

Tax & Corporate law Bulletin

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OCTOBER 2011

From the Editor's Desk...

Dear Reader,
Greetings for the season.

In this special month, as we celebrate valor and courage, Triumph of good over evil, we wish you success and happiness in everything you do. Happy Dussehra. Let us keep an eye on important updates of the month:

SEBI announces IDR rights norms, TRAI may levy 5 paisa termination charge, Post office recurring deposit (amendment) rules, 2011, Foreign Investments in India, Intel Capital to invest \$20 million in Indian firms and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & Associates
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Your partners
for success

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It is never too late to be what you might have been.

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“Adapting swiftly to the
global business environment”



DIRECT TAX

NOTIFICATIONS & CIRCULARS

➤ **Post office recurring deposit (amendment) rules, 2011 notification No. G.S.R. 740(e), dated 4th October 2011**

In exercise of the powers conferred by section 15 of the Government Savings Banks Act, 1873 (5 of 1873), the Central Government hereby makes the following rules further to amend the Post Office Recurring Deposit Rules, 1981. These rules may be called the Post Office Recurring Deposit (Amendment) Rules, 2011. They shall come into force on the date of their publication in the Official Gazette. In the Post Office Recurring Deposit Rules, 1981,—

- In rule 6, for sub-rule (3), the following sub-rule shall be substituted, namely:—
- The first monthly deposit shall be made at the time of opening the account and the amount of such deposit shall be the denomination of the account. Each subsequent monthly deposit shall be made up to 15th day of the month in respect of accounts opened between 1st day and 15th day of a calendar month and up to end of the calendar month in respect of accounts opened between 16th day and last day of the month and shall be equal to the first deposit.
- In rule 9, in sub-rule (2), after clause (b), the following new clause shall be inserted, namely :

Where an account has become discontinued or where the defaults in monthly deposit in an account have not been rectified during its maturity period or maturity period as extended under sub-rule (1) of rule 7 and the depositor has retained the amount in the account beyond maturity period, the depositor shall be entitled to a simple interest at the rate applicable from time to time to post office savings accounts on the deposited amount from the date of maturity till the date of closure of the account.

- In rule 9A, for the words "interest at the rate applicable", the words "simple interest at the rate applicable", shall be substituted
- In rule 11, after sub-rule (3) the following sub-rule shall be inserted, namely:—

Notwithstanding anything contained in the foregoing

rules, if sixty monthly deposits have been made in an account during its maturity period or maturity periods as extended under sub-rule (1) of rule 7 and the depositor has retained the amount in the account beyond the maturity period, the depositor shall be entitled to a simple interest at the rate applicable from time to time to post office savings accounts on the deposited amount from the date of maturity till the date of closure of the account.

➤ **Kisan vikas patra (amendment) rules, 2011, notification No. G.S.R. 743(e), dated 4th October 2011**

In exercise of the powers conferred by section 12 of the Government Savings Certificates Act, 1959 (46 of 1959), the Central Government hereby makes the following rules further to amend the Kisan Vikas Patra Rules, 1988.

- These rules may be called the Kisan Vikas Patra (Amendment) Rules, 2011.
- They shall come into force on the date of their publication in the Official Gazette.

In the Kisan Vikas Patra Rules, 1988, in rule 13A, the words "for a maximum period of two years" shall be omitted.

➤ **National savings certificates (viii issue) amendment rules, 2011 - notification No. G.S.R. 744(e), dated 4th October 2011**

In exercise of the powers conferred by Section 12 of the Government Savings Certificates Act, 1959 (46 of 1959), the Central Government hereby makes the following rules further to amend the National Savings Certificates (VIII Issue) Rules, 1989. In the National Saving Certificates (VII Issue) Rules, 1989.

In rule 15A, the words "for a maximum period of two years" shall be omitted.

➤ **Senior citizens savings scheme (amendment) rules, 2011 - notification no. G.S.R. 770(e), dated 19th October 2011**

In exercise of the powers conferred by section 15 of the Government Savings Banks Act, 1873 (5 of 1873), the Central Government hereby makes the following rules further to amend the Senior Citizens Savings Scheme Rules, 2004. These rules may be called the Senior

Citizens Savings Scheme (Amendment) Rules, 2011 and shall come into force on the date of their publication in the Official Gazette.

In the Senior Citizens Savings Scheme Rules, 2004;

- In Annexure II to Form F, under the heading VERIFICATION; after the words "Oath Commissioner", the words "or Notary Public" shall be inserted.
- In Annexure III for Form F, under the heading VERIFICATION; after the words "Oath Commissioner", the words "or Notary Public" shall be inserted.

RECENT JUDGEMENT

➤ **Section 40(a)(ia) disallowance for short-deduction TDS default**

The assessee paid Rs. 3.37 crores as "machine hire charges" on which it deducted TDS u/s 194C at 1%. The AO held that the payment was "rent" and TDS ought to have been deducted at 10% u/s 194-I. He disallowed the expenditure u/s 40(a)(ia). This was reversed by the CIT (A).

HELD

Section 40(a) (ia) provides for a disallowance if amounts towards rent etc have been paid without deducting tax at source. It does not apply to a case of short-deduction of tax at source. As the assessee had deducted u/s 194C, it was not a case of "non-deduction" of TDS. If there is a shortfall due to difference of opinion as to which TDS provision would apply, the assessee may be treated as a defaulter u/s 201 but no disallowance can be made u/s 40(a) (ia).

DCIT vs. M/s. S. K. Tekriwal (ITAT Kolkata) dated October 29, 2011

➤ **Transfer Pricing: Section 271G Penalty for failure to respond to "omnibus" notice**

Though no transfer pricing adjustment was made, the AO levied penalty u/s 271G of Rs. 22 lakhs (2% of the value of international transactions) on the ground that the assessee had not furnished the documents prescribed under Rule 10D r.w.s. 92D(3). This was deleted by the

CIT (A). On appeal by the department, HELD dismissing the appeal.

Section 271G authorizes the levy of penalty if the information/ documents prescribed by s. 92D (3) are not furnished. Rule 10D prescribes a voluminous list of information and documents required to be maintained and it is only in rare cases that all clauses would be attracted. Some of the documents may not be necessary in case of some assessee. Before issuing a notice u/s 92D(3), the AO has to apply his mind to what information and documents are relevant and necessary for determining ALP.

A notice u/s 92D(3) is not routine and cannot be casually issued but requires application of mind to consider the material on record and what further information on specific points is required. The notice cannot be vague or call for un-prescribed information. On facts, the TPO issued a notice calling for "information and documents maintained as prescribed u/s 92D r.w. Rule 10D" without specifying any particular information under any clause of Rule 10D. The notice was "omnibus", issued in a casual manner, without examining records nor nature or details of international transactions and showed total lack of application of mind as to what information was required in this case. Even in the penalty order, the exact nature of default was not brought out.

➤ **DCIT vs. Leroy Somer & Controls (India) (P) Ltd (ITAT Delhi) October 24, 2011**

Section 271(1)(c) Penalty Without AO's Finding on "Inaccurate Particulars"

The AO imposed s. 271(1)(c) on the ground that the assessee had filed "inaccurate particulars" by wrongly (i) claiming deduction for contribution to a 'staff welfare fund' despite the bar in s. 40A(9) and the qualification of the auditors and (ii) claiming depreciation on vehicles at 25% though the prescribed rate was 20%. The assessee argued that despite s. 40A(9), the payment to the fund was allowable as "business expenditure" and that the higher depreciation was claimed on the basis that the vehicles were "plant & machinery" despite the lower rate prescribed for vehicles in the Rules. The CIT (A) & Tribunal deleted the penalty.

HELD

There is no finding by the AO that the assessee furnished

inaccurate particulars and that its explanation was not bonafide. Accordingly, the imposition of penalty u/s 271(1)(c) was a “complete non-starter”. A mere erroneous claim made by an assessee, though under a bonafide belief that, it was a claim which was maintainable in law cannot lead to an imposition of penalty. The claim for deduction was made in a bona fide manner and the information with respect to the claims was provided in the return and documents appended thereto. Accordingly, there is no furnishing of “inaccurate particulars”. Making of an incorrect claim for expenditure does not constitute furnishing of inaccurate particulars of income (Reliance Petro products 322 ITR 158 (SC) followed)

CIT vs. Mahanagar Telephone Nigam Ltd (Delhi High Court)

- **Section 14A disallowance in absence of nexus between investment in tax-free securities & borrowed funds. S. 14A disallowance cannot exceed exempt income**

In AY 2007-08, the assessee received dividend of Rs. 4 lakhs in respect of investment in shares made in earlier years. No investments were made during the year. It was claimed that the investment in the earlier years was made out of reserves & surplus and that there was no expenditure incurred during the year to earn the dividend. The AO held that as in the earlier years, the assessee had borrowed funds, s. 14A applied. He applied the rate of interest paid on the borrowings and disallowed Rs. 12.73 lakhs. This was deleted by the CIT (A).

HELD

- If there is no nexus between borrowed funds and investments made in purchase of shares, disallowance u/s 14A is not warranted (Winsome Textiles 319 ITR 204 (P&H) & Hero Cycles 323 ITR 518 followed)
- As the total dividend income received was Rs.4 lakhs, a disallowance of Rs.12 lakhs by invoking s.14A is not warranted.

ACIT vs. Punjab State Coop & Mktg (ITAT Chandigarh)

- **AO cannot apply Rule 8D without showing how assessee’s method is incorrect**

For AY 2008-09, the AO made a disallowance of Rs. 31 lakhs u/s 14A by applying Rule 8D without recording any satisfaction as to how the assessee’s calculation of s. 14A disallowance was incorrect. In appeal, the CIT (A) upheld the applicability of Rule 8D though he reduced the disallowance to Rs. 19 Lakhs.

HELD

It is a pre-requisite that before invoking Rule 8D, the AO must record his satisfaction on how the assessee’s calculation is incorrect. The AO cannot apply Rule 8D without pointing out any inaccuracy in the method of apportionment or allocation of expenses. Further, the onus is on the AO to show that expenditure has been incurred by the assessee for earning tax-free income. Without discharging the onus, the AO is not entitled to make an ad hoc disallowance. A clear finding of incurring of expenditure is necessary. No disallowance can be made on the basis of presumptions (law laid down in assessee’s own case for AY 2007-08 reiterated).

DCIT vs. Jindal Photo Limited (ITAT Delhi)

- **Section 275(1)(a) Penalty limitation period not curbed by Proviso**

Section 275(1) (a) provides that no order imposing penalty shall be passed after the expiry of six months from the end of the month in which the quantum order of the CIT (A) or Tribunal is received by the CIT. The Proviso to s. 275(1)(a), as inserted by the FA 2003, provides that if the CIT (A) passes the order on the quantum appeal on or after 1.6.2003, the order imposing penalty has to be passed before the expiry of one year from the end of the financial year in which the order of the CIT (A) is received by the CIT. The Tribunal held that the effect of the Proviso was that one could only have regard to the order of the CIT (A) for determining limitation. The fact that an appeal was pending before the Tribunal was irrelevant. It accordingly held that the penalty order having been passed after 1 year of receipt of the CIT (A)’s order was barred by limitation.

HELD

The period of six months provided for imposition of penalty u/s 275(1)(a) starts running after the successive appeals from an assessment order have been finally decided by the CIT(A) or the ITAT. The proviso to s.

275(1)(a) extends the period for imposing penalty from six months to one year of the receipt of the CIT (A)'s order after 1.6.2003. The proviso carves out an exception from the main section inasmuch as in cases where no appeal is filed before the ITAT the AO must impose penalty within a period of one year of the date of receipt of the CIT (A)'s order. To read the provision as suggested by the assessee would obliterate the main provision itself. A proviso is merely a subsidiary to the main section and must be construed harmoniously with the main provision. The proviso to s. 275(1)(a) does not nullify the availability to the AO of the period of limitation of six months from the end of the month when the order of the ITAT is received (Rayala Corporation 288 ITR 452 (Mad) followed).

CIT vs. Mohair Investment & Trading Co (Delhi High Court)

➤ **License fee for Software, even if “copyrighted article”, taxable as “royalty”**

The applicant was the developer of software. It granted a non-exclusive and non-transferable license to an Indian company to use the software without any sub-licensing rights. The licensee was not allowed to modify the software programme and could make copies only for its own use. The applicant filed an application for advance ruling in which it claimed, relying on Dassault Systems 322 ITR 125 (AAR) and Tata Consultancy Services 271 ITR 401 (SC), that the transaction involved the use/ right to use of a “copyrighted article” but not the “copyright” itself and so the license fees were not assessable to tax as “royalty” u/s 9(1)(vi) of the Act & Article 12 of the India-Sri Lanka DTAA.

HELD

Section 9(1)(vi) & Article 12 define the term “royalty” to include any payment for the use of, or the right to use, a “copyright” of scientific work. Software programmes are a “copyright” and are protected under the Copyright Act, 1957. As the software programme is a “copyright”, any payment received for transferring the right to use it is “royalty” as defined in the Act. The argument that there is a distinction between a “copyright” and a “copyrighted article” is not acceptable because there is no such distinction made either in the Income-tax Act or the Copyright Act. The use of software involves the use of the copyright; the software cannot be divorced from the

copyright itself. Accordingly, even a fee for the use of a “copyrighted article” is assessable as “royalty”. (Microsoft/ Gracemac 42 SOT 550 (Del) followed; **Dassault Systems** 322 ITR 125 (AAR) not followed; Tata Consultancy 271 ITR 401 (SC) distinguished)

In Re Millennium IT Software Ltd (AAR)

➤ **Dependent Agent Permanent Establishment: Tests to determine Agent’s right to bind, & dependence on, principal**

The assessee, a company registered in the Netherlands but resident in Ireland for tax purposes appointed Dell AS, a Norwegian company, as its “commissionaire” for sales to customers in Norway. Dell AS entered into agreements in its own name and its acts (under the commission agreement and Commission Act) did not bind the principal. The assessee claimed that it was not taxable in Norway in respect of the products sold through Dell AS on the ground that Dell AS was not its “Dependent Agent Permanent Establishment” (DAPE) under Article 5(5) of the Norway-Ireland DTAA on the ground that (a) the agent had no authority to enter into contracts “in the name of the assessee” and legally bind the assessee and (b) the agent was not a “dependent” agent. However, the income-tax department took the view that Dell AS constituted a PE under Article 5(5) of the DTAA and that 60 percent of Dell Products’ net profit on sales in Norway was attributable to the PE. This was confirmed by the Oslo District Court.

HELD

Under Article 5(5) of the DTAA, an agent is considered a permanent establishment for the principal if two conditions are fulfilled (i) the agent must be “dependent” on the principal and (ii) the agent must have the right to conclude contracts “in the name of” the principal. The question whether the agent has the authority to conclude contracts on behalf of the enterprise has to be considered, not from a literal sense whether the contracts are “in the name of the enterprise”, but from a functional sense whether the agent “in reality” binds the principal. The objective of Article 5 (5) is to protect the principle of source taxation, i.e. that the tax shall be due to the country where the revenue was created. This principle would be disregarded if only the commission relationship was considered despite the financial and legal attachment between the agent and the principal being strong. To ask

if Dell AS “in reality” binds Dell Products is in accordance with the functional interpretation of Article 5 (5). The “substance” must prevail over the form. The fact that a commissionaire under the Commissionaire Act and the commission agreement does not bind the principal through his sales is not enough to rule out that a permanent establishment does not exist (Vienna Convention, OECD Model Convention Commentary, Commentaries by Klaus Vogel & Arvid Skaar considered, decision of the French SAT in Zimmer that as the commissionaire did not bind the principal, it was not a PE despite dependence on the principal not followed);

On facts, Dell Products was “in reality” bound by the contracts concluded by Dell AS because (a) all sales were made under the trademark “Dell”; (b) the sales were made on standard / approved conditions laid down by Dell Products; (c) in practice, all of the agent’s agreements were honored by the principal and (d) there were no instances where the agent’s sales have not been accepted by the principal;

The question whether the agent is “dependent” on the principal has to be decided on the application of various tests such as the degree of instruction and control. On facts, Dell AS was “dependent” on Dell Products because (a) Dell AS was only allowed to sell permitted products on conditions of prices and guarantees determined by Dell Products, (b) there was an overlap of board members in the two companies and a board member of Dell Products was the general manager of Dell AS, (c) due to the integrated accounting system of the Dell companies Dell Products had full insight to the finances of Dell AS, (d) under the commission agreement, Dell Products had access to Dell AS’ premises, (e) Dell AS sold goods as a commissionaire only on behalf of Dell Products though it had the theoretical right to sell for others; (f) all business of Dell AS was done under the trademark Dell, its letterheads, agreements and advertisements had the logo “Dell”. Dell AS was thus “branded” identically as the rest of the Dell Group, but without owning the brand. All these facts made Dell AS fully dependent on the principal. Without the commission agreement, Dell AS may as well close down its operations. The fact that the agent acted independently in matters of staff hire, purchase and lease of assets and premises, etc was irrelevant because the “big picture” showed Dell AS to be dependent on

Dell Products;

The determination of profits “attributable” to the PE has to be done as if the agent was “independent” of the principal. On the methods to be used, Article 7(2) of the DTAA provides for the “direct method” of allocating all costs and revenue between the HO and the PE while Article 7(4) provides for the “indirect method” of allocating only the net profits using keys such as sales, revenues, expenses, number of employees, capital structure or a combination of these factors. In Norway, the “indirect method” is in practice.

This is practical because the accounts do not permit individual items of income and expenditure to be identified for allocation purposes and also because it gives a result which is in accordance with the arm’s length principle. While under Article 7(2), a two-step procedure has to be adopted by first determining a commercial remuneration for Dell AS and then a commercial profit for other functions performed by the PE, under Article 7(4) it is sufficient that the result to a reasonable degree corresponds to the arm’s length principle and requires that the PE should be allocated revenues in accordance with its functions, risk and assets used. On facts, **the value creation occurred through sales made by Dell AS and it was “the major value driver”**. Dell Products’ functions and contribution to the value creation was limited compared to the activity of Dell AS. Consequently, allocating 60% of Dell Products’ profits from sales in Norway to the PE was reasonable (over & above the assessment of commission in the agent’s hands).

Dell Products vs. Tax East (Norway Court of Appeal) October 3rd, 2011.

INDIRECT TAX

Notification and Circulars

- **Service Tax: service tax (Fifth Amendment) rules, 2011 - amendment in rules 4 & 7 and form st-3.**

Notification no. 48/2011 dated 19th October, 2011

In exercise of the powers conferred by sub-section (1) read with sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rule & further to amend the Service tax Rules, 1994. These rules may be called the Service Tax

(Fifth Amendment) Rules, 2011 and shall come into force on the date of their publication in the Official Gazette.

In the Service Tax Rules, 1994,-

- In rule 4 after sub-rule (1), the following sub-rule shall be inserted namely:-

"(1A) For the purposes of sub-rule (1), the Central Board of Excise and Customs may, by an order specify the documents which are to be submitted by the assessee along with the application within such period, as may be specified in the said order".

- In rule 7, after sub-rule (3), the following sub-rule shall be inserted, namely:-

"(4) The Central Board of Excise and Customs may by an order extend the period referred to in sub-rule (2) by such period as deemed necessary under circumstances of special nature to be specified in such order".

- In Form ST-3, under the heading "Introduction to File the Form", under the sub-heading "A. General Instructions", after instruction at Sl. No. (iii), the following serial number shall be inserted, namely:-
- For the purposes of this Form, the words "received/paid" used herein shall be construed as 'received or receivable/paid or payable', as the case may be, in terms of the Point of Taxation Rules, 2011".

➤ **Circular no. 147/16/2011 - ST, DATED 21-10-2011. Section 65(105)(zzzza) of the Finance Act, 1994**

Reference is invited to the Circular No. 138/7/2011 - Service Tax dated 6-5-2011 wherein it was clarified that the services provided by the sub-contractors/consultants and other service providers to the Works Contract Service (WCS) provider in respect of construction of Dams, Tunnels, Road, Bridges etc. are classifiable as per section 65A of the Finance Act, 1994 under respective sub-clause (105) of section 65 of the Finance Act and are chargeable to service tax accordingly. Clarification has been requested as to whether the exemption available to the Works Contract Service providers in respect of projects involving construction of roads, airports, railways, transport terminals, bridges, tunnels, dams etc., is also available to the sub-contractors who provide Works Contract Service to these main contractors in relation to those very projects.

The matter has been examined. *Vide* the circular referred above, it was clarified that when the service provider is providing WCS service in respect of projects involving construction of roads, airports, railways, transport terminals, bridges, tunnels, dams etc. and he in turn is receiving various services like Architect service, Consulting Engineer service, Construction of complex, Design service, Erection Commissioning or Installation, Management, maintenance or repair etc., which are used by him in providing output service, then while exemption is available to the main contractor (as per section 65(zzzza) of the Finance Act), as regards the services provided by its sub-contractors, the same are distinctly classifiable under the respective sub-clause of section 65(105) of the Finance Act, as per their description and that their taxability shall be decided accordingly.

It is thus apparent that just because the main contractor is providing the WCS service in respect of projects involving construction of roads, airports, railways, transport terminals, bridges, tunnels, dams etc., it would not automatically lead to the classification of services being provided by the sub-contractor to the contractor as WCS. Rather, the classification would have to be independently done as per the rules and the taxability would get decided accordingly.

However, it is also apparent that in case the services provided by the sub-contractors to the main contractor are independently classifiable under WCS, then they too will get the benefit of exemption so long as they are in relation to the infrastructure projects mentioned above. Thus, it may happen that the main infrastructure projects of execution of works contract in respect of roads, airports, railways, transport terminals, bridges tunnels and dams, is sub-divided into several sub-projects and each such sub-project is assigned by the main contractor to the various sub-contractors. In such cases, if the sub-contractors are providing works contract service to the main contractor for completion of the main contract, then service tax is obviously not leviable on the works contract service provided by such sub-contractor.

➤ **VAT: circular no. 12 OF 2011-12 No.F.7(420)/Policy/VAT/2011/773-780**

Vide Circular No. 8 dated 8th September 2011, the dealers were required to file the returns (DVAT-16 and Form-I) along with Annexure 2A & 2B through the new software application w.e.f. 20.09.2011. *Vide* Circular No. 11 dated

20.09.2011 the last date of on-line filing of the return for the tax period August, 2011 along with Annexure 2A & 2B through the new software application was extended to 05.10.2011, the hard copy of which was required to be filed by 7th October 2011.

The Sales Tax Bar Association has represented to Commissioner, VAT for further extension. Considering the request of the Sales Tax Bar Association, the Commissioner, VAT, in exercise of the powers conferred on him under Rule 49A of the DVAT Rules, 2005, has extended the last date of on-line filing of the return for the tax period of August, 2011 along with Annexure 2A & 2B through the new software application to 14.10.2011 and the hard copy of the return may be filed by 17 October 2011.

However, the tax due for the above mentioned tax period shall be deposited as per the provisions of Section 3(4) of the DVAT Act, 2004. Penalty on late deposit of tax due shall be imposed as applicable.

➤ **SERVICE TAX; Extension of date of submission of service tax half yearly returns**

Order no. 1 /2011 - service tax dated the 20th October 2011

In exercise of the powers conferred by Rule 7(4) of the Service Tax Rules 1994 read with notification No. 48/2011-Service Tax dated 19thOctober 2011, CBEC hereby extends the date of submission of half yearly return for the period April 2011 to September 2011 from 25th October 2011 to 26th December 2011.

This is being done in view of the fact that the e-filing of service tax returns for all class of service tax assesses has been made mandatory for the first time vide notification no. 43/2011- Service Tax dated 25.8.11, as such leaving less time for the trade to adjust to the requirement of e-filing.

➤ **SERVICE TAX; Amends Service Tax Rules, 1994**

Notification No. 48/2011 - Service Tax dated 19th October 2011

G.S.R. 771(E).- In exercise of the powers conferred by sub-section (1) read with sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central

Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely :-

- These rules may be called the Service Tax (Fifth Amendment) Rules, 2011.
- They shall come into force on the date of their publication in the Official Gazette.

In the Service Tax Rules, 1994,-

- In rule 4 after sub-rule (1), the following sub-rule shall be inserted namely:

"(1A) For the purposes of sub-rule (1), the Central Board of Excise and Customs may, by an order specify the documents which are to be submitted by the assessee alongwith the application within such period, as may be specified in the said order".

- In rule 7, after sub-rule (3), the following sub-rule shall be inserted, namely:-

"(4) The Central Board of Excise and Customs may, by an order extend the period referred to in sub - rule (2) by such period as deemed necessary under circumstances of special nature to be specified in such order".

- In Form ST-3, under the heading "Introduction to File the Form", under the sub-heading "A. General Instructions", after instruction at Sl. No. (iii), the following serial number shall be inserted, namely:-
- For the purposes of this Form, the words "received /paid" used herein shall be construed as "received or receivable /paid or payable", as the case may be, in terms of the Point of Taxation Rules, 2011

INTERNATIONAL TAXATION

➤ **License fee for Software, even if “copyrighted article”, taxable as “royalty”**

The applicant was the developer of software. It granted a non-exclusive and non-transferable license to an Indian company to use the software without any sub-licensing rights. The licensee was not allowed to modify the software programme and could make copies only for its own use. The applicant filed an application for advance

ruling in which it claimed, relying on Dassault Systems 322 ITR 125 (AAR) and Tata Consultancy Services 271 ITR 401 (SC), that the transaction involved the use/ right to use of a “copyrighted article” but not the “copyright” itself and so the license fees were not assessable to tax as “royalty” u/s 9(1)(vi) of the Act & Article 12 of the India-Sri Lanka DTAA. HELD rejecting the applicant’s plea:

In Re Millennium IT Software Ltd (AAR)

➤ **Dependent Agent Permanent Establishment: Tests to determine Agent’s right to bind, & dependence on, principal**

The assessee, a company registered in the Netherlands but resident in Ireland for tax purposes appointed Dell AS, a Norwegian company, as its “commissionaire” for sales to customers in Norway. Dell AS entered into agreements in its own name and its acts (under the commission agreement and Commission Act) did not bind the principal. The assessee claimed that it was not taxable in Norway in respect of the products sold through Dell AS on the ground that Dell AS was not its “Dependent Agent Permanent Establishment” (DAPE) under Article 5(5) of the Norway-Ireland DTAA on the ground that (a) the agent had no authority to enter into contracts “in the name of the assessee” and legally bind the assessee and (b) the agent was not a “dependent” agent. However, the income-tax department took the view that Dell AS constituted a PE under Article 5(5) of the DTAA and that 60 percent of Dell Products’ net profit on sales in Norway was attributable to the PE. This was confirmed by the Oslo District Court. On appeal by the assessee to the Court of Appeal, HELD dismissing the appeal

Dell Products vs. Tax East (Norway Court of Appeal)

FEMA

➤ **Review of foreign exchange facilities available to individuals – Residents/ Non-Resident Indians (NRIs) and Persons of Indian Origin(PIOs)**

The Committee constituted under the Chairmanship of Smt. K. J. Udeshi for review of procedures relating to foreign exchange facilities to individuals – Residents/ NRIs and PIOs has submitted its report to the RBI on August 8, 2011. Pursuant to the recommendations made

by the Committee to improve facilities to resident individuals, NRIs, PIOs as also, for simplification of procedures, the RBI has issued following circulars implementing some of the recommendations made by the Committee.

➤ **Nris/pios holding Non-Resident (External) Rupee Account Scheme (NRE)/ Foreign Currency (Non-Resident) Account (Banks) Scheme (FCNR(B)) accounts jointly with Indian resident close relative – liberalization A.P. (DIR Series) Circular No. 13**

RBI has permitted NRI as defined in Foreign Exchange Management (Deposit) Regulations, 2000 to open NRE / FCNR(B) account with their resident close relative (‘relative’ as defined in section 6 of the Companies Act, 1956) on ‘former or survivor’ basis. The resident close relative shall be eligible to operate the account as a Power of Attorney holder in accordance with extant instructions during the life time of the NRI/ PIO account holder.



➤ **Foreign Investments in India – increase in limit for transfer of security by way of gift A.P. (DIR Series) Circular No. 14**

In terms of the Foreign Exchange Management (transfer or issue of Security by a Person Resident outside India) Regulations, 2000, as amended a person resident in India is permitted to transfer any security, by way of gift, to a person resident outside India, with prior approval of the RBI subject to specified conditions. One of the conditions specified is that the value of security to be transferred by the donor/ transferor, together with any security transferred to any person residing outside India as gift in the calendar year should not exceed the rupee equivalent of USD 25,000. This limit has now been enhanced to USD 50,000 per financial year.

➤ **Exchange Earners Foreign Currency (EEFC) Account and Resident Foreign Currency (RFC) account – resident close relative allowed as joint holder A.P. (DIR Series) Circular No. 15**

RBI has permitted resident individuals to include resident close relative(s) ('relative' as defined in section 6 of the Companies Act, 1956) as a joint holder(s) in their EEFC/RFC bank accounts on 'former or survivor' basis. However, such resident Indian close relative, now being made eligible to become joint account holder, shall not be eligible to operate the account during the life time of the Resident account holder.

➤ **Credit of sale proceeds of Foreign Direct Investments in India to NRE/FCNR (B) accounts-Clarification A.P. (DIR Series) Circular No.16**

In terms of the Schedule 3, 4 and 5 of the Foreign Exchange Management (transfer or issue of Security by a Person Resident outside India) Regulations, 2000, sale proceeds of Foreign Investments in India were treated as eligible credit to NRE/FCNR (B) accounts, where the purchase consideration was paid by the NRIs / PIOs out of inward remittance or funds held in their NRE/FCNR (B) accounts and subject to applicable taxes, if any. It is now clarified that the same facility would be available to NRIs/ PIOs under Regulation 11 of the said Regulations.

➤ **Repayment of loans of Non-resident close relatives by relatives A.P. (DIR Series) Circular No. 19**

Hitherto, in terms of Regulation 8(d) of the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 as amended, relative of the NRI / PIO borrower in India is allowed to repay the housing loan taken by such NRI or PIO from an authorised dealer or a housing finance institution in India approved by the National Housing Bank for acquisition of a residential accommodation in India by crediting the borrower's loan account through the bank account of such relative. RBI has review the extant provision and decided to permit the resident close relative ('relative' as defined in Section 6 of the Companies Act, 1956), of the NRI to repay the loan granted to such NRI by an authorised

dealer in India in accordance with Regulation 7 of the aforesaid Regulations, by crediting the borrower's loan account through the bank account of such relative.

➤ **Foreign Investments in India – increase in limit for transfer of security by way of gift A.P. (DIR Series) Circular No. 14**

In terms of the Foreign Exchange Management (transfer or issue of Security by a Person Resident outside India) Regulations, 2000, as amended a person resident in India is permitted to transfer any security, by way of gift, to a person resident outside India, with prior approval of the RBI subject to specified conditions. One of the conditions specified is that the value of security to be transferred by the donor/ transferor, together with any security transferred to any person residing outside India as gift in the calendar year should not exceed the rupee equivalent of USD 25,000. This limit has now been enhanced to USD 50,000 per financial year.

➤ **Gift in Rupees by Resident Individuals to NRI close relatives A.P. (DIR Series) Circular No. 17**

RBI has permitted a resident individual to make a rupee gift to a NRI/PIO who is a close relative of the resident individual ('relative' as defined in Section 6 of the Companies Act, 1956) by way of crossed cheque /electronic transfer. The amount should be credited to the Non-Resident (Ordinary) Rupee Account (NRO) account of the NRI / PIO and credit of such gift amount may be treated as an eligible credit to NRO a/c. The gift amount would be within the overall limit of USD 200,000 per financial year as permitted under the Liberalised Remittance Scheme (LRS) for a resident individual. It would be the responsibility of the resident donor to ensure that the gift amount being remitted is under the LRS and all the remittances under the LRS during the financial year including the gift amount have not exceeded the limit prescribed under the LRS.

CORPORATE LAW

➤ **SEBI announces IDR rights norms**

The Securities and Exchange Board of India (SEBI) amended capital rising and disclosure norms, allowing issuers of Indian Depository Receipts (IDRs) to launch a rights issue. Also merchant bankers have been directed to disclose the performance of their past issues as part of the

due diligence certificate. According to SEBI, an IDR issuer will be allowed to come out with a rights issue after making an application to all exchanges where the IDRs are listed and if there is no breach of ongoing material obligations under the IDR Listing Agreement. IDRs are shares issued by foreign companies and are listed on the Indian exchanges. It basically gives investors an opportunity to own a share of a foreign company. According to SEBI, an IDR holder can also renounce the rights in favour of any other person if the home country of the issuer company does not have any such restrictions. Further, the issue can be cleared on a fast-track basis if the document has been filed and reviewed by the home country regulator and there are no pending show-cause notices or prosecution proceedings against the promoters or whole time directors.

➤ **SEBI concept paper to regulate investment advisors**



IN a move aimed at addressing conflicts of interest in distribution of financial products, The Securities and Exchange Board of India (SEBI) has issued a concept paper to regulate

Investment advisors. The capital market regulator intends to regulate investment advisors through the Self Regulatory Organization (SRO) route. The proposed regulatory framework is on the activity of providing investment advisory services in general, not limited to securities, insurance and pension funds. While the activity of giving investment advice will be regulated under the proposed framework through an SRO, issues relating to financial products other than securities shall come under the jurisdiction of the respective sectoral regulators. According to the concept paper, the person who interferes with the customer should declare upfront whether he is a financial advisor or an agent of the manufacturer. Second, an advisor would be subject to the Investment Advisors

Regulations and would require a much higher level of qualification.

➤ **TRAI may levy 5 paise termination charge**

To further clamp down on pesky SMS, Telecom Regulatory Authority of India (TRAI) may impose a termination charge of five paise per SMS on operators from whose networks commercial messages originate. At present, some operators charge a termination fee of up to 15paise per SMS, based on mutual agreements, although the same is not compulsory. The proposed TRAI directive would make it mandatory for all operators to charge the termination levy for commercial SMS. TRAI has exempted select service providers primarily the dealers of telecom operators, DTH operators, e-ticketing agencies and social networking sites from the limit of 100SMS per day per SIM. This new limit has otherwise been stipulated by TRAI to stop the annoying telemarketing calls and messages made to telecom subscribers. It comes into effect from 27 September 2011. Another category of providers let off the hook includes agencies providing directory services such as Justdial, Zats, Callezee, Getit and Askme. Telecom subscribers now have the option of choosing to be under the 'Fully Blocked' category, which is the more or less the same as the 'Do Not Call Registry'. In case a user opts for 'Partially Blocked' category, he or she will receive SMS in only select categories.

➤ **SEBI mandates setting up of credit rating agency for structured products**

Stock market regulator SEBI has made it mandatory to appoint a SEBI-approved credit rating agency for valuing structured products and market-linked debentures. SEBI stated that the valuation of structured products would be put up once a week on the Web sites of the issuer and the rating agency. Issuers are also expected to provide the value to investors on request, free of cost. The cost incurred for valuation shall be disclosed in the offer document of the structured product. SEBI's guidelines on listing of structured products maintains that the product should contain an underlying principal component in the form of debt securities where the returns are linked to market returns on other underlying securities or indices. Securities which do not promise the return of principal amount in full capital protection on maturity would not be considered a debt instrument and cannot be issued and listed.

INDIAN ECONOMY AT GLANCE

➤ **Indian auto component industry may touch USD 100 billion mark**

Indian auto component industry, which is currently valued at USD 30 billion, is expected to grow at USD 100 billion in the current decade on a robust domestic demand even arising inflation and interest rates continue to be major challenges. The Indian auto component industry may cross USD 100 billion mark by 2020 by growing at a 15% Compound Annual Growth Rate (CAGR). However, during the FY12 the growth is estimated to remain at almost half to the previous year at around 15-18%. The prime factors that could hamper the industry growth are lingering post-crisis difficulties in high-income countries, political turmoil in the Middle-East and North Africa and slow industrial production and trade from Japan due to earthquake and tsunami. The domestic demand is going to be adversely affected due to rising inflation and interest rates. India's share in the world auto components too is likely to grow to over 3% by 2015-16 while it was mere 0.4% in 2003-04.

➤ **Forex reserves rise by \$266 million to \$316.76 billion**



India's foreign exchange reserves rose by \$266 million to \$316.76 billion in September 2011. The reserves rose due to an increase of \$202 million in the country's foreign currency assets to \$280.90 billion. Foreign currency assets expressed in US dollar terms include the effect of appreciation or depreciation of non-US currencies such as the euro, sterling and yen held in reserves. Gold was unchanged at \$28.32 billion. SDRs declined by \$2 million to \$4.55 billion. India's reserve position in the IMF rose by \$62 million to \$2.99 billion.

➤ **GE to invest \$200 million to build facility in Pune**

US conglomerate General Electric (GE) will invest \$200 million to build an integrated multi-product manufacturing facility in Pune. New integrated manufacturing facility is coming up near Pune on a 68-acre plot for making a wide portfolio of products for the Indian market. The facility will create 2,000 jobs and help to drive localization of GE's products. It will initially have 450,000 sqft of space, which can go up to 1 million sq ft. At a time of global volatility, they still see robust demand for infrastructure products and still feel quite good about the prospects on a global basis for the industry, like infrastructure and financial services. The growth of infrastructure sector would continue to be robust. Aviation, energy and transportation are quite healthy in the US market. In India, GE expects to grow its business by 20-30% this year. It aims to increase its energy business in the renewable energy segment to \$250 million in 2012-13, from \$100 million this year.

➤ **ADB to invest \$750 million on smart electricity transfer in India**

The Asian Development Bank (ADB) will invest \$750 million on power transmission systems that facilitate the bulk transfer of electricity from Chhattisgarh to areas of high demand in the North of India, including the National Capital Region. The funds will be made available to state-run transmission utility Power grid in the form of a \$500 million sovereign-guaranteed loan and a \$250 million non-sovereign corporate loan. The ADB has approved loan financing for the national grid improvement project, which will allow the bulk transfer of electricity (3,000 MW) from independent power producers in Chhattisgarh to areas of high demand in the North of the country. This funding would provide an anchor transaction in the total project cost of \$2.25 billion and serve as a catalyst for further engagement from commercial financiers in Power grid's transactions.

➤ **Government to boost domestic electronics manufacturing with new draft policy**

India aims to achieve a turnover of \$400 billion from domestic electronics manufacturing by 2020. The government is keen to take series of initiatives to attract

\$100 billion investment in this sector. Unveiling the draft electronics manufacturing policy, communication minister



Stated that domestic manufacturing in the current scenario could cater to only \$100 billion worth of products by 2020 against a \$400 billion and the rest of the requirements would therefore have to be met by imports. This aggregates to a demand supply gap of nearly \$300 billion by 2020. Hence, unless the situation is corrected, it is likely that by 2020 the electronics import may far exceed oil imports. The National Policy of Electronics-2011 envisions creating a globally competitive electronics systems design and manufacturing (ESDM) industry, including nano-electronics, to meet the country's needs and serve the international market. This policy would help generate 28million jobs and would be finalized by the year-end.

➤ **India, Switzerland sign pact on financial dialogue**

India & Switzerland have signed a MOU on a financial dialogue that will pave the way for greater cooperation between the two countries' tax authorities, a move that will allow unearthing black money stashed in Swiss banks. The agreement signed by the Indian Ambassador to Switzerland, Ms Chitra Narayanan, and the Swiss Department of Finance Secretary, Mr. Michael Ambuhl, comes close on the heels of the signing of an amending protocol to the Double Taxation Avoidance Agreement. The MoU was signed in the presence of the President, Mrs. Pratibha Patil, who is on a state visit here, and her Swiss counterpart, Ms Micheline Calmi-Rey. The MoU deals with creation of a useful forum for exchange of views on financial and macro-economic issues. The MoU will facilitate dialogue between the tax authorities of the two countries. The Swiss government also stated that "with the signature of the memorandum of understanding,

the Federal Department of Finance and India's Ministry of Finance have laid the foundations for fostering financial dialogue between the two countries".

INDUSTRY WATCH & CORPORATE HIGHLIGHTS

➤ **India & Myanmar to raise trade to \$3 billion by 2015**

INDIA and Myanmar decided to double the bilateral trade to \$3 billion by 2015 by ensuring greater cooperation in sectors such as oil and gas, infrastructure, agricultural products and pharmaceuticals. Both neighbours also vowed to increase two-way trade through the land route by strengthening the necessary infrastructure. India and Myanmar have implemented the India-Asean (Association of Southeast Asian Nations) Free Trade Agreement (FTA) since September 1, 2010. India had also implemented the Duty Free Tariff Preference (DFTP) scheme for Myanmar in January 2009, under which Myanmar would gain market access for 94% of India's products at zero duty. India and Myanmar have also expanded the list of items for border trade from 22 to 40. Businesses of both sides merited encouragement so as to use DFTP and Asean FTA channels to diversify trade.

➤ **Renault lines up Rs 65 million marketing spend for F1**

French carmaker Renault has lined up a marketing spend of Rs 65 million during the F1 Grand Prix, scheduled to be held in Greater Noida near Delhi from 28 October 2011. Renault has a lot of events around the F1 Grand Prix (GP). Apart from the engines on the cars, they will display an F1 car, hold events at malls using race simulators so that winners get invites to the GP, Renault, which has announced a five-car roll out by December 2012, will bring in the mini SUV, the Duster, by the first half of next year. This will be a heavily Indianised car not like the Dacia Duster that is available in Europe. The firm has sold 700 units of the luxury sedan Fluence since its launch in May, with the diesel variant accounting for 80% of sales. Meanwhile, Renault has begun sales in Europe of its Twizy, a coupe which has largely been designed at its Mumbai engineering design centre.

➤ **Intel Capital to invest \$20 million in Indian firms**



Intel Capital, the Venture Capital (VC) arm of the world's largest chip maker, announced an investment of \$20 million in six Indian companies. The VC firm has invested in Saankhya Labs Pvt. Ltd (a semi-conductor company), Testing Czars (a solutions provider for mobile applications), Financial Inclusion Network and Operations (a banking technology platform provider), What's On India Pvt. Ltd (an electronic programming guide for television), enStage (an electronic payment solutions and processing provider), and Duron Energy Pvt. Ltd (an affordable solar products company). Specific investment details were not disclosed. The primary focus of the investments by Intel Capital is to develop the market for Intel. The investments by Intel Capital were made from its \$250 million Intel Capital India Technology Fund. 80% of which has already been deployed.

➤ **World Bank Okays \$250 million loan and credit for Bengal**



The World Bank approved a \$250 million credit and loan to the West Bengal Accelerated Development of Minor Irrigation Project (ADMIP) for augmenting agricultural production of small and marginal farmers. About 139,000 hectares of irrigated area is likely to be developed under the project, benefitting an estimated 166,000 farm

families. As per the World Bank, agriculture serves as the backbone of the State's rural economy accounting for about 20 per cent of the state's gross domestic product and providing jobs to more than 55 per cent of workers in the State. The credit from the soft-lending window of the Bank, the International Development Association (IDA) has a 25 year maturity, including five year grace span, while the loan from the International Bank for Reconstruction & Development (IBRD) has a repayment period of 18years, including five years grace period.




➤ **India & Myanmar to raise trade to \$3 billion by 2015**

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➤ **India & Pakistan to double trade to \$6 billion in 3 years, liberalize terms for business visas**

India and Pakistan have agreed to double trade to \$6 billion in three years by normalizing bilateral business relations, but Pakistan did not commit to a time-line for ending its non-discriminatory trade regime with India. Commerce ministries from both countries decided to liberalize terms for issuing business visas soon by allowing multiple entries to more than one city. The two also decided to work on allowing investments from each other's countries and encouraging joint ventures. India also agreed to drop its objections to a flood relief package that the EU wanted to extend to Pakistan in the form of sops for textile item.

Statutory compliance calendar for the month of October 2011

Due date	Statutory compliance under Act	Particulars
		
6-10-2011	Service Tax	Payment of monthly service tax for the month of September by all tax payers electronically
	Central Excise	Payment of monthly central excise duty for the month of September on goods by assesses other than SSI units and quarterly payment by SSI units electronically
7-10-2011	Income Tax	Deposit of Income Tax TCS and TDS deducted in September
	SEBI	Quarterly report for grievances of beneficial owners related to depository services to depositories
	SEBI	Quarterly certificate on demat/remat shares to depositories
	NBFC-D	Monthly return of exposure to capital markets in form NBS-6 by NBFC having total assets of ` 100 crore and above
	NBFC-ND-SI	Monthly return of source and application of funds, profit and loss account, asset classification
10-10-2011	Central Excise	(a) Monthly central excise return in form ER-1/ER-2 by other than SSI (b) Quarterly return by SSI in form ER-3 (c) Quarterly return by assesses paying 1%/2% excise duty and not manufacturing any other goods in form ER-8
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM 1
15-10-2011	Income Tax	(a) Quarterly Income Tax TDS/TCS statement in form 24Q/26Q/27EQ (except by Government) (b) Quarterly return in form 27Q in respect of TDS from interest, dividend
	Income Tax	(a) Payment of monthly dues of Provident Fund for the month of September (b) Monthly return in form 5 for employees joining Provident Fund during September along with declaration in form 2 furnished by the employees (c) Monthly return of Provident Fund in form 10 of employees leaving the service during September
20-10-2011	NBFC-ND-SI	(a) Statement of structural liquidity in format ALM – NBS-ALM2 (b) Statement of Interest Rate Sensitivity in format ALM-NBS-ALM3.
21-10-2011	ESIC	Payment of ESIC contribution for the month of September
25-10-2011	Service Tax	Half Yearly filling of service tax return in Service Tax-3
	Provident Fund	Monthly contribution statement (abstract) in form 12A, along with copy of receipted challans regarding payment of contribution.
30-10-2011	Income Tax	(a) Quarterly certificate of tax deducted from income other than salary in form 16A (other than Government). (b) Quarterly certificate of TCS (Tax Collected at source) in form 27D

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

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- Succession Planning.
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- Risk, Uncertainty and Change Management Services
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- Statutory Audit including Tax Audit & VAT Audit
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- Secretarial Audit.

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