





Customer is not dependent on us,
We are dependent on him.
He is not an interruption on our work,
He is the purpose of it.
He is not an outsider to our business,
He is a part of it.
We are not doing him a favour
by serving him,
He is doing us a favour by giving us
An opportunity to do so.

Mahatma Gandhi

**THIS
MONTH
4U**

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5	State Excise Act Returns in Form RT-1 / RT-2 for March
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FROM THE DESK OF THE CHAIRMAN

When the BJP won Uttar Pradesh convincingly it became a truly national party of governance across the country replacing the moribund Congress that is on its way of self-destruction before it rises again. Rise it would because no democracy would leave a vacuum in the Opposition space for long. I do not know whether this victory foretells the victory of the Party in 2019. But what it has done to Narendra Modi and his Party is an emphatic endorsement of their policies, many of them like demonetisation and dealing with Pakistan were both daring and emphatic. It is a truism to state that people want leaders who are decisive and if they happen to come with credibility the combination becomes irresistible. Modi has managed to pass the muster with flying colours on this score. By all accounts the victory in UP was more an endorsement for Modi than a vote for BJP. Modi single-handedly managed to secure an unprecedented victory stunning everyone in the process. Yet what surprised most people was in the choice of the Chief Minister of UP post elections. Yogi Adityanath, the locally popular but nationally controversial six-time MP was a surprise choice. If people found it difficult to predict the landslide in favour of BJP before the elections they found it equally baffling to fathom the rationale in the selection of the controversial Yogi after the elections. Modi was the author of the UP success story who is now an unquestioned leader of his Party. Without his support and concurrence a Chief Minister cannot be anointed at Lucknow. There are some similarities between these two bachelors (one by choice and the other by preference) like their commitment to their causes and their energy levels to get things done; but there is little else in common. Modi is a walking - talking fashion statement and his sartorial tastes in fact define him. He is nattily yet natively dressed whereas the Yogi true to his profession is always clothed in saffron and wears his religious affinity on his sleeves. If Modi is

brand conscious for the Yogi the only brand is Hinduism. Even in spite of his discomfort with English, Modi still exudes an aura of sophistication whereas Adityanath is the quintessential rustic fakir who is mocked and despised by the elite. There is something that does not meet the eye in the selection of Yogi to head UP. That said let us look at what the Yogi is up to since assuming office. Managing UP is no mean task and to make a success of it would need extraordinary efforts and energy. If one goes by the initial steps taken by the new CM, the State may have finally found his man. Look at some of his initial actions. Babus have to come to work on time. You cannot spit all over and wherever. No illegal abattoirs. To manage a feudal State that is virtually ungovernable you need someone with super natural powers. That may explain why Modi picked Yogi, someone who as a saint is above normal human beings! A political leader can become a good administrator. Would a religious leader be an equally good administrator in a secular society? The jury is still out on that one.

There is a man who lacks fundamental integrity, one who enjoys no credibility, prone to telling lies, indulges in nepotism by appointing close relatives to the government that he heads, with a boorish and uncouth behaviour with little ideological commitments saddled with an emperor size ego lacking in basic decencies. It is a long list. It is not the description of a despot in country in the African continent. They are the attributes of the current President of the United States of America. America, they say is a blessed country. I tend to agree. How else can that country survive with such a person in the White House? The man who started the journey with a pledge to reform Washington is now all set to destroy it. Donald Trump believes that because he had been elected by the people he is now entitled to rule the country like a monarch. The people who hated Trump before the elections hate him more now. Those

who voted for him are at a loss to figure out who he really is and what exactly he stands for. He has hijacked the once principled Republican Party and has made it into a Party of wimps. The way things are unfolding it is difficult figure out if he is courting controversies or vice versa. His disdain for the media is not helping matters any. The media is not in a hurry to bury Trump's Russian connection. With new skeletons tumbling out of Trump's cupboard the nation is watching with horror and the world is stunned beyond words even as events unravelling. However, everyone is cautious when it comes to making predictions about what would happen to Trump, for he has proved every prediction wrong all along during his campaign when reached the White House that was once considered unthinkable. The current mood in the US and in the world capitals is one of anxiety to see if he is going to self-destruct his own presidency or would destroy whatever is left of America's prestige as a leader of the free world.

In one fell swoop the apex Court came down heavily on the auto manufacturers for failing to prepare themselves to switch over to the manufacture of vehicles with less polluting BS IV emission norms just a day before it was to come into effect. The manufacturers on their part and the public in general were expecting an extension to the date to switch over to the new norms as used to happen routinely in the past. The Court in its wisdom emphatically overturned the hitherto adopted practice of balance of convenience and refused to extend the date to comply with the new norms. The Court instead pushed the automakers to switch over to the new norms virtually overnight at a high cost to the industry thereby sending out a strong signal to all that the judicial system cannot be taken for granted to protect private interest at the cost of public health. The Court said in so many words that the latter is far more important than the economic health of a handful of companies. This new posturing by the Court appears to have taken even the government by surprise. One may be tempted to dismiss this new found aggressiveness on the part of the Supreme Court as a flash in the pan. But it may not be so. Towards the end of last year the apex Court took on the liquor and hospitality industries by banning sale of liquor near the State and National Highways. The Court was alarmed by the accidents occurring on the highways because of drunken driving. Predictably the affected

industries raised a hue and cry. The State governments also pleaded with the Court that the their treasuries could go dry if there are no revenues coming from the sale of liquor through the outlets on the Highways. The industry along with the governments could not succeed in getting the Court to agree for any concessions for continuing the status quo. We are seeing a new face of the judiciary that augurs well for our country. Economic arguments cannot influence the Court when it comes to public health and safety, however much the cost that the economic system may have to pay. We have seen activism on the Bench based on ideological moorings of the judges in the past. What we are seeing now is the pronouncements of the Court influenced by ever involving social changes. The judicial system appears to be rising to the challenge despite the huge backlash coming from interested quarters.

Of late the banking system has come in for heavy criticisms, perhaps rightly so, for the steep increases in the charges they propose to levy for various services rendered by them. The oft repeated refrain circulating in the social media is that it is unreasonable to expect the customers like us to pay to deposit or withdraw our own money and that the customers should bring the banking system to a halt as a token of our protest. It is a little difficult accept the arguments advanced by those who want the various charges imposed by the banks abolished. Banks do not force anyone to part with his or her money to be kept in safe custody with themselves. If you feel cheated by the banking system you are welcome to keep all your monies under your pillow and be satisfied that you have denied the banks the pleasure of keeping your money. Banks, like any such entities, are commercial enterprises. They would make profits as long as and as much as they can. The limit of their ability to charge the customer would depend on the quality of their service and the competition in the market place. On the one hand we mouth clichéd statements like 'I don't mind paying but I expect quality service'. And when someone starts charging for his services we take shelter under socialistic morals and worn-out slogans. What intrigues me is the facetious statements like why do we pay to withdraw our own money? Come on, at the very least there is someone in the bank counting, recording, safekeeping and dispensing money whenever you

want. You don't consider them as service? I do agree that Banks can profit from their business but should not profiteer. There are checks and balances in the system put in place by the Reserve Bank of India and the government. Emotional rhetoric is never a good substitute for sensible economics. Our aim should be to influence policy making processes based on economic logic than to divert the discussions to belligerent blackmail. The anger against the banks that have not exactly covered themselves with glory with so many skeletons tumbling out of their cupboards is understandable. That is another issue altogether. And the solution is not in collectively exploiting the banks further. Not allowing the banks to charge for their services (even inefficient services) in order to stay afloat is not even a remote option. If we say that the banks can charge only what we think is reasonable then they will also become the white elephants like the Air Indias and other PSUs that will have to be supported by the tax payers' money. At one level it is all about a question of whether you want to pay for the services as charges or taxes. Either way there is no free lunch.

The country has been preparing for the introduction of the Goods and Services Tax for quite some time and finally the countdown has begun with the passage of the relevant Acts in the Parliament. In the final Bill there is this important Section to deal with profiteering by the trade to the detriment of the consumers. Based on the experience it has gained from elsewhere in the world the government has taken on itself the task of ensuring that prices do not go up all round and the consumers get short-changed once new tax measures get implemented. In Malaysia when GST was

introduced an Act was passed to discourage profiteering that led to widespread litigations and was found to be difficult to implement. The Chief Economic Advisor calls the relevant anti-profiteering provision in the Act as a measure to reassure the public that the government can always chip in to prevent a runaway inflation. To the industry, however, this clause appears as a ruse for easy government intervention that could result in harassment of the assesseees. The relevant Section drafted in an apparently harmless and simple language makes it mandatory for the assesseees to pass on the benefits accruing through input tax credits under the GST to the customers. A noble objective indeed. The problem, however, is in its implementation. This provision makes it important for the industry to determine the starting block in the journey so that one does not get entangled along the way to report to the authorities that it has indeed passed on what it has gained extra. It may be reasonable to assume that this provision would be readily and willingly invoked by the authorities, if required, as any increase in prices could make GST an anti-common man measure instead of it being a vote catcher. Come elections, the consumers would be the voters. It is no secret that when costs go up prices go up in tandem but the reverse seldom happens. The corporates would have to be prepared with product/service wise costs before and after implementation of GST with proper justifications for how much to be passed on and why, if any, is not getting passed on. After all it is better to be safe than sorry.

Thank you.

Venkat R. Venkitachalam



What's New...!!

CUSTOMS

Notifications:

Tariff:

- Exportation and re-importation of cut and polished diamonds by authorised offices / agencies of laboratories in India has been permitted since recent amendment in the Foreign Trade Policy. Accordingly, changes have been made in the Customs Notification No. 09/2012-Cus dated 09/03/2012 so as to facilitate the export and reimport of cut and polished diamonds without payment of duty. **[Notification No. 07/2017 dated 1st March, 2017].**

- The wordings Haldia (Haldia Dock Complex of Kolkata Port)" has been replaced with Haldia (Haldia Dock Complex of Kolkata Port), Hazira (Surat) in specified Notifications, thus adding Hazira (Surat) to the list of notified port from where the import and export can take place under the specified notifications viz: Customs Notification 91/2009 to 104/2009 Customs, 112/2009, 5/2013, 6/2013, 22/2013, 23/2013, 16-2015. **[Notification No. 08/2017 dated 23rd March, 2017]**
- Standard rate on extraction and refining of oil is reduced to 10% effective from 1st October, 2017, by inserting Serial number 39A to the Notification No. 12/2012 Cus dated 17/03/12

Sr. No.	Tariff Heading	Description of goods	Standard rate	Condition No.
39 A	1206 00 90	All goods for the purpose of extraction and refining of oil.	10%	5"

[Notification No. 09/2017 dated 23rd March, 2017].

- Following amendments have been made to No.12/2012-Customs, dated the 17th March, 2012

Sr. No.	Tariff Heading	Amended Tariff Heading	Description	Amended Description	Existing Rate	Amended Rate	Remarks
21	0713 except 0713 20 00 and 0713 40 00	0713 except 0713 20 00, 0713 40 00 and 0713 60 00	Pulses except chickpeas (garbanzos) and lentils	Pulses except chickpeas (garbanzos), lentils or tur	NIL (Preferential rate @20%)	NIL	Tariff and description amended
21 B	0713 40 00	-	Lentils	Lentils except tur	NIL (Preferential rate @20%)	NIL	Description amended
21 C		0713 40 00, 0713 60 00		Tur		10%	New insert
34	10011900 or 1001 99 10	-	Wheat	Wheat	NIL	10%	

[Notification No. 10/2017 dated 28th March, 2017].

Non-Tariff:

- Revdanda port, Maharashtra is notified as Customs port for unloading and loading of specified goods. The same is now amended to include unloading of imported goods and loading of export goods or any class of such goods without any restriction of specified goods. **[Notification No. 15/2017 dated 2nd March, 2017].**
- The Courier Imports and Exports (Clearance) Amendment Regulations, 2017 have been amended to provide that the goods specified in Appendix 3C of the Foreign Trade Policy (2015-20) and other commercial goods, not covered under clause (e) of sub-regulation (2) of regulation

2, wherein the value of the consignment does not exceed rupees twenty-five thousand and transaction is in foreign exchange, the entry shall be made in Form Courier Shipping Bill CSB-V **[Notification No. 16/2017 dated 3rd March, 2017].**

- The Central Board of Excise and Customs hereby appoints officer mentioned in column 5 of the Table below to exercise the powers and discharge duties conferred or imposed on officers mentioned in column (4) of the Table in respect of Show Cause Notice mentioned in column (3) of the table, for purpose of adjudication of show cause notice mentioned therein, namely:-

Sl. No.	Notice name and address	Show Cause Notice Number and date	Answerable to	Appointed Officer
(1)	(2)	(3)	(4)	(5)
1	M/s Fulchand & Sons, 3, Angeripalayam Road, Tiruppur	F.No. INV/DGCEI/CBERU/4/2005 dated 20.06.2006	(i) Deputy Commissioner/Assistant Commissioner of Customs, Customs House, Tuticorin (ii) Deputy Commissioner/Assistant Commissioner of Customs, Air Cargo Complex, Mumbai (iii) Deputy Commissioner/Assistant Commissioner of Customs, Air Cargo Complex, Chennai	Deputy Commissioner/Assistant Commissioner of Customs, Customs House, Tuticorin

[Notification No. 17/2017 dated 3rd March, 2017].

- Following entry shall be substituted for serial number 6 and the entry relating thereto of Notification No.31/97-Customs, dated the 7th July, 1997 "All Assistant Directors of the Central Economic Intelligence Bureau". **[Notification No. 18/2017 dated 3rd March, 2017].**

- The Central Board of Excise and Customs hereby appoints officer mentioned in column 5 of the Table below to exercise the powers and discharge duties conferred or imposed on officers mentioned in column (4) of the Table in respect of Show Cause Notice mentioned in column (3) of the table, for purpose of adjudication of show cause notice mentioned therein, namely

Sl. No.	Notice name and address	Show Cause Notice Number and date	Answerable to	Appointed Officer
(1)	(2)	(3)	(4)	(5)
1	M/s International Aircon Private Ltd. 303 Nirmal Avenue, Near Sadar Patel Colony, Naranpura, Ahmedabad	F.No.VIII/10-27/JC/ICD-SND/O & A/2016 dated 09.08.2016	Joint / Additional Commissioner of Customs, Custom House, Ahmedabad	Principal Commissioner/Commissioner of Customs (Nhava Sheva-V), Jawaharlal Nehru Custom House, Raigad

[Notification No. 20/2017 dated 3rd March, 2017].

- **Tariff Value** of following Imported goods have been further amended as given below:

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	753
2	1511 90 10	RBD Palm Oil	763
3	1511 90 90	Others - Palm Oil	758
4	1511 10 00	Crude Palmolein	765
5	1511 90 20	RBD Palmolein	768
6	1511 90 90	Others - Palmolein	767
7	1507 10 00	Crude Soya bean Oil	805
8	7404 00 22	Brass Scrap (all grades)	3198
9	1207 91 00	Poppy seeds	2648

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	392 per 10 grams
2	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	553 per kilogram

Sr. No.	Chapter/ heading/ sub-heading / tariff item	Description of goods	Tariff value US \$ (Per Metric Tonne)
(1)	(2)	(3)	(4)
1	80280	Areca nuts	2594

[Notification No. 21/2017-Cus (NT), dated 15th March, 2017]

Anti-Dumping Duty:

- Anti-Dumping duty was levied on import of "Phosphoric Acid-Technical Grade and Food Grade (including Industrial Grade)", (CH-2809), originating in, or exported from China by M/s. Guangxi Quinzhou Capital Success Chemical Co. Ltd. (producer or exporter) into India. M/s. Guangxi has requested for review in terms of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995. Accordingly, all further imports will be under provisional assessment till the review

is completed. **[Notification No. 08/2017-Cus (ADD), dated 15th March, 2017].**

- Anti-Dumping duty has been levied on "Indolinone", (CH-29) originating in, or exported from, China. It shall be in force w.e.f. 24th March, 2017 upto and inclusive of the 20th November, 2019, unless revoked earlier. **[Notification No. 09/2017-Cus (ADD), dated 24th March, 2017].**
- Anti-Dumping duty was levied on import of "1,1,1,2-Tetrafluoroethane or R-134a ", originating in or exported from People's Republic of China by M/s. Zhejiang Sanmei Chemical Ind. Co., Ltd. (Producer/Exporter) [China PR], M/s Zhejiang

Sanmei Chemical Products Co., Ltd (Exporter) [China PR] and M/s Jiangsu Sanmei Chemical Ind. Co., Ltd (Producer) [China PR] into India. M/s. Zhejiang Sanmei Chemical Ind. Co., Ltd. (Producer/Exporter) [China PR], M/s Zhejiang Sanmei Chemical Products Co., Ltd (Exporter) [China PR] and M/s Jiangsu Sanmei Chemical Ind. Co., Ltd (Producer) [China PR] have requested for review in terms of rule 22 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995. Accordingly, all further imports will be under provisional assessment till the review is completed. **[Notification No. 08/2017-Cus (ADD), dated 15th March, 2017].**

Safeguards Duty:

- No New Notification

Circular:

- Exemption is granted from drawal of samples for the purpose of grant of drawback to the AEO certificate holders (Tier II & Tier III except in case of any specific information or intelligence. **[Circular No. 05/2017 dated 28th February, 2017].**
- E-BRC of DGFT should be accepted as proof of realization of sale proceeds for exports under drawback scheme having LEO date from 12.08.2012 upto 31.03.2014 except in case of specific intelligence or information of misuse. **[Circular No. 06/2017 dated 28th February, 2017].**
- Guidelines for launching of prosecution in relation to offences punishable under Customs Act, 1962 have been modified. The details are given in circular. **[Circular No. 07/2017 dated 6th March, 2017].**

- Rebate of State Levies (RoSL) is allowed on Export of made-up articles. The ROSL scheme is meant for exports of made-up articles that are defined in the scheme as goods falling under Chapters 63 of the Schedule of All Industry Rates of Drawback excluding tariff items 6308, 6309 and 6310 and goods in tariff item 9404 that are excluded from drawback tariff item 6304. It is applicable to exports with Let Export Order dates from 23.03.2017 onwards. Though applicability is for three years, nonetheless based on changes in underlying conditions, the Central Government can adjust the rates of rebate. The scheme codes 60- Drawback & ROSL and 61- EPCG, Drawback & ROSL are applicable for ROSL for madeups also and the exporter is to declare the same at item level to make claim cum declaration for the rebate. It is further clarified that all the guidelines for ROSL for garments as enumerated in Circular No. 43/2016-Cus dated 31.08.2016 and the arrangements made by Directorate of Systems and Pr. CCA CBEC in respect of RoSL for garments shall apply mutatis mutandis to RoSL for made ups **[Circular No. 08/2017 dated 20th March, 2017].**

CENTRAL EXCISE:

Notifications:

Tariff:

- No New Notification.

Non-Tariff:

- Following changes have been made w.r.t. appointment of the officers authorised to exercise the powers of the ranks of officers mentioned against them.

Sl. No.	Existing Provision		New Provision	
	Officers	Rank of Officers of Central Excise	Officers	Rank of Officers of Central Excise
4	Officers of Directorate General of Central Economic Intelligence Bureau, namely: 1. Deputy Director General 2. Assistant Director General 3. Senior Technical officer 4. Intelligence Officer	1. Commissioner 2. Joint Commissioner 3. Assistant Commissioner or Deputy Commissioner 4. Inspector	1. Additional Director General 2. Additional Director/ Joint Director 3. Deputy Director 4. Assistant Director	1. Commissioner 2. Joint Commissioner 3. Assistant Commissioner or Deputy Commissioner 4. Inspector

[Notification No. 06/2017-CE(N.T.), dated 14th Mar 2017]

- All Principal Commissioners, who have been given additional charge of a Chief Commissioner vide Office Order of the Central Board of Excise and Customs No. 151/2016 dated the 30th December, 2016, are authorised to exercise the powers of the Chief Commissioner in the jurisdiction specified in Notification No. 27/2014-Central Excise, dated the 16th September, 2014. **[Notification No. 07/2017-CE(N.T.), dated 23rd Mar 2017]**

Circulars:

- CBEC has issued Master Circular on SCN, Adjudication & Recovery which covers Annexure-I providing list of the 89 circulars which stand rescinded and Annexure-II providing list of 3 circulars that have not been rescinded since they contain the comprehensive instructions on the subject they address. It is also provided that the provisions of the Master Circular shall have overriding effect on the CBEC's Excise Manual of Supplementary Instructions to the extent they are in conflict.

[Circular No. 1053/02/2017-CX, dated 10th Mar 2017]

- It has been clarified that "Saree" which has undergone further processing such as embroidery, stitching of lace and tikki etc. and stitched with two or more kinds of fabrics will be classifiable as "Saree" under Chapter 50, 52 and 54 of the Central Excise Tariff Act, 1985 depending upon the material of the fabrics, and not as made-ups under Chapter 63 of the said Act.

[Circular No. 1054/03/2017-CX, dated 15th Mar 2017]

Instructions:

- No New Instructions.

LBT:

- No new notification.

SERVICE TAX

- Retrospective exemption has been provided for services provided by way of admission to Museum for the period 1st July 2012 to 31st March 2015. **[Notification No. 09/2017 ST dated 28th February 2017]**
- Exemption on Services provided to an Educational Institutions: - Exemption on following services is withdrawn w.e.f. 1st April 2017, when provided to an institution other than an institution which provides services by way of pre-school education and education up to higher secondary school or equivalent.
 - transportation of students, faculty and staff;
 - catering, including any mid-day meals scheme sponsored by the Government;
 - security or cleaning or house-keeping services performed in such educational institution;
 - services relating to admission to, or conduct of examination by, such institution.

Education after higher secondary school are likely to get costlier since such institution has to bear the extra cost and there will be no CENVAT utilization of such input services since their output services are exempt. **[Notification No.10/2017 ST dated 8th March 2017]**

Circular:

- No New Circular

Instructions:

- No Instructions

FOREIGN TRADE POLICY**Notifications:**

- Specified items as mentioned hereunder (whether or not originating in Democratic People's Republic of Korea (DPRK)) are prohibited for direct or indirect Import or Export from / to DPRK

Items prohibited for Direct or indirect export and import	Items prohibited for Direct or indirect export	Items prohibited for Direct or indirect import
<p>(i) All items, materials, equipment, goods and technology as set out in the following UNSC and IAEA documents:</p> <p>a) S/2006/853* and S/2006/853/Corr.1;</p> <p>b) S/2009/364;</p> <p>c) Annex- III of S/RES/2094(2013);</p> <p>d) Committee decision of July 16, 2009 (S/2009/364) and resolution 2094(2013);</p> <p>e) Annex-A to INFCIRC/254/Rev.12/Part1;</p> <p>f) Annex to INFCIRC/254/Rev.9/Part2;</p> <p>g) S/2014/253;</p> <p>h) S/2016/308;</p> <p>i) S/RES/2321(2016) and</p> <p>j) Any other item as determined by Central Government, which could contribute to DPRK's nuclear-related, ballistic missile-related or other weapons of mass destruction related programmes;</p> <p>(ii) Any battle tanks, armoured combat vehicles, large calibre artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms or related materiel including spare parts, as well as all arms and related materiel, including small arms and light weapons and their related materiel.</p>	<p>(i) Luxury goods including, but not limited to, the items specified in Annex-IV of S/RES/2094(2013), Annex-IV of S/RES/2270(2016); and Annex-IV of S/RES/2321(2016);</p> <p>(ii) Aviation fuel, including aviation gasoline, naphtha-type jet fuel, kerosene-type jet fuel, and kerosene-type rocket fuel subject to the provisions of Paragraph 31 of UNSC Resolution 2270 (2016) and paragraph 20 of UNSC Resolution 2321 (2016); and</p> <p>(iii) New helicopters and vessels, except as approved in advance by the Committee on a case-by-case basis.</p>	<p>(i) Coal, iron, and iron ore, subject to the provisions of Paragraph 26 of UNSC Resolution 2321 (2016);</p> <p>(ii) Gold, titanium ore, vanadium ore, and rare earth minerals;</p> <p>(iii) Statues, except as approved in advance by the Committee on a case-by-case basis and</p> <p>(iv) Copper, nickel, silver and zinc</p>

[Notification No. 41/2016 dated 21st March 2017]

- Following amendments are done in chapter 4:

S.No.	Existing Provision	Amended Provision	Remarks
4.22 (ii)	In cases of supplies to turnkey projects in India under deemed export category or turnkey projects abroad, the Export Obligation period shall be co-terminus with contracted duration of the project execution or 18 months whichever is more	In cases of supplies to projects in India under deemed export category or projects abroad, the Export Obligation period shall be co-terminus with contracted duration of the project execution or 18 months whichever is more	The wordings turnkey is removed to avoid disputes
Para 4.29 (v)	Applicant shall be allowed to file application beyond 24 months from the date of generation of file number as per paragraph 9.03 of Hand Book of Procedures	Applicant shall be allowed to file application beyond 24 months from the date of generation of file number as per paragraph 9.02 of Hand Book of Procedures	Para reference corrected
4.29 (viii)	No Duty-Free Import Authorisation shall be issued for an export product where SION prescribes 'Actual User' condition for any input	No Duty-Free Import Authorisation shall be issued for an input where SION prescribes 'Actual User' condition and/ or Appendix-4J prescribes pre- import condition for such an input	No DFIA for export product containing Items under Appendix-4J with pre-import condition since DFIA is otherwise transferable

[Notification No. 42/2016 dated 21st March 2017]

Notifications:

- Export policy of Sandal wood has been amended as under:

Sr. No.	ITC HS Code	Amended Description	Existing Restrictions	Change as per amendment
182	12119050, 44039920	Sandalwood in any form, except at Sr.no 183 to 187	Prohibited - Not permitted to be exported	No change
183	44140000, 44150000, 44190000, 44200000, 44219060, 44219090	Finished Handicraft products of (a) Sandalwood (b) Other Spices	Free - Subject to provisions of CITES	It is free for Export with no attached conditions
184	44090000	Machine finished Sandalwood products	Free for Export	No change
185	33012937	Sandalwood Oil	Free - Subject to quantitative and ceilings and conditions as notified by DGFT from time to time	No change
186	12119050, 44013000	Sandalwood de-oiled Spent Dust	Restricted - Export permitted under license Subject to conditions as notified by DGFT from time to time	No change
187	12119050, 44039922	Other forms of sandal wood namely (a) dust / flakes obtained as wood scrap / waste after manufacturing process by manufacturer exporter of value added sandalwood handicraft products and machine finished sandalwood products (b) machine finished chips manufactured from cracked portions of sandalwood billets (c) powder obtained from wood scrap / waste after manufacturing of handicraft products and machine finished sandalwood products (d) small pieces of sandalwood obtained from wood scrap / waste after manufacturing of handicraft / machine finished sandalwood products (e) sandalwood powder produced from sandalwood scrap / waste (f) any other item of sandalwood as may be specified by DGFT in consultation with MoEF& cc	Restricted - Export permitted under license Subject to conditions as notified by DGFT from time to time	The Specified categories for other forms of Sandalwood are defined for the purpose of clarity

[Notification No. 37/2015-20 dated 13th January 2017]

PUBLIC NOTICES:

- Flour Meal and Powder of Guar Seeds Under ITC(HS) 11061000 are ineligible for MEIS benefit w.e.f. 7th March, 2017 **[Public Notice No. 60/2015-20 dated the 7th March 2017]**
- The MEIS Schedule (Appendix 3B-Table 2) is re-notified, harmonizing it with ITC(HS)(2017) and revised list showing the existing HS codes, description and rates of MEIS along with corresponding 2017 HS Codes is published. **[Public Notice No. 61/2015-20 dated the 7th March 2017]**
- Clarity is inserted that inputs / imports as specified in Appendix 4J are subject to pre-import condition. A note stating "Inputs/import items sourced under the Authorisation have to be processed and exported" is specifically inserted in the said Appendix to emphasise that the inputs must be imported prior to exports.

Further General Note No. 15 for Chemical and Allied Products of Standard Input Output Norms (SION) is amended to emphasise on the pre-import condition and the same reads as under "15. Wherever, import of Penicillin and its salts (ITC HS Code No. 29411010) or import of 6-APA (ITC HS Code No. 29411050) is allowed as an input item under Advance Authorization Scheme, the export obligation period for such Authorisations shall be restricted to 12 months from the date of clearance of each import consignment with pre-import condition if imports are made from unregistered source. No further extension in export obligation period shall be allowed in these Authorisations. The licensing authority shall make an endorsement in the Advance Authorization to this effect. If imports made from registered source as per provisions of Drugs and Cosmetics Act, then the export obligation period shall be normal period as allowed in Para 4.22(i) of FTP. **[Public Notice No. 62/2015-20 dated the 24th March 2017]**

TRADE NOTICES:

No new Trade notice issued in this month

INCOME TAX ACT

- Government has introduced common application form for PAN & the same is applicable to newly

incorporated company - Simplified Proforma for Incorporating Company Electronically (SPICE)(Form No. INC-32) (SPICE) (Form No. INC-32). In other words, the Applicant who is using (SPICE) Form No. INC-32 can also file PAN application with this form by using digital signature. **[Notification 02/2017 dated 9th March 2017]**

- Specified income mentioned hereunder and received by Assam Electricity Regulatory Commission, constituted by the Government of Assam will be exempted under section 10(46) for the financial years 2016-17 to 2020-21 subject to satisfaction of specified conditions.
 - (a) amount received in the form of government grants;
 - (b) amount received as license fees, petition fees and fines; and
 - (c) interest earned on government grants, license fees, petition fees and fines kept as deposits or fixed deposits with banks.

[Notification 14/2017 dated 23rd Feb 2017]

- The Central Government hereby notifies the undertaking, being developed and being maintained and operated by M/s. Ascendas IT Park (Chennai) Ltd at Survey No. TS 8/2, Block No.9, Kanagam Village, MambalamGuindyTaluk, Survey No. TS 1/6, Block NO.7, Thiruvanmiyur Village, MylaporeTriplicane, Chennai, Tamil Nadu-600 113, as an industrial park for the purposes of the said clause (iii) of Sec 80-IA of the Income Tax Act, 1961 subject to the terms and conditions mentioned in the annexure of the notification. **[Notification 15/2017 dated 23rd Feb 2017]**
- The scope of the jurisdiction of the Commissioner of Income-tax, CPC, Bengaluru is widened to now include all returns filed in paper form. The notification thus, authorizes Commissioner of Income-tax, Centralized Processing Centre, Bengaluru, for exercising limited concurrent jurisdiction in respect of all cases where the return of income has been furnished including paper form.

Sr.No.	Designation of Income-tax Authority	Headquarters	Jurisdiction
(1)	(2)	(3)	(4)
1	Commissioner of Income-tax, Centralized Processing Centre, Bengaluru	Bengaluru, Karnataka	All the cases where the return of income has been furnished in - (i) electronic form, and (ii) paper form.

[Notification 16/2017 dated 22nd March 2017]

- Amendments have been made to the Income Tax Rules:

- Member (Income Tax) is substituted in place of Member (Legislation) in Rule 6DDB and Rule 6DDD.
- A new rule 127 A is inserted w.r.t. Authentication of notices and other documents. The said rule deals with provisions regarding authenticity of notice / document communicated through email / electronic record. The rule specifies:

(1) Every notice or other document communicated in electronic form by an income-tax authority under the Act shall be deemed to be authenticated, -

(a) in case of electronic mail or electronic mail message (hereinafter referred to as the e-mail), if the name and office of such income-tax authority-

(i) is printed on the e-mail body, if the notice or other document is in the e-mail body itself; or

(ii) is printed on the attachment to the e-mail, if the notice or other document is in the attachment, and the e-mail is issued from the designated e-mail address of such income-tax authority;

(b) in case of an electronic record, if the name and office of the income-tax authority-

(i) is displayed as a part of the electronic record, if the notice or other document is contained as text or remark in the electronic record itself; or

(ii) is printed on the attachment in the

electronic record, if the notice or other document is in the attachment, and such electronic record is displayed on the designated website.

(2) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems) shall specify the designated e-mail address of the income-tax authority, the designated website and the procedure, formats and standards for ensuring authenticity of the communication.

[Notification 17/2017 dated 23rd March 2017]

INCOME TAX

Circular

- Under PradhanMantriGaribKalyanYojana, 2016, it is clarified that where the undisclosed income is represented in the form of deposits in Bank account maintained with specified entity, it is not necessary that the said deposit should exist on the date of making the payments under the Scheme or furnishing 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 the payment of tax, surcharge & penalty under scheme or on the date of making deposit under PradhanMantriGaribKalyanYojana, 2016, whichever is earlier. **[Circular no. 09/2017 dated 14th March 2017]**
- The CBDT has issued certain clarifications regarding Income Computation and Disclosure Standards (ICDS)
 - a. Certain judicial pronouncements were pronounced in the absence of authoritative guidance on these issues under the Act for

- computing Income under the head "Profits and gains of business or profession" or Income from other sources. Since certainty is now provided by notifying ICDS under section 145(2), the provisions of ICDS shall be applicable to the transactional issues dealt therein in relation to assessment year 2017-18 and subsequent assessment years.
- b. The relevant provisions of ICDS shall also apply to the persons computing income under the relevant presumptive taxation scheme u/s 44AD, 44AE, 44ADA, 44B, 44BB, 44BBA, etc.
 - c. ICDS provides general principles for computation of income. In case of conflict, if any, between the provisions of Rules and ICDS, the provisions of Rules, which deal with specific circumstances, shall prevail.
 - d. ICDS shall apply for computation of taxable income under the head "Profit and gains of business or profession" or "Income from other sources" under the Income Tax Act. This is irrespective of the accounting standards adopted by companies i.e. either Accounting Standards or Ind-AS.
 - e. Since, the provisions of ICDS are applicable for computation of income under the regular provisions of the Act, the provisions of ICDS shall not apply for computation of MAT.
 - f. The general provisions of ICDS shall apply to all persons unless there are sector specific provisions contained in the ICDS or the Act.
 - g. ICDS -VI (subject to para 3 of ICDS-VIII) provides guidance on accounting for derivative contracts such as forward contracts and other similar contracts. For derivatives, not within the scope of ICDS-VI, provisions of ICDS-1 would apply.
 - h. Retention money in case of contract revenue should be considered for as revenue subject to reasonable certainty of its ultimate collection
 - i. ICDs III & ICDs IV will be applicable to Real Estate Developers, BOT Projects, in absence of specific ICDs
 - j. Since interest accrues on time basis and royalty on contractual terms, they need to be accounted for as income
 - k. ICDs are applicable to incomes of interest, royalty, technical services for computation of these incomes on gross basis
 - l. Expenditure incurred till plant has begun commercial production shall be treated as capital expenditure
 - m. Bill discounting and other charges are covered under borrowing cost
 - n. Net effect on income due to application of ICDs needs to be disclosed in return of income. Disclosures required under ICDs shall be made in Tax Audit Report, Form 3CD and that there shall not be any disclosure requirements for persons who are not liable to tax audit.
- The Circular also throws light on certain other issues related to subsidy received prior to 1st April, 2016 but accounted for thereafter, taxability of Foreign Currency Translation Reserve (FCTR) as on 1st April, 2016, interest on securities sold, valuation of securities held as stock in trade, allocation of borrowing costs relating to general borrowings, applicability of ICDs to post retirement benefits, etc. **[Circular no. 10/2017 dated 23rd March 2017]**
- As per this notification, CBDT has given the powers to Chief Commissioner of income tax and Director General of income tax to reduce or waive interest charged under section 201(A)(i) of the act with respect to cases specified in this notification as under:
 - Assessee was not able to deduct tax at source due to seizure of books during search and seizure
 - Tax was not deducted because of High Court Order which may have been subsequently reversed by Decision of Supreme Court / retrospective amendment of law, etc
 - Defaults under Section 201 in specified situations arising out of non-deduction / lower tax deduction in case of non-resident belonging to a country with whom India has agreement under Section 90 / 90A.

No reduction or waiver of such interest shall be ordered unless the principal demand under section 200A, 201(A) or 234E are fully paid / satisfactory arrangements for payment of the same are made. The chief commissioner or Director General of income tax may also impose any conditions if they think necessary. For further details please refer the circular. **[Circular 11/2017 dated 24th March 2017]**

VAT

Trade Circular:

- Certain issues w.r.t. enrolment of Dealers to GST are dealt with
 - Active Dealers from Phase 1 and Phase 2 are expected to collect Provisional Id from MSTD and activate on GST Portal on or before 6th March, 2017. If the same is not collected, then the Provisional ID will be deleted / deactivated permanently. (This is subsequently extended to 15th March, 2017 vide Circular no.07/2017 dated. 8th March 2017)
 - Phase 3 Dealers provisional IDs & Access token to be made available.
 - Issues w.r.t. incorrect PAN will be dealt with in Phase 4.
 - Last date for submission of signed applications on portal is 31st March, 2017.

[Circular no. 05/2017 dated 27th February 2017]

- The provisional IDs & Access token of phase 3 dealers, are made available by GSTN. The dealers can obtain the provisional ID & token by using their login credentials and further the list of dealers is published on what's new section of MSTD's portal (WWW.Mahavat.gov.in). The dealers with active registration number who have not been covered in phase 1, 2, & 3 will be covered in subsequent phase of GST enrollment. **[Circular no. 06/2017 dated 4th March 2017]**
- The date of disabling provisional login Id & Access Token of Phase 1 & Phase 2 is extended up to 15/03/2017. **[Circular no.07/2017 dated 8th March 2017]**

- The M-VAT department has already implemented new process of SAP based registration, SAP based returns filing and SAP based E payment gateways. Following new more processes are made operational.
 - SAP based filing of VAT and CST returns.
 - Viewing of draft pdf return before submission of return.
 - Claims of goods returned under CST act
 - Return form 232 for composition dealer
 - Waiver of late fee for late filing of returns
 - SAP based filing of Profession tax and Luxury tax returns.
 - Application of refund for the period starting from April 2016
 - Application for obtaining e-CST declaration for the dealers who obtained registration after 25 May 2016

[Circular no.08/2017 dated 16th March 2017]

COMPANY LAW

Notifications:

- As per the proviso to Rule 5 of The Companies (Transfer of Pending Proceedings) Rules, 2016, the petitioner, in case of transfer of petitions from High Court to National Company Law Tribunal w.r.t. winding up of companies on the ground of inability to pay debts, needs to submit all information required for admission of the petition as per provisions of Indian Bankruptcy Code 2016, including details of proposed insolvency professional, within six months from the date of basic notification i.e. 15th Dec 2016. Earlier this time period was sixty days which is now extended to Six Months. **[Notification No. GSR 175 (E) dated 28th Feb 2017].**
- Further amendments to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 by way of substitution and addition of terms 'Company', 'Corporate Action' respectively. Also amendments in the procedures for transfer of shares to IEPF has been issued etc. **[Notification No. GSR 178 (E) dated 28th Feb 2017].**

- Amendments to the Companies (Indian Accounting Standards) Rules, 2015 have been issued incorporating amendments to Ind AS 102 on Share Based Payments. **[Notification No. GSR 258 (E) dated 17th Mar 2017].**
- Changes in the members of the 'National Advisory Committee on Accounting Standards' formed by the Central Government to advise on the formulation and lying down of accounting policies

and accounting standards for adoption by companies or class of companies under the Companies Act, 2013. **[Notification No. S. O. (E) dated 23rd Mar 2017].**

- Following Courts are designated as Special Court for the purpose of providing speedy trial of offences which are punishable with imprisonment of two years or more under the Companies Act, 2013:

S.No.	Existing Court	Jurisdiction as Special Court
(1)	(2)	(3)
1	Special Court for trial of Economic Offences-cum-VIII Additional Metropolitan Sessions Judge Court-cum-XXII Additional Chief Judge, City Civil Court, Hyderabad	State of Telangana
2	Court of IV Additional District Judge cum-II Additional Metropolitan Sessions Judge, Visakhapatnam.	State of Andhra Pradesh

[Notification No. S. O. (E) dated 23rd Mar 2017]

Circulars:

" No New Circulars.

RBI

Circulars:

- With respect to Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000, the RBI has amended that a person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity in Pakistan or Bangladesh), not being a FPI, FII or FVI registered in accordance with SEBI guidelines, may contribute foreign capital either by way of capital contribution or by way of acquisition / transfer of profit shares in the capital structure of an LLP under Foreign Direct Investment route. **[Notification No. FEMA.385/2017-RB dated 3rd March 2017]**
- With respect to clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the RBI has made the following amendments in the Foreign Exchange Management (Transfer or issue of

Security by a Person Resident outside India) Regulations, 2000.

After the sub-regulation and before the existing sub-regulation w.r.t E-commerce, the following sub-regulations are to be inserted.

- i. 'E-commerce' means buying and selling of goods and services including digital products over digital & electronic network.
- ii. 'E-commerce entity' means a company incorporated under the Companies Act, 1956 or the Companies Act, 2013 or a foreign company covered under section 2 (42) of the Companies Act, 2013 or an office, branch or agency in India as provided in Section 2 (v) (iii) of FEMA 1999, owned or controlled by a person resident outside India and conducting the e-commerce business.
- iii. 'Inventory based model of e-commerce' means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.
- iv. 'Market place model of e-commerce' means providing of an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between buyer and seller."

Further details regarding equity/FDI cap and entry route for different models for E-commerce along with restrictions have been mentioned in detail in the below notification.

[Notification No. FEMA.387/2017-RB dated 9th March 2017]

- With respect to Risk Management and Inter-bank Dealings, the RBI, with a view to providing operational flexibility to the Indian subsidiaries of multinational entities exposed to currency risk

arising out of current account transactions emanating in India, has amended the extant hedging guidelines with respect to FCY-INR derivatives, OTC as well as exchange traded, that the Indian subsidiary is eligible for as per FEMA, 1999.

The guidelines for such structures have been detailed in the below mentioned notification.

[RBI/2016-17/254 (A.P. (DIR Series) Circular No. 41) dated 21st March 2017]



FX Updates

USD/INR (\$)				
<p>The Indian Rupee touched a 17th month high of 64.87 levels against the US Dollar on the back of continued FII inflows into Indian equities. The US Dollar went into bearish mode after US President Donald Trump's government failed to revoke the healthcare bill and casted doubts about pushing fiscal stimulus and tax rate cuts. The Rupee appreciated by over 3% due to India's strong macro fundamentals and BJP's landslide victory further improved investor-sentiment. The RBI is likely to intervene into currency markets to curb excess gains. The Rupee could trade in the range of 64.50-65.50 levels due to uncertainty about Trump's economic policies.</p>				
EUR/INR (€)				
<p>The EUR slumped against the INR and touched a multi-month low due to increased uncertainty in global markets. Broad weakness in the common currency ahead of French elections supported the demand for the Rupee. However, stronger-than-expected EZ CPI data could reduce pressure from the ECB policymakers. But the single currency is expected to trade subdued as the ECB could end its quantitative easing in the upcoming meeting. The Euro is likely to trade lower ahead of upcoming French elections.</p>				
GBP/INR (£)				
<p>The British Pound depreciated against a basket of major currencies, which helped the Rupee gain. The Sterling came under pressure as UK PM Theresa May finally triggered Article 50 of the EU's Lisbon Treaty for Britain to exit the EU on 29th March 2017. British PM May said that she wanted to negotiate Britain's exit and the future trading relationship with the EU within the two-year period. The BoE could raise its interest-rates in the upcoming meeting due to upbeat inflation data from the UK. Inflation rose to 2.3%, well above the BoE's target of 2%. However, the Pound could fall ahead of Scotland Independence referendum in the coming month.</p>				
JPY/INR (¥)				
<p>The JPY continued to trade mixed against the Rupee due to the uncertain global market scenario, which kept investors cautious. The US Dollar weakened against the JPY as US President Donald Trump failed to revoke the healthcare bill. The BoJ kept monetary policy unchanged as expected and maintained a cautiously optimistic view on the economy. BoJ Board member Iwata said that the Yen could weaken against the US Dollar on interest-rates differential as the US Fed would be increasing interest-rates gradually. The Yen is likely to trade mixed due to a lack of fresh economic data from Japan in the coming month.</p>				
Tenure	USD/INR	EUR/INR	GBP/INR	JPY/INR
Current Levels (30/03/2017)	64.93	69.71	80.59	0.5845
1 Week	64.50-65.20	69.20-70.20	80.10-80.80	0.5820-0.5940
2 Weeks	65.10-65.50	68.50-69.50	79.50-80.50	0.5880-0.5970
4 Weeks	65.50-67.50	69.10-69.80	80.50-82.10	0.5950-0.6080

Key Economic Indicators

Date	Currency	Event	Forecast	Previous
03-04-2017	GBP	Manufacturing PMI	-	-
03-04-2017	USD	ISM Manufacturing PMI	-	-
03-04-2017	INR	Nikkei Manufacturing PMI	50.9	50.7
05-04-2017	USD	ADP Non-Farm Employment Change	-	-
05-04-2017	USD	FOMC Statement	-	-
06-04-2017	INR	RBI Interest Rate Decision	6.25%	6.25%
11-04-2017	GBP	CPI	-	-
14-04-2017	INR	Inflation Rate	-	3.9%
18-04-2017	EUR	German ZEW Economic Sentiment	-	-
21-04-2017	EUR	German Flash Manufacturing PMI	-	-
25-04-2017	USD	CB Consumer Confidence	-	-
26-04-2017	USD	Crude Oil Inventories	-	-
27-04-2017	JPY	BOJ Policy Rate	-	-
28-04-2017	USD	Advance GDP	-	-

**CBEC Notified Exchange Rate for Conversion of Foreign Currency w. e. f,
17th March, 2017 [Notification No.22/2017-Customs (N.T)
Dated 16th March, 2017]**

SCHEDULE - I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	51.10	49.35
2.	Bahrain Dinar	179.50	167.40
3.	Canadian Dollar	49.85	48.30
4.	Chinese Yuan	9.65	9.30
5.	Danish Kroner	9.60	9.25
6.	EURO	71.30	68.85
7.	Hong Kong Dollar	8.55	8.30
8.	Kuwait Dinar	221.10	206.80
9.	New Zealand Dollar	46.50	44.85
10.	Norwegian Kroner	7.80	7.55
11.	Pound Sterling	81.55	82.05
12.	Qatari Riyal	18.55	17.55
13.	Saudi Arabian Riyal	18.00	16.85
14.	Singapore Dollar	47.20	45.75
15.	South African Rand	5.25	4.90
16.	Swedish Kroner	7.50	7.25
17.	Swiss Franc	66.50	64.20
18.	UAE Dirham	18.40	17.20
19.	US Dollar	66.20	64.50

SCHEDULE-II

S.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1	Japanese Yen	58.55	56.65
2	Kenya Shilling	65.75	61.45



Beyond the Obvious

CUSTOMS

- ❖ **Prospective effect of Notification:** Impugned imported goods were described as MFD Copiers as per CE Certificate and not per se photocopiers. Since the impugned imports were prior to the introduction of restriction on import of second hand MFD copiers in FTP w.e.f. 5.6.2012, the restriction is not applicable. **[2017-TIOL-949-CESTAT-HYD]**
- ❖ **Unjust Enrichment:** Refund claim of SAD paid through debit of DEPB license. Tribunal granted relief holding that since in the revised balance sheet the amount of refund claim is indicated as amount receivable, it would indicate that the appellant had paid the entire amount from their pocket on which refund is claimed and, therefore, the hurdle of unjust enrichment has been crossed. **[2017-TIOL-893-CESTAT-MUM]**
- ❖ **Restriction on Powers of Commissioner Appeals to condone delay beyond specified time:** Commissioner (A) does not have power to condone the delay beyond period of 30 days. **[2017-TIOL-880-CESTAT-HYD]**
- ❖ **Right of assessee to claim excess amount paid:** Duty paid by inadvertence without taking benefit of notification, Assessee entitled to refund of amount as such amount could not have been collected lawfully in first place, section 27 of Customs Act, 1962. **[2017 (347) E.L.T 405 (DEL.)]**

CENTRAL EXCISE

- ❖ **Duty paying documents:** Manufacturer claiming Modvat credit on strength of Private challans. Which are not fake and existence of proper certification that duty had been paid. Manufacturer entitled to claim credit on basis of such challans. Rule 57G of erstwhile Central Excise Rules, 1944. **[2017 (347) E.L.T 415 (P & H)]**

- ❖ **Admissibility of Cenvat Credit:** Credit cannot be denied on the grounds of non-endorsement of bill of entry by customs officer in assessee's name, especially when receipt of capital goods from importer and their use in manufacture not disputed. **[2017 (347) E.L.T 457 (ALL)]**
- ❖ **Documents for availing credit -** Credit notes issued when defective goods returned for repair, since assessee maintained Form V and after rectification of defective goods cleared on payment of duty, credit not to be denied. **[2017 (347) E.L.T 486 (Tri. - Ahmd.)]**
- ❖ **Jurisdiction of Assessing Officer:** 100% EOU Cleared goods on payment of duty to sister unit, a 100% EOU which availed Cenvat Credit of such duty paid, duty whether payable for such clearance of goods to be decided by officer having jurisdiction over supplier factory. Officers having jurisdiction over respondent/receiver factory cannot challenge fact of payment of duty by supplier as they have no jurisdiction to reopen assessment done at supplier's end. **[2017 (347) E.L.T 489 (Tri. - Del.)]**
- ❖ **No demand in absence of Cogent Evidence :** Only ground taken by department to club clearance and deny the SSI exemption is that accounts of both units are centralized and maintain at one place and all activities of both units are carried out collectively by member of one family. Adjudicating authority accepting plea and explanation of assessee in this regard and relying upon precedent decision dropping demand in absence of cogent evidence of mutuality of interest and dummy nature of other unit. **[2017 (347) E.L.T 506 (Tri. - Hyd.)]**

SERVICE TAX

- ❖ **Input services in case of Pharmaceutical company:** EOU manufacturing Pharmaceutical

Products availed Pest Control/Sterilization Service, Clearing And Forwarding Agency Service, Consulting Engineers Service, Erection Management Consulting Service, Business Auxiliary Services, Information Technology Services, Packing Activity, Chartered Accountants services. It was held that these services having nexus either directly or indirectly with manufacture of Pharmaceutical products in factory of EOU and eligible for refund of service tax paid on such services. **[2017(49) S.T.R.426(Tri.Del.)]**

- ❖ **Eligibility of Cenvat Credit :** Erection and Commissioning of water treatment plant for recycling of water to be used in manufacturing activity, eligible to input service credit. It was further held that Contractor's service availed for clearing jungle for purpose of parking vehicles used for transportation of materials of factory, was eligible to input service credit. **[2017 (49) S.T.R 419 (Tri. Chennai)]**
- ❖ **Refund eligibility of Cenvat Credit:** Services used for Export Lease Rent Building lease rent definitely can be in or in relation to manufacture, Assessee entitled for refund, Similarly other services, i.e., computer peripheral service, printing hiring charges, professional charges for trademark, management consultancy, courier charges, finished goods testing charges, export forwarding charges, fumigation charges and transport charges are entitled to refund covered by definition of input service. Further it was held that as the goods are exported, place of removal would be port and therefore, services up to place of removal would be port and therefore services up to place of removal would be covered. **[2017 (49) S.T.R. 505 (Tri. - Bang.)]**
- ❖ **Cenvat on Car Parking Charges:** Cenvat credit on parking charges and consequent refund of accumulated credit was held admissible. **[2017(49)S.T.R.423(Tri.-Mumbai)]**

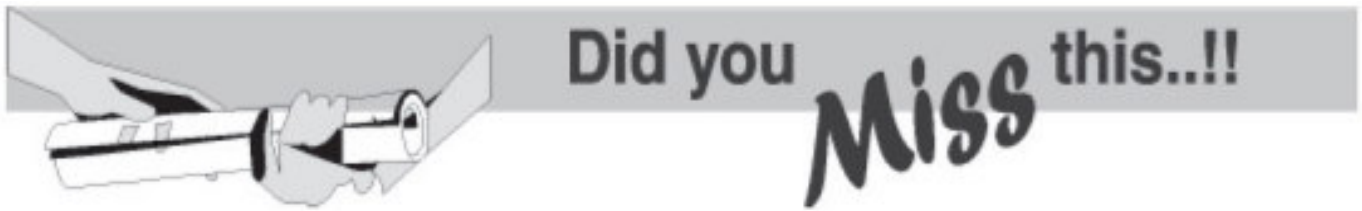
VAT

- ❖ **Rights of Secured Creditors:** The right of a secured creditor to realize the secured debts would have priority over all debts including government dues in the form of taxes. **[2017-TIOL-480-HC-MAD-VAT]**
- ❖ **Expedite of proceedings:** Disposal of revision petition is required to be made expeditiously, if the bank guarantee taken from the dealer for releasing his goods has resulted in his financial detriment. **[2017-TIOL-462-HC-MAD-VAT]**
- ❖ **Effect of Registration Certificate:** Cancellation of registration certificates cannot be given retrospective effect, for reversing input tax credit claimed by concerned dealers. **[2017-TIOL-398-HC-MAD-VAT]**

INCOME TAX

- ❖ **Inclusion of Expenses :** Study expenses incurred on an employee by the company are considered as business expenses. **[2017-TIOL-253-ITAT-KOL]**
- ❖ **Restriction while claiming depreciation :** The assessee cannot claim depreciation without incurring expenditure on the construction of immovable property whereby, it took the possession of such property from a firm. **[2017-TIOL-120-SC-IT]**
- ❖ **Treatment of Income from Land:** Receipts from sale of land which was held by a dealer for eight continuous years for showroom purposes, is liable to be treated as capital gain and not a business income. **[2017-TIOL-484-HC-AHM-IT]**
- ❖ **Treatment of Expenses incurred by Assessee in different terms:** Compensation paid by the infringer of the license cannot be compared to expenses incurred by the company on legal fees paid to professional for contesting the case, for purpose of deciding its allowability. **[2017-TIOL-561-HC-MAD-IT]**





- ❖ GST Bills viz CGST Bill 2017, IGST Bill 2017, UTGST Bill 2017 and The Goods & Service Tax (Compensation to States) Bill 2017 passed by Lok Sabha on 29th Mar 2017
- ❖ Before GST roll-out Union of India to scrap 16 Cesses of Excise and Service Tax; to cost Rs. 65,000 Crore to Exchequer
- ❖ 12th GST Council Meeting proposes levy of Cess upto 15% on motor cars and vehicles (with exception of motor vehicles for transportation of 10 or more people) & aerated drinks and cess on "sin" goods at higher rates - Paan Masala upto 135%, Chewing Tobacco & Cigarettes - 290% or Rs. 4,170 per 1,000 cigarette sticks
- ❖ CBEC to be renamed as CBIC (Central Board of Indirect Taxes & Customs); to have 101 GST Commissionerates, including 50 Appeals Commissionerates
- ❖ Union Government setting the stage for the passage of the GST Bills, the GST Council has set up Working Groups to address peculiar problems of some of the sectors for their hassle-free transition into the new tax regime.
- ❖ GST Network gearing up to handle more than 3600 Crore invoices annually
- ❖ 55 cities earn 'Investment Grade' rating in Smart City Scheme
- ❖ Unclaimed Deposits in Banks & Insurance Companies exceed Rs 8000 Crore
- ❖ All Agency Banks to remain open for public on all days from March 25, 2017 to April 1, 2017
- ❖ OROP (One Rank One Pension) to be reviewed every 5 years
- ❖ Indian Cement Industry accounts for only 7% of global needs
- ❖ Consultative Committee praises steps taken to deal with Child Labour
- ❖ CBDT directs officers to grant interest waiver in certain cases
- ❖ Number of Income Tax e-filers registers 21% growth
- ❖ CBDT says No relief to those who defaulted on first instalment of Income Declaration Scheme which was due on or before 30th November, 2016
- ❖ SFO the foreign bribery enforcement in UK doing well to deal with foreign bribery cases ❖
- ❖ Lok Sabha passes Finance Bill with 29 amendments & new Clauses on 22nd March, 2017
- ❖ TN Budget projects about Rs one lakh crore tax revenue; No new tax sops in view of impending GST
- ❖ Tax dues of less than Rs 100 - 21 lakh taxpayers to benefit; to cost only Rs 6.4 Crore to exchequer, says MoS for Finance
- ❖ Unclaimed dividend kitty goes up to Rs 856 Crore
- ❖ UN ranks India 131th on Human Development Index
- ❖ Maternity benefits amendment bill 2016, passed by the parliament - leave available to the working women to be increased from 12 weeks to 26 weeks for the first two children
- ❖ Austria donates CHF 2 lakh to aid poor WTO Members to improve negotiation skills
- ❖ Voda-Idea Merger - Voda to appoint CFO and Idea to appoint Chairman

- ❖ Air Train to link Terminals at IGIA (Indira Gandhi International Airport) by 2020
- ❖ Govt provides 6 months window to get environmental clearance
- ❖ Projects worth Rs 1,900 Cr approved for Namami Gange Programme
- ❖ Centre okays three mega food parks in Maharashtra
- ❖ Ministry of Electronics and Information Technology issues "Draft Information Technology (Security of Prepaid Payment Instruments) Rules 2017" for public consultation, to make transactions through ewallets safer and strengthen the grievance redressal mechanism for consumers
- ❖ President Trump earned USD 150 mn income and paid USD 38 mn as taxes: White House
- ❖ Supreme Court (SC) set to deliver the verdict banning vehicles that are compliant only with BS III emission norms (non BAS IV compliant)- automakers fear loss of several thousands of crores on their inventories unless they are allowed to sell existing stock even after April 1
- ❖ EPFO to invest subscription receipts in liquid MFs to generate better returns,
- ❖ India now top global source of affordable medicines to Unicef
- ❖ Share buy backs by listed companies have hit an all-time high during FY17, totalling Rs 34,468 crore - Interestingly, the amount is more than the combined buy backs in the preceding seven years.



- ❖ Vizag DRI sleuths seize 1161 kg Ganja concealed under gravel material being transported by lorry
- ❖ CBI Court convicts former Oriental Bank Manager & others
- ❖ Income Tax searches lead to seizure of Rs 3625 Crore
- ❖ CCI imposes Rs 51K penalty on Kerala MP heading film association as President
- ❖ ACC appoints Akshay Joshi, IRS, 2006 Batch, as Dy. Secretary in Cabinet Secretariat
- ❖ Union Cabinet approves MoU between India & USA in Cyber Security + grants in-situ promotion to Indian Trade Service officers to SAG
- ❖ UP Chief Minister's first diktat to officials - Do not chew pan masala on duty
- ❖ SC issues bailable warrant against Calcutta HC judge C S Karnan
- ❖ MCI (Medical Council Of India) finds two Medical Colleges functioning without approval

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Bizsolindia provides consultancy in the following areas through associate companies and professional firms of the Directors

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A.B. Nawal & Associates , Cost Accountants	Practicing Cost Accountant, Cost Audit, Central Excise, Adjudication matters up to CESTAT, VAT Audit.
Behede Joshi & Associates , Chartered Accountant	Practicing Chartered Accountants, Statutory Audit & Tax Audit, VAT Audit, Transfer Pricing.
R. Venkitachalam , Company Secretary	Practicing Company Secretary.
Nawal & Sonaje Associates , Cost Accountants	Practicing Cost accountants, Cost Audit
Bizsol Projects & Infrastructure Solutions LLP	Infrastructure Consultancy, Project Management Services in respect of Real Estate solution for Industrial, Residential, Trade & Commerce & Consultancy related to Finance & Investments



R Venkitachalam, Chairman addressed the National Seminar of Indizen 17 on the subject of "Impact of GST on Logistics & Distribution" at Pune.



R Venkitachalam, Chairman addressed the Senior I R Managers of Mahindra & Mahindra Ltd., on the subject of "Changing Face of Industrial Relations" at Igatpuri.



CMA Ashok Nawal, Vice Chairman, Bizsolindia during the GST Session at Dalmiya College, Mumbai on 28th February 2017



CMA Ashok Nawal, Vice Chairman, Bizsolindia at GST Implementation workshop for PCMA's at Kolkata on 5th March 2017



CMA Ashok Nawal, Vice Chairman, Bizsolindia at the GST Training Session at MCCIA in infrastructure sector arranged by Raj Group on 10th March 2017



CMA Ashok Nawal, Vice Chairman, Bizsolindia addressing at 4 days workshops arranged for Eastern Railway on GST & released book on GST for Railway published by ICAI Kolkata on 6th March 2017



CMA Ashok Nawal, Vice Chairman, Bizsolindia at Blood Donation Programme organized by Mitra Maheshwari Seva Pratisthan on 12th March 2017

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