Tax & Corporate law Bulletin

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MARCH 2017

From the Editor's Desk...

Dear Reader,

Greetings for the season,

CBDT issues clarification for smooth implementation of Income Computation And Disclosure Standards(ICDs);Clarification on Taxation and investment regime for PradhanMantriGaribKalyanYojana; Clarification regarding determination of Place of Effective Management (POEM); SEBI goes digital on all payments and read many more….

We eagerly await your feedback on the bulletin.

Yours truly,

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Individually, we are one Drop; Together we are an Ocean

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DIRECT TAX

- **Central Bord of Direct Taxes provides relaxation for waiver/ reduction of interest in default in deduction of tax at sources**

CBDT has notified vide circular dated 24 March 2017, relaxations for waiver/reduction of interest in certain cases of non-deduction or lower-deduction, upon fulfillment of certain conditions. The Circular authorizes tax authorities to reduce /waive interest in certain specific cases, which is a welcome move and likely to relieve hardship caused to taxpayers in genuine cases. The tax authorities have been given the power to decide on the period and the extent to which reduction / waiver of interest may be considered.

- **CBDT issues clarification for smooth implementation of Income Computation And Disclosure Standards(ICDs)**

ICDs apply to taxpayers following mercantile system of accounting, for computation of business income and income from other sources. The Central Government had notified 10 ICDs in March 2015 with effect from Assessment Year 2016-17. Pursuant to deferment by 1 year as a result concerns raised by the industry on implementation issues, the ICDs have been effective from Assessment Year 2017-18. CBDT has now come up with clarifications on 25 issues.

- **Ammendments to the Finance Bill 2017**

The LokSabha has recently signed off the Finance Bill, 2017 which was presented by the Finance Minister (FM) on 1 February 2017. The FM has introduced certain amendments to the Finance Bill2017 to address ambiguities and also to further restrict cash transactions. Some of the key amendments are:

- Retrospective exemption from indirect transfer provisions for direct / indirect investments to Category I & II FPIs (Foreign Portfolio Investors) extended to erstwhile FIIs (Foreign Institutional Investors).
- Limitation in relation to deduction of interest and similar payments to apply notonly on expenditure ‘paid’ but also 'incurred'.
- Threshold limit for prohibited cash receipts reduced from INR 0.3 million to INR0.2 million.

- **Deemed Income Accrue or Arise in India – Section 9 – Clarifications on indirect transfer provisions under the said Act – Operation of Circular No. 41/2016, dated 21/12/2016 kept in abeyance for time being in force [244 Taxman (st.) 337]**

The Central Board of Direct Taxes (CBDT) had issued Circular No. 41/2016 on 21/12/2016 regarding Indirect Transfer Provisions under the Income-tax Act, 1961.

The CBDT vide Circular No. 4 of 2017 dated 20/1/2017 clarified that after the issue of the aforementioned Circular, representations have been received from various FPIs, FIIs, VCFs, and other stakeholders. The stakeholders have presented their Concerns stating that the circular does not address the issue of possible multiple taxation of the same income. The representations made by the stakeholders are currently under consideration and examination. Pending a decision in the matter, the operation of the above-mentioned circular is kept in abeyance for the time being.

- **Taxation and Investment Regime for PradhanMantriGaribKalyanYojana, 2016 – Clarifications on said scheme [244 Taxman (st.) 339]**

The CBDT vide Circular No. 2 of 2017 dated 18/1/2017 issued certain clarifications on the Taxation and Investment Regime for

PradhanMantriGaribKalyanYojana, 2016 which has commenced on 17/12/2016 and will remain open for declarations/deposit up to 31/3/2017. Queries have been received from the stakeholders seeking further clarity on certain provisions of the scheme. The Central Government has considered the queries and decided to clarify the same in the form of questions and answers. One may refer to above citation for further details.

- **Section 45, read with section 28 (i), of the Income-tax Act, 1961 – Capital gains, chargeable as – Transfer of unlisted shares by SEBI registered categories I & II Alternative Investment Funds**

The Central Board of Direct Taxes ('the Board') had clarified the position regarding tax treatment of income arising from transfer of unlisted shares. It was communicated that income from such a transfer would be taxable as 'Capital Gains' irrespective of the period of holding of the unlisted shares. However, certain situations were provided in para 3 of the said order where the Assessing Officers were required to take appropriate view in the matter.
In this regard, a representation has been received in the Board that the exception in clause (iii) of para 3 regarding transfer of unlisted shares along with 'control and management of the underlying business' should not be made applicable in case of certain Alternative Investment Funds ('AIFs'). The matter has been considered by the Board. Primarily, SEBI registered Categories I & II AIFs invest in unlisted shares of ventures, many of which are new set-ups or start-ups, and thus, some form of 'control and management of the underlying business' may be required to be exercised by such AIFs to safeguard the interest of the investors. Therefore, it is further clarified that exception in clause (iii) of para 3 of order dated 2-5-2016 in file of even number, would not be applicable in cases of SEBI registered Categories I & II AIFs only.

- **Clarification on Taxation and investment regime for PradhanMantriGaribKalyanYojana**

The Taxation and Investment Regime for PMGKY is open for declarations upto 31-3-2017. CBDT has clarified that where the undisclosed income is represented in the form of deposits in an account maintained with a specified entity, it is not necessary that the said deposits should exist on the date of making payments under the Scheme or furnishing a declaration under the Scheme. However, where the undisclosed income is represented in the form of cash, it is clarified that such cash should exist on the date of making payment of tax, surcharge and penalty under the Scheme or on the date of making deposit under the PradhanMantriGaribKalyan Deposit Scheme, 2016, whichever is earlier.

- **Revised DTAA between India and Belgium**

India and Belgium have signed a Protocol amending the existing Agreement. The revised Protocol will broaden the scope of the existing framework of exchange of tax related information which will help curb tax evasion and tax avoidance between the two countries and will also enable mutual assistance in collection of taxes.

- **CBDT Signs Another APA**

The CBDT has entered into a bilateral Advance Pricing Agreement (APA) with rollback provision with a Japanese subsidiary on 6th March, 2017. The total number of bilateral APAs signed with Japanese subsidiaries has thus reached five, all with rollback provisions. Four APAs out of these five have been signed in the current financial year.

- **Government decides to reduce existing rate of deemed profit U/s 44AD**

Government decides to reduce the existing rate of deemed profit under section 44AD of the Income Tax Act in respect of amounts/receipts through banking channel/digital means.: Under the existing provisions of section 44AD of the Income-tax Act, 1961 (the Act), in case of certain assesses (i.e. an individual, HUF or a partnership firm other than LLP) carrying on any business (other than transportation, agency, brokerage and commission) and having a turnover of Rupees Two Crore or less, the profit is deemed to be 8% of the total turnover. In order to achieve the Government's mission of moving towards a less cash economy and to incentivise small traders/businesses to proactively accept payments by digital means, it has been decided to reduce the existing rate of deemed profit of 8% U/s 44AD of the Act to 6% in respect of the amount of total turnover or gross receipts received through banking channel/digital means for the financial year 2016-17. However, the existing rate of deemed profit of 8% referred to in section 44AD of the Act, shall continue to apply in respect of total turnover or gross receipts received in cash. Legislative amendment in this regard shall be carried out through the Finance Bill, 2017.

INTERNATIONAL TAXATION

- **CBDT Signs Another Bilateral Advance Pricing Agreement (APA) with subsidiary of a Japanese Company**

CBDT has entered into a bilateral Advance Pricing Agreement (APA) with rollback provision with a Japanese subsidiary on 6th March, 2017. The total number of bilateral APAs signed with Japanese subsidiaries has thus reached 5, all with rollback provisions. 4 APAs out of these five have been signed in the current financial year.

All these 5 bilateral APAs are with Japanese trading companies. Certainty in tax treatment for Sogo Soshas has been a long standing demand of the Japanese industry. The bilateral signing of APAs in this sector provides tax certainty up to 9 years in each of these cases. The total number of APAs entered into by the CBDT has reached 141 with this signing.

- **Clarification regarding determination of Place of Effective Management (POEM)**

RECENT JUDGEMENTS

The concept of POEM for deciding the residential status of a company is effective from Assessment Year 2017-18 onwards. POEM is a place where the key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are made. CBDT has confirmed the Press Release of Jan 2017 that concept of POEM shall not apply to a company having turnover or gross receipts of INR 500 Million or less in a financial year.

- **Torm Shipping India Pvt Ltd vs. ITO (ITAT Mumbai)**

Reopening opens a "Pandora's box" and cannot be done in a casual manner. The reasons cannot be based on mere doubts or with a view to verify basic facts. If the AO takes the view that the income referred to in the reasons has not escaped assessment, he loses jurisdiction to assess other escaped income that comes to his notice during reassessment.

The Reasons have been recorded on the basis of mere doubts. There were no bases with the AO to allege that too with the support of any cogent material that impugned income was not included by the assessee in its income offered to tax. Reopening of an assessment is not permitted merely on the basis of some notions or presumptions. Nor it is allowed merely for making verification of some basic facts.

There must be existence of some tangible material indicating escapement of income. Then only, an AO is permitted to resort to provisions of reopening contained in sections 147 to 151 of the Act. Because, once an assessment is reopened on valid basis, entire pandora's box is open before the AO. Therefore the AO may then bring to tax not only income escaped from tax which was mentioned in the Reasons recorded, but also any other escaped income that may come to his notice during the course of reassessment proceedings. Reopening of an assessment attacks and pierces the concept of finality of litigation. Therefore, an invalid reopening done in the casual manner and without following parameters of law may cause undue hardship to the taxpayers.

- **ACIT vs. Kishore Singh Gehlot (HUF) (ITAT Jaipur)**

On cash refund of excess money received on sale of goods, there can be NO disallowance U/s 40A(3) of Income Tax Act, 1961

Assessing Officer (AO) disallowed amounts refunded to the customers on the ground that the same is not verifiable and no vouchers for such payments were kept by the appellant. During the appeal proceedings, appellant submitted that complete vouchers were maintained and the refund amount is as per the ledger account of the customers. Appellant submitted ledger accounts and vouchers which were forwarded for AO's report. On verification of these vouchers and details, the AO pointed out that in some of the vouchers, customer's signature is not there. It was also pointed out by the AO that Revenue Stamp is not put where payments exceeds Rs. 5,000/-. Appellant submitted that after discount, the money received from the customers became refundable and the same is refunded as per ledger account details in each case. As regards customer signature not there in some vouchers, appellant submitted that only in some cases it might not be there otherwise most of the vouchers carried customer's signature. The revenue Stamp is only a technical requirement, violation of which will not make any payment doubtful.

The Hon. Tribunal has verified the list of persons to whom excess money received was refunded and observed that the Appellant received booking advance in cash. Thereafter, loan is taken by the customer which is credited in his account. Against this advance and loan, sale bill and discount etc. are debited and net amount received in excess is refunded.

The details of customers are available and therefore it cannot be said that the recipients are not identifiable. Since the refund is given mostly to the farmers against excess money received, it is refunded in cash as most of them may not have bank accounts. Considering the fact that the refund given to the customers is based on ledger accounts and AO did not find fault with any of the entry in the ledger accounts therefore refund based on such ledger accounts cannot be questioned. Refund is of the balancing figure which is arrived at by certain debit and credit entries.

If these debit and credit entries are not found to be incorrect, balancing figure cannot be questioned. Appellant also argued that this has been the practice followed since last many years and there was no disallowance made in earlier years. Considering the facts of the case and no mistake found in the ledger accounts representing transactions with the customers, there is no merit in disallowance of refund of excess money received from customers. Assessing Officer also submitted that some of the payments were made in cash in excess of Rs. 20,000/- in violation of section 40A(3) which are disallowable.

Appellant submitted that disallowance of section 40A(3) can be made in respect of expenditure claimed and not against any other payment. Since the refund is on account of excess money received on sale of goods, disallowance U/s 40A(3) will not be applicable. Accordingly, the AO's argument in this regard is not tenable. The disallowance made by the AO is accordingly deleted.

INDIRECT TAX

Service Tax

- **Partial withdrawal of service tax exemption provided to educational institutions**

Presently, entry 9(b) of Mega Exemption Notification No. 25/2012-ST dated 20.06.2012 exempt some specified services provided by any person to the educational institution, viz, transportation of student, faculty and staff, etc. catering. Now, a proviso is inserted to the said entry vide NotificationNo. 10/2017, dated 8-3-2017 which provides that such exemption is applicable only when the aforesaid services are rendered to pre-school educational institutions and higher secondary schools or equivalent.

- **No Service tax on the services by way of transportation of goods by a vessel from a place outside India to the custom station in India intended for transhipment to any country outside India**

The Central Government vide (Circular No. 204/2/2017-Service Tax dated February 16,2017) has clarified that goods imported into a customs station in India which are intended for transhipment to any country outside India, the destination of goods is not a place in taxable territory in India but a country other than India.

Hence, with respect to such goods, services by way of transportation of goods by a vessel from a place outside India to the customs station in India are not taxable in India as the destination of such goods is a country other than India provided it is mentioned in the import manifest or the import report as the case may be and the goods are transhipped in accordance with the provisions of the Customs Act, 1962 and rules made there under.

VAT

- **Delhi VAT: De-sealing of Business Premises during Survey**

A procedure is prescribed vide Circular No.27 of 2016-17, dt.8-3-2017 which is required to be adopted for de- sealing of the business premises, which are sealed in the event of enforcement survey etc. by the departmental officers. The process of de-sealing should be conducted in the presence of two independent witnesses and one of them should be area SDM/executive Magistrate. Consequent upon de-sealing of the premises, the goods seized should be kept in the custody of malkhanas of concerned Revenue District.

- **Indirect tax assessments will not be reopened for mere increase in Sales:**

Government of India Ministry of Finance Department of Revenue Central Board of Excise and Customs Service Tax Wing New Delhi, 9th December, 2016] Recent initiatives of the government to curb black economy in the country encourage people to shift towards digital mode of payment while making financial transactions. By adopting a digital mode of payment, no financial transaction would remain undisclosed and consequently an enhanced turnover might get reflected in the books of accounts. Under the circumstances an apprehension has been raised that increased turnover on account of use of digital means of payment may lead to demands for the earlier period. It is hereby clarified that in indirect taxes, past assessments will not be reopened for this reason alone.

Goods & Services Tax

The Central GST (CGST – Bill No.57 of 2017), Integrated GST (IGST- Bill No 58 of 2017), Union Territory GST (UTGST- Bill No. 59 of 2017) and the Bill for Compensation to States (Bill No. 60 of

2017) have been introduced in the Lower House of Parliament (LokSabha) on 27 March 2017.

The revised draft of the model GST law released in public in November 2016, has been split into CGST, SGST, UTGST Bills besides IGST Bill. Further, the draft Law has seen more changes before being introduced in the Parliament, such as in definitions, levy of tax, input tax credit, transitional provisions, amongst others. The list of exemption, classification of goods & services, and mechanical provisions including valuation and other rules are yet to be notified. Subsequent to ratification of Central GST Bills in the Parliament, states will take up State GST Bills for clearance.

With the presentation of GST bills in LokSabha, the proposed timeline of 1 July 2017, forimplementation of GST now seems realistic.

COMPANY LAW

➢ **Closure of place of business by a Foreign Company**

Clarification issued by the Ministry on applicability of 'Winding up' provisions of the Companies Act, 2013 on place of business by a foreign company. Winding up provisions of the Act were notified in December 2016

Ministry clarified that Winding up provisions of the Act shall apply to closure of place of business by a foreign company in India, as if it was a company incorporated under Indian laws, only if such a foreign company has issued prospectus or Indian Depository Receipts under Indian Companies Law

➢ **Transfer of petitions of winding up to be transferred to National Company Law Tribunal (NCLT)**

The pending Petitions relating to winding up due to inability to pay debts, which have not been served to the concerned respondent, be transferred to NCLT from High Court in accordance with their territorial jurisdiction. Petitioner be required to submit the requisite information, including details of the proposed insolvency professional, within 6 months (instead of 60 days) of the Notification. No fees be payable for proceedings transferred

➢ **Exemption to Specified IFSC Private company under section 462 of the Companies Act, 2013**

MCA has notified certain relaxations or modifications and adaptations from the application of certain provisions of the Companies Act 2013 to an unlisted public company which is licensed to operate by the RBI or SEBI or IRDA from the International Financial Services Centre located in an approved multi services Special Economic Zone.

➢ **Section 248 to 252 of Companies Act effective from 26.12.2016**

In exercise of the powers conferred by sub-section (3) of Section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints the 26th December, 2016 as the date on which the provisions of section 248 to 252 of the said Act, shall come into force.

Removal of Names of Companies from The Register of Companies

Power of Registrar to Remove Name of Company from Register of Companies.

248(1) Where the Registrar has reasonable cause to believe that—

(a) a company has failed to commence its business within one year of its incorporation 1[or];

POLICY WATCH

- **Foreign Exchange Management Act / RBI guidelines**

Migration of Reserve Bank (RBI) services from e-Biz Portal to new platform

RBI services including Reporting of Advanced Foreign Remittance, Reporting of FC-GPR & FC-TRS, to be migrated to new platform

Post migration, users will be redirected to new platform from the service page on eBiz portal

PDF forms replaced with web forms on new platform.

In order to apply digital signature, user will be required to register digital signature on eBiz.

- **Intellectual Property Rights / Trade Mark**

New Trade Mark Rules 2017 notified. New Trade Mark Rules 2017 notified and have come into effect from 6 March, 2017. These Rules to replace the erstwhile Trade Mark Rules 2002.New rules to streamline and simplify the processing of Trade Mark applications

Salient Features:

- ❖ Number of Trade Mark (TM) Forms reduced from 74 to 8
- ❖ Application fee slashed to nearly half
- ❖ Fee for e-filing of application is kept lower than physical filing
- ❖ Number of adjournments in opposition proceedings restricted to a maximum of two by each party, which will help dispose off matters in time
- ❖ Company Secretaries can now act as Trade Marks agents

- **Payment of Wages (Amendment) Act, 2017 notified**

Ministry of Law and Justice notified the Payment of Wages (Amendment) Act, 2017

Now employers can pay wages to workers through cheque or crediting to their bank accounts without obtaining written authorisation of the employees

Aims to strengthen the rights of the workers so that they can be paid in a transparent manner and to check the exploitation of workers

Enables the Centre and state governments to notify industries where employers shall have to pay wages either through cheque or crediting that into workers' bank accounts

- **Employees' Provident Fund Organization (EPFO) introduces Composite Claim Forms (Aadhar and Non- Aadhar)**

- ❖ EPFO introduces Composite Claim Forms to replace existing Claim Forms
- ❖ Services to be available to the stakeholders in a more efficient and transparent manner
- ❖ Now, it is possible for subscribers, who have seeded with Aadhar number and Bank account details, to submitclaim forms directly to EPFO without the attestation of employers New Composite Claim Form (Non-Aadhar), can be submitted with the attestation of employers to the respective jurisdictional EPFO office
- ❖ The process of submission of new forms made easier and simplified by inclusion of self certificationbysubscribers in place of various certificates required at present.

- **New rules notified for Maintenance of registers under various labour laws**

- ❖ New rules enable an employer to maintain 5 types of combined registers under the specified labour laws
- ❖ These 5 registers include Employee Register, Wage Register, Register of Loan / Recoveries, Attendance Register and Register of Rest Days / Leave account of employees / Leave with Wages
- ❖ Employer can now maintain the registers in electronic form
- ❖ Aims to address the concerns foreign investors in relation to observing bulky compliances under the various labour laws
- ❖ Government hopes to reduce the compliance burden of establishments in their day-to-day business and to improve the ease of doing business in India
- ❖ Likely to cut costs and ensure better compliances under Labour Laws

➢ Increase in Minimum rates of wages in Delhi

- ❖ Delhi Government approved an increase of around 37% in minimum wages for skilled, semi-skilled and unskilled persons in National capital
- ❖ Criteria for determination of minimum wages also included education, electricity and fuel, apart from housing, clothing and food

➢ Permission granted to certain Financial Institutions to invest in Rupee Denominated bonds

Multilateral and Regional Financial Institutions where India is a member country, are now permitted to invest in Rupee denominated bonds, popularly known as Masala Bonds.

Aims to give more choices of investors to Indian entities issuing Rupee denominated bonds abroad

The criteria of recognized investors in the Masala Bonds issued overseas hasnowbeen broadened.

Some of such multilateral and regional financial institutions are as follows:

- ❖ World Bank;
- ❖ International Fund for Agricultural Development;
- ❖ Asian Development Bank;
- ❖ Asian Infrastructure Investment Bank;
- ❖ International Monetary Fund; and
- ❖ International Finance Corporation

➢ Investments by Mutual Funds in hybrid securities (units of REITs (Real Estate Investment Trust) / InvITs (Infrastructure Investment Trusts)) now allowed

- ❖ Mutual Funds can now invest up to 10 percent of their net asset value into the units of REITs and InvITs
- ❖ REITs are companies that own and then lease out real estate (whether
- ❖ commercial or residential)
- ❖ The rental income is shared among the investors in a REIT. Units of a REIT are traded on exchanges and provide an investor with an option to quickly exit a real estate investment.
- ❖ InvITs function in the same manner, except they own infrastructure instead of real estate
- ❖ Investment restrictions shall be applicable to all fresh investments by all schemes or an existing scheme
- ❖ For investment in units of REITs/ InvITs by an existing Mutual Fund scheme, unit holders of the scheme shall be given a time period of at least 15 days for the purpose of exercising the exit option

➢ SEBI goes digital on all payments

- ❖ Market intermediaries and companies can now make their regulatory payments in digital mode
- ❖ Certain receipts such as filing fees for IPOs, takeover fees and payment from mutual funds were still received through cheques and demand drafts. The move would help in speedy and easy transactions

➢ Foreign Portfolio Investors (FPIs) now permitted to invest in corporate debt securities

- ❖ SEBI allowed FPIs to invest in unlisted corporate debt securities and securitized debtinstruments
- ❖ Earlier, investment in unlisted debt securities was permitted only in the case of companies in the infrastructure sector and investment by FPIs in securitized debt instruments was not permitted
- ❖ FPIs are now permitted to invest in the unlisted corporate debt securities in the form of non-

convertible debentures (NCDs) or bonds issued by an Indian public or private company

- FPIs can also invest in Securitized debt instruments like any certificate or instrument issued by a special purpose vehicle (SPV) set up for securitization of assets with banks or Financial Institutions
- Such investment by FPIs not to exceed INR 35,000 crore
- Likely to enhance investor base in unlisted debt securities and securitized debt instruments

INDUSTRY WATCH &CORPORATE HIGHLIGHT

Regulations for the Information Utilities under the Bankruptcy Code notified

The Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 were notified. The regulations have been issued under the Insolvency and Bankruptcy Code, 2016. Key features of the regulations include.

Eligibility and registration:

An information utility (IU) will have to be a public company with a minimum net worth of Rs 50 crore. The Certificate of Registration granted by the Insolvency and Bankruptcy Board to an IU will be valid for five years.

The IU will be required to pay the Board Rs 50 lakh upon registration, and subsequently an annual fee of Rs 50 lakh.

Governance: Independent directors will constitute more than half of the IU's Governing Board. An independent director will be the Chairperson of the Board.

Grievance Redressal Policy: An IU will have a policy to address grievances from users or any person specified by the Governing Board. The policy will provide for: (i) constitution and functions of a grievance redressal committee, (ii) format and time to dispose applications, and (iii) a mediation mechanism, among others.

Use of different IUs: Users may provide information to different IUs. A user may access this information from any IU.

Fee: The IU will charge a fee for providing its service. The fee structure and any changes would be displayed on its website.

Cabinet approves proposals related to a Fund for start-ups

The Union Cabinet approved proposals related to the Fund of Funds for start-ups which pertain to: (i) investment into start-ups through Alternate Investment Funds (AIFs), and (ii) proportion of operating expenses which may be met from the Fund.9 The Fund was established in June 2016 with a corpus of Rs 10,000 crore. It aims to make contributions to other investment funds which extend financial support to start-ups.

AIFs will be required to invest twice the amount invested from the Fund in a start- up. AIFs include private equity funds and infrastructure funds.

The operating expenses related to carrying out due diligence, legal and technical appraisal, and convening meetings of the Venture Capital Investment Committee, among others, will be met out of the Fund. This expenditure will be capped at 0.5% of the commitments made to AIFs.

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- **BharatiyaMahila Bank to be merged with the State Bank of India**

The central government has decided to merge the BharatiyaMahila Bank (BMB) with the State Bank of India (SBI).11 Earlier in February 2017, the Cabinet had approved the acquisition of five of its subsidiary banks by the SBI.

According to the Ministry of Finance, in the three years since its establishment, the BMB has dispensed lesser loans to women and has a lower number of exclusive women branches, as compared to SBI.

The administrative and managerial costs of the BMB, to reach the same coverage, are higher than SBI. A merger of the two banks would allow for providing a larger volume of loans to women through SBI.

- **Employee Compensation (Amendment) Bill passed by Parliament**

The Employee Compensation (Amendment) Bill, 2016 was passed by Parliament.14 The Bill amends the Employee's Compensation Act, 1923. The Act provides payment of compensation to employees and their dependants in the case of injury by industrial accidents, including occupational diseases.

The Bill introduces a provision which requires an employer to inform the employee of his right to compensation under the Act. Such information must be given in writing (in English, Hindi or the relevant official language) at the time of employing him.

- **Food Safety and Standards (Import) Regulations, 2017 released**

The Food Safety and Standards (Import) Regulations, 2017 have been released.20 These regulations lay down the procedure for clearance of food products imported into India. Key features of the regulations include:

Licensing of food importers: No person shall import any article of food without an import license from the Central Licensing Authority under the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011. This license can be cancelled on grounds including import of articles of food which are: (i) unsafe; and (ii) prohibited or are from prohibited sources.

No clearance required for imports meant for personal use:

The regulations shall not apply to any person bringing in any article of food for his personal use provided that the value of such article of food shall not exceed the amount as allowed by customs.

Prohibition and restrictions on imports of article of food: The Food Safety and Standards Authority of India may prohibit or restrict import of any article of food based on risk perception or outbreak of disease. Further, it may issue an order or advisory or guideline as it deems fit, from time to time, for ensuring the safety of articles of food imported into India.

Statuary compliance calendar for the month of march 2017

Due Date	Statuary Compliance Under Act	Particulars	Governing Authority
			
6/03/2017	SERVICE TAX	Payment of service tax electronically for the month of Feb 2017 for corporate assessee	CENTRAL BOARD OF EXCISE AND CUSTOM
7/03/2017	CHALLAN 281	Payment of TDS/TCS deducted/collected in January 2017.	CENTRAL BOARD OF DIRECT TAX
7/03/2017	FORM NO. 27C(TCS)	Submission of Forms received in Jan to IT Commissioner	CENTRAL BOARD OF DIRECT TAX
8/03/2017	FORM-56	Extended Due date of DVAT Return for Quarter Ended on 31.12.16	DELHI VALUE ADDED TAX
10/03/2017	ER-1 -ER-2 & ER-6	Return for i) Non SSI assessees for January ii) for EOUs iii) Units paying Cenvat + PLA > One Crore respectively	CENTRAL BOARD OF EXCISE AND CUSTOM
13/03/2017	DVAT	Return of TDS for Dec quarter in DVAT-48.	DELHI VALUE ADDED TAX
15/03/2017	ADVANCE TAX LAST INSTALLMENT	Due date for payment of Advance Tax last Installment of Asst Year 2017-18	CENTRAL BOARD OF DIRECT TAX
	DVAT20	Payment of DVAT TDS for Feb,2017	DELHI VALUE ADDED TAX
	ELECTRONIC CHALLAN RETURN (ECR)	E Payment of PF for Feb,2017	PROVIDENT FUND
21/03/2017	ESI CHALLAN	Payment of ESI of Feb,2017 (Applicable for Salary upto Rs. 21,000 instead of Rs. 15000 earlier)	ESI
	DVAT20 & Central	E Payment of DVAT & CST Tax for month ended Feb	DELHI VALUE ADDED TAX
22/03/2017	DVAT	Issue of DVAT Certificate for deduction made in Jan	DELHI VALUE ADDED TAX
31/03/2017	SERVICE TAX	Payment of Service Tax for the month of March for Corporate and for the quarter ended on 31.03.17 for Non- Corporate	CENTRAL BOARD OF EXCISE AND CUSTOM
	ITR-1,2,2A,3 -7	Income Tax return for asst Year 2015-16 (Time Barred after that)	CENTRAL BOARD OF DIRECT TAX
31/03/2017	ITR-1,2,2A,3 -7	Income Tax return for Asst Year 2016-17	CENTRAL BOARD OF DIRECT TAX

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.

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- 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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