



# BMC Advisors



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# ***WEEKLY UPDATES***

***MAY 1st, 2017-MAY 07th, 2017***

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# SEBI UPDATES

## CIRCULAR

SEBI/HO/MIRSD/MIRSD1/CIR/P/2017/38

May 02, 2017

1. All Recognized Stock Exchange / Clearing Corporations
2. Stock Brokers and sub-brokers through Recognized Stock Exchange
3. All recognized Depositories
4. Depository Participants through Depositories
5. Merchant Bankers
6. Underwriters
7. Registrar to an issue and Share Transfer Agents
8. Debenture Trustee
9. Bankers To An Issue
10. Credit Rating Agencies

**Sub: Online Registration Mechanism for Securities Market Intermediaries**

Dear Sir/madam,

1. Hon'ble Minister of Finance, Government of India, in his speech while presenting the Budget for FY 2017-18 on February 01, 2017, announces that the process of registration of financial market intermediaries will be made fully online by SEBI.
2. As you are aware, SEBI had already started development of Enterprise SEBI Portal with various custom applications, including online registration modules for various intermediaries and in this regard, had various rounds of consultation with the market participants and received feedback.
3. It has now been decided to operationalize SEBI Intermediary Portal (<http://siportal.sebi.gov.in>) for the intermediaries to submit all the registration applications online. The SEBI Intermediary Portal shall include online application for registration, processing of application, grant of final registration, application for surrender / cancellation, submission of periodical reports, requests for change of name/address/ other details, etc., Link for SEBI Intermediary Portal is also available on SEBI website - [www.sebi.gov.in](http://www.sebi.gov.in).
4. SEBI Intermediary Portal is made operational for following intermediaries:
  - i. Stock Brokers
  - ii. Sub-brokers
  - iii. Merchant Bankers (MB)
  - iv. Underwriters (UW)
  - v. Registrar to an Issue and Share Transfer Agents (RTA)
  - vi. Debenture Trustees (DT)
  - vii. Bankers To An Issue (BTI)
  - viii. Credit Rating Agency (CRA)
5. Further, SEBI Intermediary Portal will be operational for depository participants from May 31, 2017.

6. Henceforth, all applications for registration/ surrender/ other requests shall be made through SEBI Intermediary Portal only. The applications in respect of stock brokers/ sub-broker and depository participants shall continue to be made through the stock exchanges and depositories respectively.
7. The applicants will be separately required to submit relevant documents viz. declarations/undertaking required as a part of application forms prescribed in relevant regulations, the physical form, only for records without impacting the online processing of applications for registration.
8. Where application are made through the stock exchange / depositories , the hard copy of the applications made by their members shall be preserved by them and shall be made available to SEBI, as and when called for.
9. In case of any queries and clarifications with regard to the SEBI Intermediary Portal, intermediaries may contact on 022-26449364 or may write at [portalhelp@sebi.gov.in](mailto:portalhelp@sebi.gov.in).
10. Stock exchanges / clearing corporations and Depositories are directed to:
  - a. take necessary steps to put in place systems for implementation of the circular, including necessary amendments to the relevant bye-laws, rules and regulations;
  - b. bring the provisions of this circular to the notice of their members and also disseminate the same on their websites;
11. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of the investors in securities and to promote the development of and to regulate the securities market.

Yours faithfully,

**D Rajesh Kumar**  
**Deputy General Manager**  
**022-26449242**  
**Email: rajeshkd@sebi.gov.in**

## RBI UPDATES

### **Exim Bank's Government of India supported Line of Credit of USD 4 million to the Government of the Co-operative Republic of Guyana**

**RBI/2016-17/298**

**A.P. (DIR Series) Circular No. 46**

**May 04, 2017**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

### **Exim Bank's Government of India supported Line of Credit of USD 4 million to the Government of the Co-operative Republic of Guyana**

Export-Import Bank of India (Exim Bank) has entered into an agreement dated February 22, 2017 with the Government of the Co-operative Republic of Guyana for making available to the latter, a Government of India supported Line of Credit (LoC) of USD 4 million (USD Four million only) for the purpose of financing the procurement of high capacity fixed and mobile drainage pumps and associated structures in the Co-operative Republic of Guyana. The credit is available for financing export of eligible goods from India which means any goods and services including plant, machinery and equipment for the purpose of high capacity fixed and mobile drainage pumps and associated structure in terms of the Agreement and those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this agreement. Out of the total credit by Exim Bank under this agreement, goods and services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 per cent of goods and services may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Agreement under the LoC is effective from April 18, 2017. Under the LoC, the terminal utilization period is 60 months after the scheduled completion date of the project.

3. Shipments under the LoC will have to be declared on Export Declaration Form as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable for export under the above LoC. However, if required, the exporter may use its own resources or utilize balances in its Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category- I) banks may allow such remittance after realization of full eligible value of export subject to compliance with the extant instructions for payment of agency commission.

5. AD Category- I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the LoC from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or from their website [www.eximbankindia.in](http://www.eximbankindia.in)

6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Deepak Kumar)  
Chief General Manager



## **Timelines for Stressed Assets Resolution**

**RBI/2016-17/299**

**DBR.BP.BC.No.67/21.04.048/2016-17**

**May 5, 2017**

The Chairman and Managing Director/Chief Executive Officer  
All Scheduled Commercial Banks  
(Excluding Local Area Banks and Regional Rural Banks)

Madam/Dear Sir,

### **Timelines for Stressed Assets Resolution**

Please refer to the circular DBOD.BP.BC.No.97/21.04.132/2013-14 dated February 26, 2014 on “Framework for Revitalising Distressed Assets in the Economy – Guidelines on Joint Lenders’ Forum (JLF) and Corrective Action Plan (CAP)” and subsequent circulars/amendments in this regard.

2. The Framework aims at early identification of stressed assets and timely implementation of a corrective action plan (CAP) to preserve the economic value of stressed assets. In order to ensure that the CAP is finalised and formulated in an expeditious manner, the Framework specifies various timelines within which lenders have to decide and implement the CAP. The Framework also contains disincentives, in the form of asset classification and accelerated provisioning where lenders fail to adhere to the provisions of the Framework. Despite this, delays have been observed in finalising and implementation of the CAP, leading to delays in resolution of stressed assets in the banking system.

3. It is hereby clarified that the CAP can also include resolution by way of Flexible Structuring of Project Loans, Change in Ownership under Strategic Debt Restructuring, Scheme for Sustainable Structuring of Stressed Assets (S4A), etc.

4. In this context, it is reiterated that lenders must scrupulously adhere to the timelines prescribed in the Framework for finalising and implementing the CAP. To facilitate timely decision making, it has been decided that, henceforth, the decisions agreed upon by a minimum of 60 percent of creditors by value and 50 percent of creditors by number in the JLF would be considered as the basis for deciding the CAP, and will be binding on all lenders, subject to the exit (by substitution) option available in the Framework. Lenders shall ensure that their representatives in the JLF are equipped with appropriate mandates, and that decisions taken at the JLF are implemented by the lenders within the timelines.

5. It shall be noted that

(i) the stand of the participating banks while voting on the final proposal before the JLF shall be unambiguous and unconditional;

(ii) any bank which does not support the majority decision on the CAP may exit subject to substitution within the stipulated time line, failing which it shall abide the decision of the JLF;

(iii) the bank shall implement the JLF decision without any additional conditionalities; and

(iv) the Boards shall empower their executives to implement the JLF decision without requiring further approval from the Board.

6. Any non-adherence to these instructions and timelines specified under the Framework shall attract monetary penalties on the concerned banks under the provisions of the Banking Regulation Act 1949.



7. This circular is issued in exercise of the powers conferred by Sections 21, 35A and 35AB of the Banking Regulation Act, 1949.

Yours faithfully,

(Rajinder Kumar)  
Chief General Manager



# INCOME TAX UPDATES

## MINISTRY OF FINANCE

### Department of Revenue (CENTRAL BOARD OF DIRECT TAXES)

#### NOTIFICATION

New Delhi, the 2nd May, 2017

#### INCOME-TAX

**S.O. 1381(E).** – In exercise of the powers conferred by section 295 read with section 115BA of the Income-tax Act, 1961 (43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely: -

1. (1) These rules may be called the Income-tax (9th Amendment) Rules, 2017.  
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962 (hereafter referred to as the principal rules), after rule 21AC, the following rule shall be inserted, namely:-

**“21AD. Exercise of option under sub-section (4) of section 115BA.** (1) The option to be exercised in accordance with the provisions of sub-section (4) of section 115BA by a person, being a domestic company, for any previous year relevant to the assessment year beginning on or after the 1st day of April, 2017, shall be in Form No. 10-IB.

(2) The option in Form No. 10-IB referred to in sub-rule (1) shall be furnished electronically either under digital signature or electronic verification code.

(3) The Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be, shall-

(i) specify the procedure for filing of Form referred to in sub-rule (2);

(ii) specify the data structure, standards and manner of generation of electronic verification code, referred to in sub-rule(2), for purpose of verification of the person furnishing the form referred to in the said sub- rule; and

(iii) be responsible for formulating and implementing appropriate security, archival and retrieval policies in relation to Form so furnished.”;

3. In the principal rules, after Form No. 10-IA, the following Form shall be inserted, namely:-

#### **“FORM No. 10-IB**

[See sub-rule (1) of rule 21AD]

**Application for exercise of option under sub-section (4) of section 115BA of the Income - tax Act, 1961**

To,  
The Assessing Officer,

.....

Sir/Madam,

I, ....., on behalf of [name and registered address of the company exercising the option under sub-section (4) of section 115BA] ..... having Permanent Account Number (PAN)..... do hereby exercise the option referred to in sub-section (4) of section 115BA of the Income-tax Act, 1961 (the Act) for previous year 20...-..... and subsequent years.

2. The details of the company is given below

- (i) Name of the Company exercising the option :  
Under sub-section (4) of section 115BA :
- (ii) Whether it is a Domestic company or not:
- (iii) PAN :
- (iv) Registered Address :
- (v) Date of Incorporation :
- (vi) Nature of business or activities of the Company :

3. I understand that the above option once exercised for any previous year, cannot be subsequently withdrawn for the same or any other previous year.

4. I do hereby further affirm that the conditions stipulated in section 115BA of the Act are and shall be satisfied by the aforesaid company.

Place:

Date:

Yours faithfully,

*Signature of Principal Officer.....*

*Name.....*

*Designation.....*

*Address.....*

**Note 1:**

1. This option form should be signed by the principal officer.”

[Notification No. 36/2017/F. No. 370142/7/2017-TPL]  
NIRAJ KUMAR, Under Secy. (Tax Policy and Legislation)

**Note 2:** The principal rules were published in the Gazette of India Extraordinary, Part III, section 3, sub-section (i), vide notification number S.O. 969(E), dated the, 26th March, 1962 and were last amended vide notification number G.S.R.399(E) dated the 21st April, 2017.

## SERVICE TAX UPDATES

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3,  
SUB-SECTION (i)]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)  
NOTIFICATION  
New Delhi, the 4th May, 2017  
No. 17/2017-Service Tax

**G.S.R.....(E).**- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.25/2012-Service Tax, dated the 20th June, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 467 (E), dated the 20th June, 2012, namely:-

1. In the said notification, in entry 26A, after item (f), the following item shall be inserted, namely-

“(g) Pradhan Mantri Vaya Vandana Yojana;”

[F. No. 354/75/2017 -TRU]

(Mohit Tewari)  
Under Secretary to the Government of India

**Note:-**The principal notification was published in the Gazette of India, Extraordinary, by notification No. 25/2012 - Service Tax, dated the 20th June, 2012, vide number G.S.R. 467 (E), dated the 20th June, 2012 and last amended vide notification No. 10/2017 - Service Tax, dated the 8th March, 2017 vide number G.S.R. 204(E), dated the 8th March, 2017.

## EXCISE UPDATES

Circular No. 1055/04/2017-CX

F. No. 81/08/2016-CX.3  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise and Customs

New Delhi, dated the 1st May, 2017

To

The Principal Chief Commissioners/ Chief Commissioners/Principal Commissioners of Central Excise (All)

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners of Central Excise & Service Tax (All)

**Sub: Clarification regarding posting of Central Excise officer in Cigarette units-reg.**

Madam/ Sir

Representations have been received from the field formations and members of the trade and industry regarding practicality of round-the-clock posting of Central Excise officers in the cigarette manufacturing units. In terms of para 10 of instructions dated 24.12.2008 issued vide F. No. 224/37/2005-CX.6, read with para 2.2 of Chapter 4 of the CBEC Manual, mandatory, round-the-clock presence of Central Excise officer in the factory has been prescribed to ensure that the goods are not removed without his authorisation and also exercise supervision and control over operations as per instructions contained in the Commodity Manual for cigarettes. In view of the limited number of officers posted in the range, problems are being faced to post officers in the cigarette manufacturing units round the-clock, resulting in delays in production/ clearance of goods.

2. The above issue has been examined. Rule 6 of the Central Excise Rules, 2002 lays down that in case of cigarettes, the Superintendent or Inspector of Central Excise shall assess the duty payable before the removal of goods by the assessee. Further, Rule 11 of the Central Excise Rules, 2002 prescribes that in case of cigarettes, each invoice signed by the owner of the factory or his authorized agent shall also be countersigned by the Superintendent or Inspector of Central Excise before the cigarettes are removed from the factory.

3. On plain reading of the said two rules, it is clear that the presence of Central Excise officers is required for discharging the twin functions of assessment of duty to be paid by the assessee and countersigning the invoices before the goods are removed from the factory. There is no requirement in law of round-the-clock posting of Central Excise officers in the cigarette manufacturing units. Some field formations are taking a view that production in a cigarette factory can take place only in such shifts where the Central Excise officer is physically present. Such interpretation is not correct. Further, under the Goods and Services Tax (GST) regime, no such requirement of round-the-clock posting of officers has so far been envisaged on tobacco product dealers/manufacturers who would be paying GST and/or compensation cess.

4. In view of above, it is clarified that round-the-clock presence of Central Excise officers in the cigarette factories is not mandatory but directory. Those field formations which cannot post officers round-the-clock in cigarette factory shall use the preventive wing within their respective jurisdiction to maintain discreet preventive vigilance on the cigarette units round the-clock. The presence of Superintendent or Inspector of Central Excise in all cases would be mandatory at the time of clearance of goods from the factory for the purpose of assessment of duty and countersigning the invoice.

5. Past circulars/ instructions/ provisions in manual in conflict with the above instructions shall stand rescinded to the extent of their conflict. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

(ROHAN)

Under Secretary to the Government of India

# CUSTOM UPDATES

Circular No. 16/2017-Customs

**F. No. 605/85/2016-DBK**

Government of India  
Ministry of Finance: Department of Revenue  
Central Board of Excise & Customs  
Drawback Division

\*\*\*\*\*

New Delhi, the 2nd May, 2017

To

Principal Chief Commissioners/ Principal Directors General  
Chief Commissioners / Directors General  
Principal Commissioners& Commissioners all under CBEC

Madam/Sir,

**Subject: Monitoring of export obligation fulfilment under EPCG and Advance Authorization Schemes reg.**

I am directed to invite your attention to para 2(d) of Circular No. 5/2010-Cus dated 16.03.2010 directing initiation of action to safeguard revenue in case of non-submission of Export Obligation Discharge Certificate within the time period stipulated in the relevant Customs notifications. These directions have been reiterated in para 7 (iii) of Instruction dated 18th January, 2011.

2. Some field formations have expressed difficulty in implementing these instructions stating that when a notice issued (as per time lines prescribed in Customs notifications) to exporter for enforcement of Bond/BG is taken up for decision, the exporters plead that they have submitted documents to DGFT for issuance of EODC and that adjudication process of their SCN may be kept in abeyance till the time EODC is issued to them by DGFT. However, the proceedings cannot be kept pending in Call Book as they do not fulfil criteria prescribed in Circular No. 162/73/95-CX dated 14.12.1995. This leads to confirmation of demand and further litigation. This is avoidable if the time period prescribed in Customs notifications is aligned with time period for issuance of EODC as per FTP/HBP.

3. The matter has been examined. It is noted that during the Chief Commissioner's Conference dated 08-09/01/2016, it has been decided that a simple notice will suffice to the licence/authorization holder who does not submit the EODC/Redemption letter within the period prescribed in the relevant Customs notifications. In these cases also, the principles of natural justice should be followed. Further, this was reiterated during the Chief Commissioner's Conference dated 03.01.2017 wherein it was agreed that in view of time taken by DGFT in issuance of EODC, the practice of issuance of SCN at the first stage itself may be replaced by issuance of a simple notice to defaulters.

4. In all Advance Authorization and EPCG notifications, the Deputy/Assistant Commissioners of Customs have power to extend the period to submit proof of fulfilment of EO without any limit. Thus there is inherent provision in Revenue notifications to keep action of Customs pending till EODC is issued by DGFT. Moreover, the process of issuance of EODC by DGFT itself is linked to

submission of BRC by the licence holder. The BRC itself can be submitted as per the period allowed by RBI in terms of the Foreign Exchange Management Act, 1999. The licence/authorization is also subject to extension, if any, by DGFT. Hence, alignment of the time period given in Customs notifications with that given in FTP/HBP may not be required.

5. In view of the above, the field formations may issue simple notice to the licence/authorization holders for submission of proof of discharge of export obligation. In case where the licence/authorization holder submits proof of their application having been submitted to DGFT, the matter may be kept in abeyance till the same is decided by DGFT. Institutional mechanism set up in terms of Instruction F. No. 609/119/2010-DBK dated 18.1.2011 for regular interaction with RA's of DGFT should be used to pursue such cases. However, in cases where the licence/authorization holder fails to submit proof of their application for EODC/Redemption Certificate, extension/clubbing etc., action for recovery may be initiated by enforcement of Bond/Bank Guarantee. In cases of fraud, outright evasion, etc., field formations shall continue to take necessary action in terms of the relevant provisions.

6. Difficulties in implementation, if any, may be brought to the notice of the Board.

(Dinesh Kumar Gupta)  
Director (Drawback)  
Tel: 23360581



GOVERNMENT OF INDIA  
 MINISTRY OF FINANCE  
 (DEPARTMENT OF REVENUE)  
 (CENTRAL BOARD OF EXCISE AND CUSTOMS)

**Notification No. 43/2017 - Customs (N.T.)**

New Delhi, dated the 4<sup>th</sup> May, 2017  
 14 Vaisakha, 1939 (SAKA)

In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in supersession of the notification of the Central Board of Excise and Customs No.40/2017-CUSTOMS (N.T.), dated 20th April, 2017, except as respects things done or omitted to be done before such supersession, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa, shall, with effect from 05th May, 2017, be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

S. No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(a)	(b)
(1)	(2)	(3)	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	48.65	46.75
2.	Bahrain Dinar	176.50	165.55
3.	Canadian Dollar	47.60	46.05
4.	Chinese Yuan	9.45	9.15
5.	Danish Kroner	9.60	9.25
6.	EURO	71.25	68.80
7.	Hong Kong Dollar	8.35	8.15
8.	Kuwait Dinar	218.35	204.10
9.	New Zealand Dollar	45.05	43.45
10.	Norwegian Kroner	7.55	7.30
11.	Pound Sterling	84.10	81.30
12.	Qatari Riyal	18.15	17.15
13.	Saudi Arabian Riyal	17.70	16.55
14.	Singapore Dollar	46.75	45.20
15.	South African Rand	4.95	4.60
16.	Swedish Kroner	7.40	7.15
17.	Swiss Franc	65.75	63.55
18.	UAE Dirham	18.10	16.90
19.	US Dollar	65.10	63.40

SCHEDULE-II

	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	57.95	56.00
2.	Kenya Shilling	64.50	60.25

[F.No. 468/01/2017-Cus.V]

(Kshitendra Verma)  
Under Secretary to the Govt. of India  
TELE: 011-2309 5541



**BMC ADVISORS**  
DESTINATION FOR PERFECTION

Corporate Laws and Intellectual Property Rights  
Consultants)

**Delhi | Mumbai | Pune | Kanpur**

**Corporate Office:** 63/12, First Floor, Main Rama Road,  
New Delhi-110015

**Ph:** +91 11 25101016/17, **Mob:** +91-9971666825

**Email:** [brijesh@bmcadvisors.in](mailto:brijesh@bmcadvisors.in),  
[brijesh@brijeshmathur.com](mailto:brijesh@brijeshmathur.com)

**Website:** [www.bmcadvisors.in](http://www.bmcadvisors.in)