

NEWSLETTER

MARCH 2017

J P Chawla & Co. LLP
Chartered Accountants

Taxation | Audit | Outsourcing | Regulatory | Transaction Advisory | Consultancy Services



FINEPRINT

March 2017

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April 4th 2017,

CEO's Message

March 2017 was a GST month, with the ruling party of India i.e. BJP winning four state elections with huge mandate which helped the ruling MODI government to quickly clear the GST bills at the cabinet level and which were accordingly introduced at Lok Sabha level. CBEC also released revised FAQ's on GST & FAQ's related to GST migration. Draft rules related to GST have also been released for public comments.

For the first time in the space of Indian fiscal history the union budget was given assent by president well before start of the Indian new financial year i.e. April 2017.

In the bourses the initial public offer (IPO) arena is getting busy and hot as companies have lined up initial public offerings worth Rs20,000 Crore in the fiscal 2017-18.

We sincerely hope this March news letter will update you regarding new developments in the area of Business, Tax, Assurance & Accounting and regulations such as company law, FEMA and other laws.

Happy Reading!!

Sincerely Yours,

Rajat Chawla

Managing Partner & CEO
New Delhi

The Month That Was

In March 2017, The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the following four GST related bills: the Central Goods and Services Tax (CGST) Bill, the Integrated Goods and Services Tax (IGST) Bill, the Union Territory Goods and Services Tax (UTGST) Bill and The Goods and Services Tax (Compensation to the States) Bill. These bills have further been passed by Lok Sabha (lower house in India). More than a decade in the making, the GST is expected to shore up government revenue and spur economic growth by 1-2 percentage points.

Some of the other highlights in March 2017 are:-

- **Niti Aayog to launch 3-year action plan from April 1:-**The National Institution for Transforming India (NITI) Aayog, Government of India, plans to launch the three-year action plan from April 1, 2017, which will replace the ongoing 12th Five Year Plan. The new plan will focus on encouraging the states to meet the targets of various schemes, which if defaulted, would lead to a possibility drying up of the fund flows to those states.
- **The government has made Aadhaar mandatory** for filing of income-tax returns and for obtaining and retaining the permanent account number (PAN) from 1 July and capped legal cash transactions at Rs2 lakh, ensuring a paper trail for all high-value transactions.
- **Canadian pension funds buy 1.5% stake in Kotak Mahindra Bank.** Canada Pension Plan Investment Board is an existing shareholder of Kotak Mahindra and had received RBI's approval for acquiring shares in excess of 5% and below 10% of the paid-up capital of the bank in August last year.
- **2016-17 has set a record for mergers and acquisitions (M&As) in India**, with deals worth \$61.26 billion—more than double the value of transactions last year. In 2015-16, M&A deals were worth \$27.62 billion. The sharp increase was a result of both strong foreign buying interest and consolidation underway across sectors including telecom, cement and energy.
- **Truecaller**, the Stockholm-based company announced two new major features. A new service called Truecaller Pay, where Android users in India can send or receive money securely over their mobile phone, in a tie-up with ICICI Bank Ltd was one of them. Also, Truecaller users will be able to create their unique virtual payment address (VPA) in the app, and can instantly send or receive money using any unified payments interface supported bank.
- **FII investments into India hit a record** US\$ 6.37 bn in March, the highest in a month since February 2013
- **India's largest e-commerce marketplace Flipkart** has closed a \$1 billion funding round with backing from Chinese Internet giant Tencent and participation from Microsoft.

TAX

Tax law saw passing of union budget well before the start of the financial year with certain amendments to check tax evasion and ensure compliance. In International tax, revised Singapore – India DTAA was notified through a protocol. Service tax saw certain amendments in mega exemption notifications. In DVAT and MVAT the March was a budget month with various VAT rationalization measure in place.

GST was fast tracked in March with Lok Sabha passing various GST bills and release of draft rules for public comments.

International Taxation

International Taxation March Updates

- **I.T.C. Limited [TS-81-ITAT-2017(Kol)] - Software payments to NR, not royalty under India-Singapore DTAA**

I.T.C. Limited ('assessee'), made a payment to a Tax resident of Singapore is a developer and owner of copyright in respect of various software packages. The Kolkata ITAT holds that software payments by assessee to Singaporean company is not royalty under article 12 of India – Singapore DTAA, therefore, TDS shall not be applicable as per Sec 195.

ITAT examined whether the term 'literary work' as mentioned in the treaty definition would include 'software'; As 'literary work' is not defined under the DTAA, ITAT notes that as per Indian Copyright Act, the computer software is always recognized as a 'literary work', however, ITAT holds that *"to constitute 'royalty' under the DTAA, the consideration should have been paid for the use of or the right to use the copyright in the 'literary work' and not the right to use 'literary work' itself."*

- **Reebok India Company [TS-112-ITAT-2017(DEL)] - Reebok's 'Rights-fee' payment to ICC granting advertising, marketing rights, not royalty**

Reebok was granted 'promotional, advertising, marketing and other commercial rights' on a worldwide basis in connection with ICC events and was allowed right to use ICC logo, designations, marks etc. The assessee has made payment to ICC without deducting any tax at source, AO considered the same as royalty or fees for technical services (FTS) and disallowed u/s 40(a)(i).

ITAT pursuant to agreement with ICC, gives clarification that the payment as 'Rights fee' was exclusively for use of Marks of ICC for purposes of promotion and advertisement is neither in the nature of 'Royalty' nor 'Fees for technical services'. Further, ITAT gives explanation regarding the provisions of Sec 40(a)(i) that the said section shall be attracted when the payment made by assessee is in the nature of royalty or fees for technical services.

- **Flughafen Zurich AG [TS-96-ITAT-2017(Bang)]-Characterizes payment to NR for employee secondment as FTS, rejects salary-reimbursement plea**

Flughafen Zurich AG ('assessee') is a tax resident of Switzerland. Assessee is engaged in providing operations and management services to airports and entered into an agreement with Bangalore International Airport Ltd. (BIAL) for secondment of skill personnel. AO constitute it as FTS under IT Act as well as India-Switzerland DTAA. Before ITAT, assessee argues that the employees are exclusively allotted to work for BIAL during the assignment period.

ITAT observes that secondment was as per the requirement of BIAL and all the secondees are expert in the field of management and also holding the high managerial position. As the purpose of assignment was to avail the services and expertise of highly qualified personnel, ITAT holds that the payment constitutes FTS as it was for rendering 'managerial service'

- **CBDT: Notices date of 'entry into force' for revised India-Singapore DTAA**

CBDT notifies the third protocol amending India-Singapore treaty signed on December 30, 2016 and entered into force on February 27, 2017; The Third Protocol amends the DTAA with effect from April 1, 2017.

Transfer Pricing

Transfer pricing March Updates

- **SIS Live [TS-149-ITAT-2017(DEL)-TP] - Upholds TP-applicability to 'international transactions' despite non-deduction claim under cash accounting system**

ITAT concludes that assessee's international transactions are related to availing of technical services reimbursement of services, availing equipment on hire and Inter-company receivables fell within the categories of "provision of services", "lease of tangible assets" and "borrowing / lending of money" u/s 92B(1) and the condition on profit, income and loss of the assessee only applies to the "Other transactions". After considering these, ITAT disagreed with TPO's ALP determination of price of services at Nil and remitted the issue to the file of AO/TPO for examining the evidences produced and then determining ALP of the transactions.

- **Progressive Tools & Components Pvt Ltd [TS-200-ITAT-2017(DEL)-TP] - Vetoes CIT(A) order deleting TP-addition, 'tax avoidance intent' extraneous to ALP-determination**

The assessee, Progressive Tools & Components Pvt. Ltd, is engaged in the business of manufacturing Auto parts and components. For AY 2005-06, the assessee filed return declaring Nil income and reported three international transactions, viz. Purchase of material, Royalty paid for providing technical know-how and Technical fee paid for providing technical assistance. In relation to the transaction pertaining to 'Purchase of material', the assessee did not apply any method for determining ALP, stating that no comparables were available.

Delhi ITAT sets aside CIT(A) order deleting TP addition in respect of assessee's international transaction pertaining to 'Purchase of material' for AY 2005-06, holds that "all the points taken note of by the CIT(A) in deleting the transfer pricing addition lack valid reasoning and suffer from certain inconsistencies".

ITAT opined that the matter should be remitted to AO/TPO for fresh ALP determination after affording assessee an opportunity for hearing.

- **JP Morgan Advisors India Private Limited [TS-170-ITAT-2017(Mum)-TP] - Benchmarking based on single comparable permissible, however +/-5% benefit inapplicable**

The assessee is engaged in providing 'non-binding investment advisory services' to its Associate Enterprise (AE), Assessee reported international transactions with the AE for provision of advisory services having a remuneration of cost plus margin of 15%. Assessee demonstrated arm's length price (ALP) of its transactions under Transactional Net Margin Method (TNMM) as the most appropriate method. Before ITAT, assessee challenged comparability of 4 out of 5 companies selected by TPO on the fact that these 4 companies cannot be held as a good comparables.

Mumbai ITAT allows assessee's appeal for exclusion of 4 out of 5 comparables selected by TPO/DRP for the benchmarking by explaining that although more than one comparable is desirable to get appropriate arm's length results, "there is no mandate in the law that one may choose more than one comparable only" ITAT however clarified that on consideration of only one comparable, the tolerance range of +/- 5% (or 3%) as envisaged in second proviso to Sec 92C will not be applicable. Accordingly, ITAT directed TPO to benchmark assessee's margin with only one comparable.

- **Logix Microsystems Ltd [TS-181-ITAT-2017(Bang)-TP] - Upholds re-characterization of share-application as debt considering allotment delay / AE fund availability**

Bangalore ITAT holds that assessee's remittance to subsidiary for subscription of equity shares covered under international transaction u/s 92B considering extraordinary delay in allotment of shares, As money was available to AE for utilization and no shares were allotted till the end of the financial year, ITAT opined that the transaction would be covered under the provisions of Sec. 92B having a direct bearing on the profit and loss and will considered as Capital financing/advance to AE.

However, ITAT accepts assessee's alternative plea to apply LIBOR rate for determining the arm's length interest directed AO/TPO to re compute the arm's length interest in respect of this transaction by taking into consideration LIBOR for the period from the date of remittance till 31.3.2009 by disallowing the time period of 180 days.

- **Maruti Suzuki India Ltd [TS-159-SC-2017-TP] - Admits Revenue's SLP in Maruti Suzuki case on marketing intangibles issue**

SC admits SLP filed by Revenue against Delhi HC judgment in Maruti Suzuki India Ltd. on marketing intangibles issue. Further, Delhi HC held that AMP expenses incurred by Maruti Suzuki India were not an international transaction u/s 92B. HC concluded that, in the absence of Bright Line Test (BLT), there was no machinery provision to discern the existence of international transaction on account of AMP expenditure, nor was there a substantive or procedural provision in Chapter X permitting a quantitative AMP TP adjustment.

Direct Tax March updates:

1. Aadhaar To Be Mandatory For Filing Income Tax Return, PAN Application:

The government has proposed to make Aadhaar Card mandatory for filing ITRs or income tax returns and also applying for a Permanent The Account Number (PAN). The proposal was made through an amendment to the Finance Bill 2017 moved by Finance Minister Arun Jaitley in the Lok Sabha.

2. CBDT to honour honest taxpayers:

The CBDT will soon honour lakhs of "honest and compliant" taxpayers from across the country who have paid their Income Tax dues diligently over the years. Such people will be issued commendation certificates by the policy-making body of the I-T department under the signature of the CBDT Chairperson.

The certificates, apart from saying a thank you, will commend the taxpayers for honestly making their contributions towards the progress of the country.

3. No proposal to replace Income Tax with Banking Cash Transaction Tax:

There is no proposal "at present" to replace Income Tax with Banking Transaction Tax. Minister of State for Finance Santosh Kumar Gangwar said: "There is no such proposal under consideration of the government at present."

4. I-T department guidelines for interest waiver in specific cases offer tax relief:

In a relief for taxpayers, the income-tax department on Friday issued guidelines specifying cases where interest levied on them could be waived. Senior officials of I-T department can now waive or reduce interest in cases where the assessee genuinely believed no tax needed to be withheld. For instance, in cases where the taxpayer did not deduct tax based on a high court ruling that was subsequently overturned by the Supreme Court or through a retrospective amendment, the taxpayer will be eligible to seek relief.

These guidelines were issued under section 201 (1A) of the Income-tax Act which provides for levy of interest at the rate of 1% per month for delay in deduction of tax.

5. ICDS provisions to prevail over judicial precedents:

CBDT vide Circular No. 10 of 2017 has clarified various issues in Income Computation and Disclosure Standards (ICDS) notified u/s 145(2) by issuing 25 clarifications. ICDS, Income Computation and Disclosure Standards, are applicable for computation of income chargeable under the head Profits and Gains of Business or Profession or Income from Other Sources and not for the purpose of maintenance of books of accounts. Impact of ICDS will not be considered to compute profit under Minimum Alternate Tax (MAT) as MAT is based on book profits.

The FAQ also said that in the case of conflict of ICDS general principles for computation of income with Income Tax Rules, the provisions of Rules which deal with specific circumstances shall prevail over ICDS provisions.

6. Lok Sabha passes Finance Bill 2017 with amendments:

The Lok Sabha passed the Finance Bill on Wednesday after finance minister Arun Jaitley justified making Aadhaar mandatory for tax returns. Taking a hard stance on tax evaders, Jaitley justified the changes in the Finance Bill to make Aadhaar mandatory for filing tax returns and getting a permanent account number (PAN).

7. Government cuts Rs 3-lakh limit on cash transaction, caps it at Rs 2 lakh: The government has decided to lower the cash transaction limit to Rs 2 lakh from the Rs 3 lakh proposed in the Budget last month. Any spending above that will invite a penalty equivalent to the amount of the transaction.

8. Sec. 80IB deduction allowable despite non-filing of audit report with return:[Surya merchant Ltd.[TS-94-SC -2017]:

Sec. 80-IB provides for deduction in respect of profits and gains from certain industrial undertakings other than infrastructure development undertakings. Sec.80-IA (7) provides that such deduction would be permissible only if books are audited by an accountant and report of such audit in the prescribed form duly signed and verified by such accountant is furnished along with the return. But HC held that the requirement u/s 80-IA(7) is directory and not mandatory and thus, audit report furnished during assessment proceedings amounts to sufficient compliance.

9. Stay of Demand Section 220(6) of IT Act 1961[Flipkart India Private Limited vs. ACIT (Karnataka High Court)]:

CBDT Circular dated 29.2.2016 does not supersede Instruction No.1914 but modifies it. Both have to be read together. The AO and CIT cannot straightaway demand payment of 15% of the dues but have to grant complete stay if the assessment is "unreasonably high pitched" or the demand for depositing 15% of the disputed demand leads to "genuine hardship" to the assessee" However, a higher superior authority is empowered to interfere with the decision of the Assessing Officer in certain extraneous circumstances, namely if the assessment order appears to be "unreasonably high pitched", or "where genuine hardship is likely to be caused to the assessee". Moreover, according to Instruction No.2-C of Circular No.1914, certain guidelines have been provided by the said Circular, which clearly demarcate the circumstances in which the stay can be granted.

10. Waiver of loan taken for acquisition of a capital asset and on capital account cannot be taxed u/s 41(1), as it is neither on revenue account nor a remission of a trading liability so as to attract tax in the year of remission: [JSW Steel Ltd vs. ACIT (ITAT Mumbai)].

Now we come to the core issue, whether the amount of waiver amount would at all form part of the 'book profit' of the company for the purpose of levy of MAT under section 115JB. waiver of a loan is a capital receipt which is part of the capital reserve and cannot be reckoned as working result of the company and therefore, it does not form part of the net profit as per the profit & loss account. Thus, such a capital receipt cannot be taxed as 'book profit' as envisaged in terms of section 115JB.

11. Share Premium not part of “Capital Employed” for computing Sec. 35D deduction: Berger Paints India Ltd. [TS-120-SC-2017]:

As per decision of supreme court, premium collected by the assessee company on its subscribed share capital does not constitute “Capital employed” for the purpose of computing deduction u/s 35D. As per the exhaustive explanation given by sec. 35D(3) capital employed is the aggregate of share capital, debenture and long term liabilities ,thus premium collected by the company on issue of shares is neither a long term borrowing or nor near to a debenture.

12. Govt to conduct trials with plastic banknotes:

It has been decided to conduct a field trial with plastic banknotes at five locations of the country. Approval for procurement of plastic substrate and printing of bank notes of Rs.10 denomination on plastic banknote substrates has been conveyed to RBI.

Service Tax March Updates:

1.) Service tax on services by admission to a museum shall not be required to be paid, vide *Notification 9/2017-ST*;

According to a practice that was generally prevalent, there was non-levy of service tax, on the services by admission to museum for the period 1st July, 2012 to 31st March, 2015. However the said service was liable to service tax under section 66B of the Finance Act, 1994, which was not being paid according to the said practice.

The central government vide *notification 9/2017* directs that service tax payable on the said services, during the period stated above shall not be required to be paid.

2.) Amendments in Mega Exemption (Notification no. 25/2012) vide *Notification 10/2017-ST*;

In the said notification, in the opening paragraph, in **entry 9**, in clause (b), after sub-clause (iv), the following proviso shall be inserted, namely:-

“Provided that nothing contained in **clause (b)** of this entry shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.”

This notification shall come into force on the 1st day of April, 2017.

Value Added Tax

Delhi VAT

▪ Filing of online return for 3rd Quarter of FY 2016-17

Due date of filing of DVAT Return in Form 16, 17 and 48 for 3rd quarter FY 2016-17 has been extended upto 31st March, 2017 (Circular No. 28 dated March 13, 2017).

▪ Highlights of Delhi Budget 2016-17

- Items on which Value Added Tax (VAT) is proposed to be reduced from 12.5% to 5%
 - Sanitary napkins above Rs. 20
 - Laminates, Plywood and Black Boards, MDF Boards and Particle Board
 - Granite, Swadeshi Kota Stone, Dholpur Stone, Gwalior Stone Slate
- Sanitary napkins upto Rs. 20 are tax free.
- VAT is proposed to be reduced from 25% to 1% on Aviation Turbine Fuel (ATF) for flights operating under Regional Connectivity Scheme.

Maharashtra VAT

▪ Highlights of MVAT Budget 2016-17

- Items on which Value Added Tax (VAT) is proposed to be reduced from 12.5% to 0%.
 - Milk Testing Kit for checking adulteration of milk
 - Soil Testing Kit to examine the fertility of soil for farming.
 - Card Swipe Machine for cashless transactions
 - Gas and Electric Incinerators
- VAT exemption on Solapuri Chaddar and towels continues.
- VAT on Geo Membrane required for farm pond reduced from 6% to 0%.
- VAT on Aviation Turbine Fuel (ATF) for flights under the Regional Connectivity Scheme reduced from 5% to 1%.
- VAT exemption to Amsul along with exemption to essential commodities like rice, wheat, pulses and its flour and also turmeric, chillies, tamarind, jiggery, coconut, coriander seeds, fenugreek, parsley (suva), papad, wet dates.
- Vat rate of 23.08% on MRP of country and foreign liquor increase to 25.93%.
- Tax on weekly lottery increase from Rs.70,000 to Rs. 1 Lakh.
- Establishment of three new benches of Maharashtra Sales Tax Tribunal.
- VAT appeal 10% part payment necessary subject to maximum payment of Rs.15 cr.
- VAT dues can be recovered from the Directors of private company.
- Profession Tax assessment for unregistered period reduced from eight years to four years.

▪ **Change in Procedure and format of submission of VAT/CST Return**

The Commissioner of Sales Tax, Maharashtra has modified the procedure and format for submission of VAT & CST returns under Maharashtra VAT.

- The Govt. has now implemented the process of online verification of draft return in PDF format before submission. This would enable the dealer to verify his return generated from the .TXT file uploaded on the website. If found satisfactory, the dealer can save the PDF file and submit the draft return as final. The acknowledgment generated on submission can also be saved subsequently. This would complete the formalities of filing the returns.

Please note that there may be a delay in generation of PDF file after uploading the TXT file. The dealers should ensure they have enough time in hand before the due date.

- The current CST return forms do not accept negative figures in the excel format, which could arise due to goods returns, discounts or rate difference credit notes. New CST templates have been introduced to allow the input of negative figures in the forms.
- The composition dealers were unable to file the returns in Form 232 due to system error. They can now file the returns under the head "233_CST".
- Due date for filing of monthly returns from April 2016 to February 2017 and quarterly returns from April 2016 to September 2016 has been extended till 31st March, 2017. The late fees for these periods have been waived, provided the tax has been paid by the dealers within the existing due dates.
- PT returns and Luxury Tax returns for registrations obtained after 25th May, 2016 can now be filed on the new system. The late fees have been waived and last date for filing these returns has been extended till 15th April, 2017, provided the tax has been paid by the dealers within the existing due dates.
- The procedure for applying for refund in e-Form 501 has been explained in detail. The application shall be automated henceforth but the dealers shall have to update the form numbers and other details in the returns manually. (Please contact our office for detailed procedure)
- **Only for registrations obtained after 25th May, 2016**, the procedure for application of e-CST declarations has been explained in detail. The application shall be automated henceforth. The "Go Live" dates for this particular functionality will be notified shortly. (Please contact our office for detailed procedure)

Assurance & Accounting

March saw various exposure drafts related to Indian Accounting standards (Ind AS). Further due to demonetization in the financial year 2016-2017 certain reporting has been introduced in the financial statements and the audit report related to financial year 2016-2017

- **ICAI issues Exposure Draft of Transfers of Investment Property, Amendments to Ind AS 40, Investment Property**
The Exposure draft of transfers of Investment Property, Amendments to Ind AS 40, Investment Property issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, for comments. Comments on this Exposure Draft are invited till April 28, 2017.
- **ICAI issues Exposure Draft of Appendix B of Ind AS 21, Foreign Currency Transactions and Advance Consideration**
The Exposure Draft of Appendix B of Ind AS 21, Foreign Currency Transactions and Advance Consideration issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, for comments. Comments on this Exposure Draft are invited till April 28, 2017.
- **ICAI issues Exposure Draft of Annual Improvement to Ind AS- Amendments in Ind AS 112 and 28**
The Exposure Draft of Annual Improvement to Ind AS- Amendments in Ind AS 112 and 28 issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, for comments. Comments on this Exposure Draft are invited till April 28, 2017.
- **Disclosure of SBN in Company Balance Sheet and Auditors Report made Compulsory**
 - Every Company shall disclose the details of Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 in the Balance Sheet in the Specified format as provided in the Notification No.G.S.R. 308(E) dated 30th March, 2017.
 - Every Auditor are required to clarify that whether the company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and if so, whether these are in accordance with the books of accounts maintained by the company as provided in the Notification No.G.S.R. 307(E) dated 30th March, 2017.

REGULATIONS

Regulatory space saw liberalisation of LLP related FDI regulations and certain FDI regulations in the area of E Commerce. RBI also liberalised hedging guidelines for multinational companies. Trade mark law also saw amendments towards ease of doing business also maternity benefits related regulation was amended to give more maternity related benefits

FOREIGN EXCHANGE MANAGEMENT ACT

▪ **FDI ALLOWED IN BUSINESS-2-BUSINESS E-COMMERCE ACTIVITIES**

With a view to widen the areas of foreign investments in India, RBI vide its Notification No. FEMA.387/2017-RB dated March 09, 2017 has permitted 100 % Foreign Direct Investment under Automatic route in B2B E-commerce activities. But the concerned e-commerce entity will not permit more than 25% of the sales value on financial year basis affected through its marketplace from one vendor or their group companies.

▪ **FDI ALLOWED IN LIMITED LIABILITY PARTNERSHIPS (LLP)**

With a view to attract more foreign investments, RBI vide its Notification No. FEMA.385/2017-RB dated March 03, 2017 has permitted Foreign Direct Investment under the automatic route in LLPs operating in sectors / activities where 100% FDI is allowed through the automatic route and there are no FDI linked performance conditions for the same.

▪ **OPERATIONAL FLEXIBILITY FOR INDIAN SUBSIDIARIES OF NON-RESIDENT COMPANIES**

With a view to provide operational flexibility to multinational entities and their Indian subsidiaries exposed to currency risk arising out of current account transactions emanating in India, the extant hedging guidelines have been amended vide RBI Circular No. 41 dated March 21, 2017.

COMPANIES ACT

▪ **ADVISORY TO COMPANIES TO FURNISH STATEMENT OF FINANCIAL TRANSACTIONS (SFT) TO THE INCOME TAX DEPARTMENT**

Every Company who is in receipt from any person of an amount aggregating to Ten Lakh rupees or more in a financial year for acquiring shares, bonds or debentures (including share application money) shall furnish SFT before 31st May, 2017.

▪ **ESTABLISHMENT OF SPECIAL COURTS**

The High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh has established Special Courts u/s 435 of the Companies Act, 2013 for the purposes of providing speedy trial of offences punishable with imprisonment of two years or more under.

▪ **COMPANIES (INDIAN ACCOUNTING STANDARDS) (AMENDMENT) RULES, 2017**

MCA vide its notification No- G.S.R. 258(E) dated 17th March, 2017, has made some amendment in

the Companies (Indian Accounting Standards) Rules, 2015.

OTHER ACTS & REGULATIONS

- **MATERNITY BENEFIT (AMENDMENT) ACT, 2017**

Maternity leave available to the working women increased from 12 weeks to 26 weeks for the first two children. The maternity leave for children beyond the first two or adopting a child below the age of three months will continue to be 12 weeks.

Every establishment with more than 50 employees to provide for crèche facilities to working mothers from the time of her appointment and they be permitted to make four visits during working hours to look after and feed the child in the crèche.

- **THE CONTRACT LABOUR (REGULATION AND ABOLITION) CENTRAL AMENDMENT RULES, 2017**

Ministry of Labour & Employment has issued certain rules to further amend the Contract Labour (Regulation and Abolition) Central Rules, 1971, which has been amended to insert payment of wages through current coin or currency notes or by cheque or by crediting the wages in the bank account of the workman for specific class of establishments which the appropriate Government may, by notify in the Official Gazette.

- **THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE PROVIDES SIX-MONTHS WINDOW TO GET ENVIRONMENTAL CLEARANCE**

The Ministry of Environment, Forest and Climate Change has provided a six months window, as a one-time opportunity to the units, which have not obtained prior environmental clearance to apply for the same.

- **TRADE MARKS RULES 2017**

The Trade Marks Rules, 2017 have been notified with effect from 06 March, 2017. The No. of Trade mark forms, application fees has been reduced and Hearing through video conferencing has been introduced to ease the Trademark registration process.

TAX CALENDER

April, 2017

Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Date	Regulation	Obligation																											
7	Income Tax	-Last date for deposit of tax deducted by an office of the government for the month of March, 2017 in which the deduction is made, where tax is paid accompanied by an income tax challan.																											
14	Income Tax	-Due date for issue of TDS Certificate for tax deducted under section 194 IA in the month of February, 2017.																											
15	DVAT	- Last date for payment of tax deducted at source on payment made to contractor during the month of March, 2017																											
15	PF	-Last Date for deposit of Provident Fund for the month of March, 2017																											
20																													
	UPVAT	- Last date for online filing of return for the quarter/month ended March, 2017 & last date for tax payable from 21st March to 31st March for the tax period ending on 31st March, 2017																											
21	DVAT	-Last date for online payment of tax due for the month of March, 2017																											
21	ESI	-Last Date for deposit of Employees State Insurance for the month of March, 2017																											
21	MVAT	-Last date for payment of taxes for the quarter/ month ended March 2017.																											
22	DVAT	- Date of issuance of certificate for Tax Deducted at Source in the month of March 2017																											
25	Service Tax	-Last date for filing of service tax return for the period October 1, 2016 to March 31, 2017																											
28	DVAT	- Last date of filling of DVAT/CST Return for the quarter ended 31st March, 2017																											
30	Income Tax	-Due date for furnishing of Form 24G by an office of the Government where TDS/TCS for the month of March, 2017 has been paid without the production of Challan																											
30	Income Tax	-Due date for furnishing of challan-cum-statement in respect to tax deducted under Section 194 IA in the month of March, 2017																											
30	Income Tax	-Due date for deposit of Tax deducted by an assessee other than an office of the Government for the month of March, 2017.																											
30	Income Tax	-Due date for e-filing of a statement in Form No. 61 containing particulars of Form No. 60 received during the period October 1, 2016 to March 3, 2017																											
30	MVAT	-Last Date for filing of return for the month ended March, 2017.																											

Challan Form-I and
Return:- Local:- Form 24 &
Central:- Form-CST

DVAT-20

DVAT-43

ST-3

GAR-7

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