED TO BE AUDITED) OR (iii) WORKING PARTNER OF A FIRM (WHOSE ACCOUNTS ARE REQUIRED TO BE AUDITED)	ITR 1,2,3,4,5
		AUDIT REPORT UNDER SECTION 44AB FOR THE ASSESSMENT YEAR 2017-18 IN THE CASE OF CORPORATE ASSESSEE OR NON-CORPORATE ASSESSEE	3CA/3CB

Glossary

AAR	Authority of Advance Rulings
ADR	American Depository Receipt
ALP	Arm's Length Price
AO	Assessing Officer
AP	Association of Persons
APA	Advance Pricing Agreement
ATM	Automated Teller Machine
AY	Assessment Year
BCD	Basic Customs Duty
BI	Body of Individuals
BP	Balance of Payments
CA	Chartered accountant
CAD	Current Account Deficit
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
CENVAT	Central Value Added Tax
Customs Act	Customs Act, 1962
CIT	Commissioner of Income Tax
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CD	Countervailing Duty
DDT	Dividend Distribution Tax
DTA	Domestic Tariff Area
ECB	External Commercial Borrowings
ESI	Employee's state insurance
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investment
FTS	Fees for Technical Services
FY	Financial Year
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GI	GOVERNMENT OF INDIA
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of chartered accountant
IFRS	International Financial Reporting Standard
IDR	Indian Depository Receipt
IIP	Index of Industrial Production
IRDA	Insurance Regulatory Development Authority
ITR	Income tax return

LCD	Liquid-crystal Display
MP	Madhya Pradesh
MP	Market price
MF	Mutual fund
MSME	Micro Small and Medium Enterprises
NBFC	Non Banking Finance Company
NHAI	National Highway Authority of India
NPS	National Pension Scheme
NRI	Nonresident in India
NABARD	National Bank for Agriculture and Rural Development
OEM	Original Equipment Manufacturer
OET Act	Odessa Entry Tax Act, 1999
PSU	Public Service Undertakings
P&L	Profit & loss
PF	Provident fund
POTR	Point of Taxation Rules
QE	Quantitative Easing
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
REF	Renewable Energy Fund
REIT	Real Estate Investment Trust
Rules	Income-tax Rules, 1962
SA	Standard on Auditing
SAD	Special Additional Duty
SC	Scheduled Caste
SC	Supreme Court
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
ST	Scheduled Tribes
ST	Service Tax
STP	Software Technology Park
STR	Service Tax Rules
STCG	Short Term Capital Gain
TIN	Transaction identification number
TNNM	Transactional Net Margin Method
Tribunal	Income tax Appellate Tribunal
TDS	Tax Deducted at Source
TPO	Transfer Pricing Officer
TED	Terminal Excise Duty
VAT	Value Added Tax
VCC	Venture Capital Companies
VCF	Venture Capital Fund
WPI	Wholesale Price Index
WT	Wealth tax
WB	World bank

BUSINESS ADVISORY

- Growth Planning
- Succession Planning.
- Strategic Decision Appraisal
- Risk, Uncertainty and Change Management Services
- Strategic Decision Implementation – National and Global Platform
- Wealth Management Services.

AUDIT & ASSURANCE

- Statutory Audit including Tax Audit &VAT Audit
- Internal Audit and Concurrent Audit
- Management Audit and Operational Audit
- Cost Audit/Reviews
- System and process control reviews.
- Secretarial Audit.

RBI, FEMA, SEBI Services

- Setting up Liaison Office, Branch Office and Project Office.
- RBI Consulting
- Private Equity Finding Advisory.
- Project Financing.
- Credit Rating.
- Business Asset Valuation.
- Due Diligence.

TAXATION SERVICES

- Direct Taxation Advisory
- Service Tax, Excise duty, VAT Registration Services
- Tax Planning Strategy– Optimum use of Corporate Tax Incentives.
- Implementing and Operating in the tax consolidation regime
- Preparation of return of Income Tax, Service Tax, Excise Dutv and VAT.

OUTSOURCING ACCOUNTANTS

- Annual financial report preparation
- Preparation of general and special purpose statutory accounts
- Processing Payroll
- Cash management reporting
- Accounting system reviews
- Financial analysis
- General Accounting Support, as required by client.

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