



# BMC Advisors



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# ***WEEKLY UPDATES***

***MARCH 13<sup>TH</sup>, 2017-MARCH 19<sup>TH</sup>, 2017***



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# MCA UPDATES

## MINISTRY OF CORPORATE AFFAIRS

### NOTIFICATION

New Delhi, the 17th March, 2017

**G.S.R. 258(E).** - In exercise of the powers by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013) and sub-section (1) of section 210A of the Companies Act, 1956 (1 of 1956), the Central Government, in consultation with the National Advisory Committee on Accounting Standards, hereby makes the following rules further to amend the Companies (Indian Accounting Standards) Rules, 2015, namely: –

**1. Short title and Commencement.** – (1) These rules may be called the Companies (Indian Accounting Standards) (Amendment) Rules, 2017.

(2) They shall come into force on the 1st day of April, 2017.

**2.** In the principal rules, in the “Annexure”, under the heading “B. Indian Accounting Standards (Ind AS)” in “Indian Accounting Standard (Ind AS) 102, *Share-based Payment*”, -

(i) for paragraph 19, the following paragraph shall be substituted, namely:-

“19 A grant of equity instruments might be conditional upon satisfying specified vesting conditions. For example, a grant of shares or share options to an employee is typically conditional on the employee remaining in the entity’s employment for a specified period of time. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity’s share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognised for goods or services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition, other than a market condition, for example, the counterparty fails to complete a specified service period, or a performance condition is not satisfied, subject to the requirements of paragraph 21. ”

(ii) for paragraph 30, the following paragraph shall be substituted, namely:-

“30 For cash-settled share-based payment transactions, the entity shall measure the goods or services acquired and the liability incurred at the fair value of the liability, subject to the requirements of paragraphs 31–33D. Until the liability is settled, the entity shall remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period. ”

(iii) for paragraph 31, the following paragraph shall be substituted, namely:-

“31 For example, an entity might grant share appreciation rights to employees as part of their remuneration package, whereby the employees will become entitled to a future cash payment

(rather than an equity instrument), based on the increase in the entity's share price from a specified level over a specified period of time. Alternatively, an entity might grant to its employees a right to receive a future cash payment by granting to them a right to shares (including shares to be issued upon the exercise of share options) that are redeemable, either mandatorily (for example, upon cessation of employment) or at the employee's option. These arrangements are examples of cash-settled share-based payment transactions. Share appreciation rights are used to illustrate some of the requirements in paragraphs 32-33D; however, the requirements in those paragraphs apply to all cash-settled share-based payment transactions."

(iv) for paragraph 33, the following paragraph shall be substituted, namely:-

"33 The liability shall be measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying an option pricing model, taking into account the terms and conditions on which the share appreciation rights were granted, and the extent to which the employees have rendered service to date subject to the requirements of paragraphs 33A-33D. An entity might modify the terms and conditions on which a cash-settled share-based payment is granted. Guidance for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled is given in paragraphs B44A-B44C in Appendix B."

(v) after paragraph 33, the following paragraphs and headings shall be inserted, namely:-

**"Treatment of vesting and non-vesting conditions**

- 33A A cash-settled share-based payment transaction might be conditional upon satisfying specified vesting conditions. There might be performance conditions that must be satisfied, such as the entity achieving a specified growth in profit or a specified increase in the entity's share price. Vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled sharebased payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- 33B To apply the requirements in paragraph 33A, the entity shall recognise an amount for the goods or services received during the vesting period. That amount shall be based on the best available estimate of the number of awards that are expected to vest. The entity shall revise that estimate, if necessary, if subsequent information indicates that the number of awards that are expected to vest differs from previous estimates. On the vesting date, the entity shall revise the estimate to equal the number of awards that ultimately vested.
- 33C Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, as well as non-vesting conditions, shall be taken into account when estimating the fair value of the cashsettled share-based payment granted and when remeasuring the fair value at the end of each reporting period and at the date of settlement.
- 33D As a result of applying paragraphs 30-33C, the cumulative amount ultimately recognised for goods or services received as consideration for the cash-settled share-based payment is equal to the cash that is paid.

**Share-based payment transactions with a net settlement feature for withholding tax obligations**

- 33E Tax laws or regulations may oblige an entity to withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount, normally in cash, to the tax authority on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the entity to withhold the number of equity instruments equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment (i.e. the share-based payment arrangement has a 'net settlement feature').
- 33F As an exception to the requirements in paragraph 34, the transaction described in paragraph 33E shall be classified in its entirety as an equity-settled share-based payment transaction if it would have been so classified in the absence of the net settlement feature.
- 33G The entity applies paragraph 29 of this Standard to account for the withholding of shares to fund the payment to the tax authority in respect of the employee's tax obligation associated with the share-based payment. Therefore, the payment made shall be accounted for as a deduction from equity for the shares withheld, except to the extent that the payment exceeds the fair value at the net settlement date of the equity instruments withheld.
- 33H The exception in paragraph 33F does not apply to:
- (a) a share-based payment arrangement with a net settlement feature for which there is no obligation on the entity under tax laws or regulations to withhold an amount for an employee's tax obligation associated with that share-based payment; or
  - (b) any equity instruments that the entity withholds in excess of the employee's tax obligation associated with the share-based payment (i.e. the entity withheld an amount of shares that exceeds the monetary value of the employee's tax obligation). Such excess shares withheld shall be accounted for as a cashsettled share-based payment when this amount is paid in cash (or other assets) to the employee."

(vi) for paragraph 52, the following paragraph shall be substituted, namely:-

"52 If the information required to be disclosed by this Standard does not satisfy the principles in paragraphs 44, 46 and 50, the entity shall disclose such additional information as is necessary to satisfy them. For example, if an entity has classified any share-based payment transactions as equity-settled in accordance with paragraph 33F, the entity shall disclose an estimate of the amount that it expects to transfer to the tax authority to settle the employee's tax obligation when it is necessary to inform users about the future cash flow effects associated with the share-based payment arrangement."

(vii) after paragraph 52, the following paragraphs and headings shall be inserted, namely:-

**"Transitional provisions**

53-59 [Refer Appendix 1]

- 59A An entity shall apply the amendments in paragraphs 30–31, 33–33H and B44A–B44C as set out below. Prior periods shall not be restated.
- (a) The amendments in paragraphs B44A–B44C apply only to modifications that occur on or after the date that an entity first applies the amendments.
  - (b) The amendments in paragraphs 30–31 and 33–33D apply to share-based payment transactions that are unvested at the date that an entity first applies the amendments and to share-based payment transactions with a grant date on or after the date that an entity first applies the amendments. For unvested share-based payment transactions granted prior to the date that an entity first applies the amendments, an entity shall remeasure the liability at that date and recognise the effect of the remeasurement in opening retained earnings (or other component of equity, as appropriate) of the reporting period in which the amendments are first applied.
  - (c) The amendments in paragraphs 33E–33H and the amendment to paragraph 52 apply to share-based payment transactions that are unvested (or vested but unexercised), at the date that an entity first applies the amendments and to share-based payment transactions with a grant date on or after the date that an entity first applies the amendments. For unvested (or vested but unexercised) sharebased payment transactions (or components thereof) that were previously classified as cash-settled share-based payments but now are classified as equity-settled in accordance with the amendments, an entity shall reclassify the carrying value of the share-based payment liability to equity at the date that it first applies the amendments.
- 59B Notwithstanding the requirements in paragraph 59A, an entity may apply the amendments in paragraph 63D retrospectively, in accordance with Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, if and only if it is possible without hindsight. If an entity elects retrospective application, it must do so for all of the amendments made by *Amendments to Classification and Measurement of Share-based Payment Transactions* under Ind AS 102.

**Effective date**

60-63C [Refer Appendix 1]

63D *Amendments to Classification and Measurement of Share-based Payment Transactions* under Ind AS 102 amended paragraphs 19, 30–31, 33 and 52 and added paragraphs 33A–33H, 59A–59B, 63D and B44A–B44C and their related headings. An entity shall apply those amendments for annual periods beginning on or after 1 April, 2017.”

(viii) In Appendix B, after paragraph B44, the following paragraphs and heading shall be inserted, namely:-

**“Accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled**

B44A If the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Specifically:

- (a) The equity-settled share-based payment transaction is measured by reference to the fair value of the equity instruments granted at the modification date. The equity-settled share-based payment transaction is recognised in equity on the modification date to the extent to which goods or services have been received.
- (b) The liability for the cash-settled share-based payment transaction as at the modification date is derecognised on that date.
- (c) Any difference between the carrying amount of the liability derecognised and the amount of equity recognised on the modification date is recognised immediately in profit or loss.

B44B If, as a result of the modification, the vesting period is extended or shortened, the application of the requirements in paragraph B44A reflect the modified vesting period. The requirements in paragraph B44A apply even if the modification occurs after the vesting period.

B44C A cash-settled share-based payment transaction may be cancelled or settled (other than a transaction cancelled by forfeiture when the vesting conditions are not satisfied). If equity instruments are granted and, on that grant date, the entity identifies them as a replacement for the cancelled cash-settled sharebased payment, the entity shall apply paragraphs B44A and B44B. "

(ix) In Appendix 1, after paragraph 4, the following paragraph shall be inserted, namely:-

"5. Paragraphs 53-59 and 60-63C in IFRS 2 have not been included in Ind AS 102 as these paragraphs relate to Transitional Provisions and Effective date, respectively. However, in order to maintain consistency with paragraph numbers of IFRS 2, the paragraph numbers are retained in Ind AS 102. "

3. In the principal rules, in the "Annexure", under the heading "B. Indian Accounting Standards (Ind AS)" in "Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows", -

(i) after paragraph 44, the following paragraphs and heading shall be inserted, namely:-

**"Changes in liabilities arising from financing activities"**

**44A An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.**

44B To the extent necessary to satisfy the requirement in paragraph 44A, an entity shall disclose the following changes in liabilities arising from financing activities:

- (a) changes from financing cash flows;
- (b) changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) the effect of changes in foreign exchange rates;
- (d) changes in fair values; and
- (e) other changes.

44C Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from



financing activities. In addition, the disclosure requirement in paragraph 44A also applies to changes in financial assets (for example, assets that hedge liabilities arising from financing activities) if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

44D One way to fulfil the disclosure requirement in paragraph 44A is by providing a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including the changes identified in paragraph 44B. Where an entity discloses such a reconciliation, it shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the balance sheet and the statement of cash flows.

44E If an entity provides the disclosure required by paragraph 44A in combination with disclosures of changes in other assets and liabilities, it shall disclose the changes in liabilities arising from financing activities separately from changes in those other assets and liabilities. ”

(ii) after paragraph 52, the following paragraphs and heading shall be inserted, namely:-

**“Effective date**

53-59 [Refer Appendix 1]

60 Paragraphs 44A–44E have been added. When the entity first applies these amendments, it is not required to provide comparative information for preceding periods. An entity shall apply those amendments for annual periods beginning on or after 1 April, 2017.”

(iii) In Appendix 1, after paragraph 5, the following paragraph shall be inserted, namely:-

“6. Paragraphs 53-59 in IAS 7 have not been included in Ind AS 7 as these paragraphs relate to Effective date. However, in order to maintain consistency with paragraph numbers of IAS 7, the paragraph numbers are retained in Ind AS 7.”

[F. No. 01/01/2009-CL-V(Part VI)]  
AMARDEEP SINGH BHATIA, Jt. Secy.

**Note:** The principal notification was published in the Gazette of India, Extra-ordinary, part II, Section 3, Sub-section (i), vide number G.S.R. 111(E), dated the 16th February, 2015, subsequently amended vide G.S.R. 365(E), dated the 30th March, 2016.

# SEBI UPDATES

## CIRCULAR

SEBI/HO/CFD/DCR1/CIR/P/2017/22

March 15, 2017

To

All Registered Merchant Bankers  
All Recognized Stock Exchanges

Dear Sir / Madam,

**Sub: SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ('SAST Regulations')**

1. SEBI vide Circular No. SEBI/CFD/DCR/SAST/3/2011/11/22 dated November 22, 2011 has, *inter-alia*, issued the format for submitting the draft letter of offer (DLOF) with SEBI in terms of SAST Regulations and certain instructions to be followed by merchant bankers while filing the DLOF .
2. Accordingly, Merchant Bankers have been filing the DLOF and certain information about the acquirer, target company, promoter etc. as per the prescribed format.
3. It has been decided, in consultation with market participants, to revise the time period for which information is required to be filed with SEBI, in line with the provisions relating to maintenance of records under the Companies Act, 2013. The format and instructions prescribed vide aforementioned Circular shall stand modified as given at **Annexure**.
4. This circular shall be applicable to all the offers where the draft letter of offer is filed with SEBI after the date of this Circular. Merchant Bankers are advised to follow the said updated format and instructions while filing the draft letter of offer with SEBI.
5. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.
6. This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) under the categories "Legal Framework" and "Takeovers".

Yours faithfully,

**Amit Tandon**  
Deputy General Manager  
+91-22-26449373  
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CIRCULAR

CIR/TMD/DF/23/2017

March 15, 2017

**All Mutual Funds/Asset Management Companies (AMCs)/  
Trustee Companies/Boards of Trustees of Mutual Funds/  
Association of Mutual Funds in India (AMFI)**

Sir/ Madam,

**Subject: Review of advertisement guidelines for Mutual Funds**

**A. Disclosing Performance related information in Mutual Fund advertisements**

Please refer to Clause C of SEBI circular dated August 22, 2011 on transparency of performance related information in advertisements of Mutual Fund schemes. With an objective to disclose Mutual Fund scheme's performance related information in a more effective and simple manner in advertisements, it has been decided that:

1. Performance of Mutual Fund schemes shall be required to be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception; in place of current requirement to publish scheme's returns for as many twelve month periods as possible for the past 3 years.
2. Performance advertisement of Mutual Fund schemes should provide information based on period computed from last day of month-end preceding the date of advertisement, instead of current requirement of publishing such information based on last day of preceding quarter-end.
3. Performance of other schemes managed by the fund manager shall be disclosed in a summarized manner, by providing performance of such other schemes managed by the concerned fund manager in terms of CAGR for the past of 1 year, 3 years and 5 years along-with the respective scheme's benchmark. Further, for advertisement published in internet-enabled media, Mutual Funds shall be permitted to provide an exact website link to such summarized information on performance of other schemes managed by the concerned fund manager.
4. Accordingly, following amendments are made in SEBI circular dated August 22, 2011:
  - a. Clause C (2 and 3) of the aforementioned circular shall be replaced and read as under:

"2. In performance advertisements of Mutual Fund schemes:

    - i. Performance of the Mutual Fund scheme shall be advertised in terms of CAGR for the past 1 year, 3 years, 5 years and since inception.
    - ii. In order to provide ease of understanding to retail investors, point-to-point returns on a standard investment of ` 10,000/- shall also be provided in addition to CAGR of the scheme.
    - iii. Performance advertisements of Mutual Fund schemes should provide information based on period computed from the last day of month-end preceding the date of advertisement.

- iv. It should be specifically mentioned whether performance so disclosed, is of regular or direct plan of the Mutual Fund scheme along-with a footnote mentioning that different plans have a different expense structure.
  - v. If a Mutual Fund scheme has not been managed by the same fund manager for the full period of the information being published in the advertisement, the same should be disclosed in a footnote.
3. When a scheme has been in existence for more than 1 year but less than 3 years or 5 years, the same shall be mentioned as a footnote in the performance advertisement of the Mutual Fund scheme”.
- b. It is also reiterated that, as per Clause C(4) of SEBI circular dated August 22, 2011; where the scheme has been in existence for less than one year, past performance shall not be provided.
  - c. Further, in respect of disclosing performance of other schemes managed by the fund manager, Clause C (7) of SEBI circular dated August 22, 2011 shall now be read as under:  
“When the performance of a particular Mutual Fund scheme is advertised, the advertisement shall also include the performance data of all the other schemes managed by the fund manager/s of that particular scheme. Such performance data of the other schemes managed by the fund manager shall be provided as follows:
    - i. Performance of other schemes managed by the fund manager, along-with their respective scheme’s benchmark, shall be provided in terms of CAGR for a period of 1 year, 3 years and 5 years. The period referred here shall be computed in the same manner as that of the scheme being advertised.
    - ii. In case the number of schemes managed by a fund manager is more than six, then the AMC may disclose the total number of schemes managed by that fund manager along with the performance data of top 3 and bottom 3 schemes (in addition to the performance data of the scheme for which the advertisement is being made) managed by that fund manager in all performance related advertisements. However, in such cases, AMCs shall ensure that true and fair view of the performance of the fund manager is communicated by providing additional disclosures, if required.
    - iii. If a Mutual Fund scheme has not been managed by the same fund manager for the full period of information being published in the advertisement, the same should be disclosed in a footnote.
    - iv. Further, for advertisement published in internet-enabled media, Mutual Funds shall be permitted to provide an exact website link to such summarized information of performance of other schemes managed by the concerned fund manager.
    - v. An indicative format of disclosure of performance of other schemes managed by the concerned fund manager is provided at Annexure A.”

**B. Celebrity endorsements of Mutual Funds at industry level:**

1. SEBI vide circular dated September 13, 2012 mandated Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives.
2. Certain portion of the 2 basis points of daily net assets is being set aside by Mutual Funds/AMCs for investor education and awareness initiatives at industry level.
3. In this respect, it has been decided to permit celebrity endorsements at industry level, for the purpose of increasing awareness of Mutual Funds as a financial product category. However, such celebrity endorsements of Mutual Funds at industry level, shall be subject to the following conditions:
  - i. Celebrity endorsement shall be allowed only at industry level, for the purpose of increasing awareness of Mutual Funds as a financial product category. Such celebrity

endorsements should not promote a scheme of a particular Mutual Fund or be used as a branding exercise of a Mutual Fund house / AMC.

- ii. Expenses towards such celebrity endorsements for increasing awareness of Mutual Funds shall be limited to the amounts that are aggregated by Mutual Funds at industry level for the purpose of conducting investor education and awareness initiatives, in terms of clause F of SEBI circular dated September 13, 2012.
- iii. Prior approval of SEBI shall be required for issuance of any endorsement of Mutual Funds as a financial product, which features a celebrity for the purpose of increasing awareness of Mutual Funds.

**C. Applicability of the Circular**

1. Clause A of the above circular will be applicable for advertisements issued from April 01, 2017 onwards.
2. Clause B of the above circular is applicable with immediate effect.

This circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with the provision of Regulation 77 of SEBI (Mutual Funds) Regulation, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

**Rajesh Gujjar**  
**Deputy General Manager**  
Tel no.: 022-26449232  
Email: rajeshg@sebi.gov.in

**Annexure A**

<b>Indicative format of disclosure on performance of other schemes managed by the fund manager</b>						
<b>Name of Fund Manager:</b>						
<b>Period</b>	<b>1 year</b>		<b>3 year</b>		<b>5 year</b>	
	Scheme return %	Benchmark return (%)	Scheme return %	Benchmark return (%)	Scheme return %	Benchmark return (%)
Scheme 1						
Scheme 2						
Scheme 3						
Scheme 4						
Scheme 5						
Scheme 6						

Note:

- The concerned fund manager manages X number of schemes of the concerned Mutual Fund.
- In case the number of schemes managed by a fund manager is more than six, performance data of other scheme the top 3 and bottom 3 schemes managed by fund manager has been provided herein.
- Period for which scheme's performance has been provided is computed basis last day of the month-end preceding the date of advertisement
- Different plans shall have a different expense structure. The performance details provided herein are of (regular / direct) plan.

**CIRCULAR**

SEBI/HO/MRD/DRMNP/CIR/P/2017/24

March 16, 2017

To,

All Recognised Clearing Corporations

Dear Sir / Madam,

**Subject: Disclosures relating to regulatory orders and arbitration matters on websites of Clearing Corporations**

1. In order to improve transparency in disclosing the regulatory orders and arbitration awards issued by clearing corporations, it has been decided that all regulatory orders i.e. orders against clearing members and arbitration / appellate awards by arbitrators need to be made available to investors.
2. Accordingly, it has been decided that the Clearing Corporations shall post all regulatory orders and arbitration / appellate awards issued since June 20, 2012, on their websites within 30 days. Further, all regulatory orders and arbitration / appellate awards as and when issued by Clearing Corporations from the date of this circular shall be posted on their website immediately.
3. In addition to the above, Clearing Corporations shall disseminate information with respect to brief profile, qualification, areas of experience / expertise, number of arbitration matters handled, pre-arbitration experience, etc. of the arbitrators on their website.
4. The Clearing Corporations are also advised to:
  - a. disseminate the provisions of this circular on the website;
  - b. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
5. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Sanjay Puroo  
Deputy General Manager  
+91 22 26449343  
sanjayp@sebi.gov.in

## RBI UPDATES

### **Reporting and Accounting of Central Government Transactions of March 2017**

RBI/2016-17/249

DGBA. GAD. No. 2376/42.01.029/2016-17

March 16, 2017

All Agency Banks

Dear Sir / Madam,

### **Reporting and Accounting of Central Government Transactions of March 2017**

Please refer to Circular DGBA.GAD.No.2968/42.01.029/2015-16 dated March 17, 2016 advising the procedure to be followed for reporting and accounting of Central Government transactions (including CBDT, CBEC, departmentalised ministries and non-Civil Ministries) at the Receiving/Nodal/Focal Point branches of your bank for the Financial Year 2015-16.

2. The Government of India has decided that the date of closure of residual transactions for the month of March 2017 be fixed as April 10, 2017 for the Financial Year 2016-17. In view of the ensuing closing of government accounts for the financial year 2016-17, receiving branches including those not situated locally, should adopt special arrangements such as courier service etc., for passing on challans/scrolls etc., to the Nodal/Focal Point branches so that all payments and collections made on behalf of government towards the end of March are accounted for in the same financial year. These instructions regarding special messenger arrangements may please be informed to all branches concerned.

3. As regards reporting of March 2017 transactions by Nodal/Focal Point branches in April, the branches may be advised to follow the procedure as outlined in the Annex. To sum up, the Nodal/Focal Point branches will be required to prepare separate sets of scrolls, one pertaining to March residual transactions and another for April transactions during the first 10 days of April 2017. The Nodal/Focal Point branches should also ensure that the accounts for all transactions (revenues/tax collections/payments) are effected at the receiving branches up to March 31, 2017 in the accounts for the current financial year itself and are not mixed up with the transactions of April 2017. Also, while reporting transactions pertaining to March 2017 up to April 10, 2017, the transactions of April 2017 should not be mixed up with the residual transactions relating to March 2017.

4. Kindly issue necessary instructions in the matter to your branches concerned immediately.

Yours faithfully

(Partha Choudhuri)  
General Manager

For Annexure-<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10885&Mode=0>



**Annual Closing of Government Accounts - Transactions of Central / State Governments -  
Special Measures for the Current Financial Year (2016-17)**

RBI/2016-17/250

DGBA. GAD. No. 2377/42.01.029/2016-17

March 16, 2017

All agency banks

Dear Sir / Madam,

**Annual Closing of Government Accounts - Transactions of Central / State Governments - Special  
Measures for the Current Financial Year (2016-17)**

The Government of India has desired that all government transactions with banks must be accounted for within the same financial year and has requested that certain special arrangements be made for the purpose, as in previous years. Accordingly, all agency banks should keep the counters of their designated branches conducting government business open for government transactions up to 6.00 p.m. on March 30, 2017 and up to 8.00 p.m. on March 31, 2017. All electronic transactions would, however, continue till midnight on March 31, 2017. Banks may give adequate publicity to the special arrangements made.

2. As regards conduct of extended clearing sessions / operations on these two dates, separate guidelines are being issued by our Department of Payment and Settlement Systems, Central Office, Mumbai.

Yours faithfully

(Partha Choudhuri)  
General Manager

**Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016 - Clarification**

RBI/2016-17/251

IDMD. CDD. No. 2347/14.04.051/2016-17

March 16, 2017

The Chairman/CEO/ Managing Director,  
All Authorised Banks,  
(All Banks to which Banking Regulation Act, 1949 applies)

Dear Sir/Madam,

**Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016 - Clarification**

Please refer to our letter IDMD.No.1451/08.03.016/2016-17 dated December 16, 2016 and Notification No. S.O. 4061(E) dated December 16, 2016 issued by the Government of India about announcement of "Pradhan Mantri Garib Kalyan Deposit Scheme (PMGKDS), 2016. It has been brought to our notice that there is lack of clarity amongst investors on the reference number that needs to be quoted on Form V while uploading the same to the Income tax Authorities.

Currently, banks are issuing an acknowledgement for having received the amounts under PMGKDS. The details of the deposit are then entered in the Bank's e-kuber application which generates a "Subscription Receipt". The "Subscription Receipt" which is a system generated receipt, has an "Issue Reference No". This reference number will need to be quoted by the investor in the Form V of Income Tax Authorities, prior to uploading the same.

In order to bring in greater clarity, the nomenclature of "Issue Reference No" generated by e-kuber is being renamed as "Deposit Reference No". Necessary changes have been made in RBI's e-Kuber application to reflect this change. The staff of receiving banks under PMGKDS may be sensitized to take note of above changes and advise the depositors of PMGKDS, 2016 accordingly.

Yours faithfully,

(A. Mangalagiri)  
Chief General Manager

**Exim Bank's Government of India supported Line of Credit of USD 10 million to the  
Government of Co-operative Republic of Guyana**

RBI/2016-17/252

A.P. (DIR Series) Circular No. 39

March 16, 2017

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Government of India supported Line of Credit of USD 10 million to the  
Government of Co-operative Republic of Guyana**

Export-Import Bank of India (Exim Bank) has entered into an agreement dated November 09, 2016 with the Government of Co-operative Republic of Guyana for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 10 million (USD Ten million only) for financing procurement of an ocean ferry for meeting the transportation requirements of passengers, vehicles and cargo in the northern region in Guyana. The goods including plant, machinery and equipment and services including consultancy services from India for exports under this agreement are 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 credit agreement under the LOC is effective from March 02, 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 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 payment of contract value 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 on 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

**Exim Bank's Government of India supported Line of Credit of USD 50 million to the  
Government of Co-operative Republic of Guyana**

RBI/2016-17/253

A.P. (DIR Series) Circular No. 40

March 16, 2017

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Government of India supported Line of Credit of USD 50 million to the  
Government of Co-operative Republic of Guyana**

Export-Import Bank of India (Exim Bank) has entered into an agreement dated March 16, 2016 with the Government of Co-operative Republic of Guyana for making available to the latter, a Government of India supported Line of Credit (LOC) of USD 50 million (USD Fifty million only) for financing East Bank East Coast Road Linkage Project in Guyana. The goods including plant, machinery, equipment and services including consultancy services from India for exports under this agreement are 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 credit agreement under the LOC is effective from March 02, 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 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 payment of contract value 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 on 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

# INCOME TAX UPDATES

Circular No. 9 of 2017

F.No.142/33/2016-TPL(Part)  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes  
(TPL Division)

Dated: 14<sup>th</sup> of March, 2017

## Clarifications on the Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016

The Taxation and Investment Regime for Pradhan Mantri Garib Kalyan Yojana, 2016 (hereinafter 'the Scheme') has commenced on 17.12.2016 and is open for declarations upto 31.03.2017. Vide CBDT Circular No. 2 of 2017 dated 18<sup>th</sup> January 2017, certain clarifications were issued on the Scheme.

2. Subsequent to issuance of the said circular, representations have been received from various stakeholders seeking clarification as to whether the deposits made in bank account or cash in hand which are eligible for being declared under the Scheme should exist on the date of filing of declaration under the Scheme.

3. In this context, it is clarified that where the undisclosed income is represented in the form of deposits in an account maintained with a specified identity, it is not necessary that the said deposits should exist on the date of making payments under the Scheme or furnishing a declaration under the Scheme. However, where the undisclosed income is represented in the form of cash, it is clarified that such cash should exist on the date of making payment of tax, surcharge and penalty under the Scheme or on the date of making deposit under the Pradhan Mantri Garib Kalyan Deposit Scheme, 2016, whichever is earlier.

(R. Lakshmi Narayanan)  
Under Secretary to the Government of India

**MINISTRY OF FINANCE**  
**(Department of Revenue)**  
(CENTRAL BOARD OF DIRECT TAXES)  
**NOTIFICATION**

New Delhi, the 16th March. 2017

G.S.R. 252(E).—In exercise of the powers conferred by the proviso to article 309 of the Constitution, the President hereby makes the following rules to amend the Income Tax Department. Non-Statutory Departmental Canteens (various posts in Group 'C' posts) Recruitment Rules, 2015, namely:—

1. (i) These rules may be called the Income Tax Department, Non-Statutory Departmental Canteens (Group 'C' posts) Recruitment (Amendment) Rules, 2017.

(ii) They shall be come into force on the date of their publication in the Official Gazette.

2. In the Schedule to the Income Tax Department, Non-Statutory Departmental Canteens (Group 'C' posts) Recruitment Rules, 2015.

I. Against serial number 1, relating to the post of Canteen Attendant  
In column (4):

a) for the existing entries In Heading "Scale of Pay", the words "LEVEL in the PAY MATRIX shall be substituted

b) for the words and figures "Pay Band-I (Rs.5200-20200) with Grade Pay of Rs.1800", the words and figures namely "Level I" in the Pay Matrix (Rs.18000-56900) Shall be substituted.

In Column (11): Not Applicable

II Against serial number 2, relating to the post of Assistant Halwai-cum-Cook

In column (4):

a) for the existing entries in Heading "Scale of Pay", the words "LEVEL in the PAY MATRIX shall be substituted

b) for the word and figures "Pay Band-I (Rs.5200-20200) with Grade Pay of Rs. 1900" the words and figures namely "Level 2" In the Pay Matrix (Rs.19900-63200) shall be substituted.

In Column (11):

a) for the words and figures "Pay Band-I, Rs.5200-20,200 with Grade Pay of Rs. 1800", the words and figures namely "Level I" in the Pay Matrix (Rs.18000-56900) shall be substituted.

b) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Promotion' may be omitted:—

"Note: For the purpose of computing minimum qualifying service for promotion. the service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from which revised pay structure based on the recommendations of the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered In the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission."

- c) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Deputation' may be omitted: –

“Note: For the purpose of appointment on deputation/absorption basis, the service rendered regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from which revised pay structure based on the recommendations of the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered In the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission except where there has been merger of more than one pre-revised scale of pay into one grade with a common grade pay or pay scale, and where this benefit will extend only for the post(s) for which that grade pay or pay scale is the normal replacement grade without any upgradation”

III Against serial number 3, relating to the post of **Halwai-cum- Cook**

In column (4):

- a) for the existing entries in Heading “Scale of Pay” the words “LEVEL in the PAY MATRIX” shall be substituted
- b) for the words and figures “Pay Band-I (Rs.5200-20200) with Grade Pay of Rs. 2000”, the words and figures namely “Level 3” in the Pay Matrix (Rs.21700-69100) shall be substituted.

In Column (11):

- a) for the words and figures “Pay Band-1, Rs.5200-20,200 with Grade Pay of Rs.1900”, the words and figures namely “Level 2” in the Pay Matrix (Rs.19,900-63200) shall be substituted.
- b) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Promotion' may be omitted:-

“Note: For the purpose of computing minimum qualifying service for promotion, the service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from which revised pay structure based on the recommendations of the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered in the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission.”

- c) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Deputation' may be omitted:-

“Note: For the purpose of appointment on deputation/absorption basis, the service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from which revised pay structure based on the recommendations of the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered in the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission except where there has been merger of more than one pre-revised scale of pay into one grade with a common grade pay or pay scale, and where this benefit will extend only for the post(s) for which that grade pay or pay scale is the normal replacement grade without any upgradation.”

IV Against serial number 4, relating to the post of **Clerk**

In column (4):

- a) for the existing entries in Heading "Scale of Pay", the words "LEVEL in the PAY MATRIX" shall be substituted.
- b) for the words and figures "Pay Band-I (Rs. 5200-20200) with Grade Pay of Rs. 1900" the words and figures namely "Level 2" in the Pay Matrix (Rs. 19900-63200) shall be substituted.

In Column (11):

- a) for the words and figures "Pay Band-I, Rs. 5200-20,200 with Grade Pay of Rs.1800", the words and figures namely "Level 1" In the Pay Matrix (Rs.18000-56900) shall be substituted
- b) The following note as per Sixth Central Pay Commission recommendations below Column (II) under sub-heading 'Promotion' may be omitted:—

"Note: For the purpose Of computing minimum qualifying service for promotion, the service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from which pay structure based on the recommendations of the Sixth Central Pay Commission been extended, shall be deemed to be service rendered In the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission."

V Against serial number 5, relating to the post of **Assistant Manager-Cum- Store Keeper**

In Column (4):

- a) for the existing entries in Heading "Scale of Pay", the words "LEVEL in the PAY MATRIX be substituted.
- b) for the words and figures "Pay Band-I (Rs. 5200-20200) with Grade Pay of Rs. 2400" the words and figures namely "Level 4" in the Pay Matrix (Rs. 25500-81100) shall be substituted.

In Colum (11):

- a) for the words and figures "Pay Band-I (Rs.5200-20200) with Grade Pay of Rs. 1900", the words and figures namely "Level 2" in the Pay Matrix (Rs. 19900-63200) shall be substituted.
- b) for the word and figures "Pay Band-I (Rs. 5200-20200) with Grade Pay of Rs. 2000", the words and figures namely "Level 3" in the Pay Matrix (Rs. 21700-69100) shall be substituted.
- c) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Promotion' may be omitted:—

"Note: For the purpose of computing minimum qualifying service for promotion service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January. 2006 or the date from which revised pay structure based on the recommendations or the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered in the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission."

- c) The following note as per Sixth Central Pay Commission recommendations below Column (11) under sub-heading 'Deputation' may be omitted:—

"Note: For the purpose of appointment on deputation/absorption basis, the service rendered on a regular basis by an officer prior to the 1<sup>st</sup> January, 2006 or the date from



which revised pay structure based on the recommendations of the Sixth Central Pay Commission has been extended, shall be deemed to be service rendered in the corresponding grade pay or pay scale extended based on the recommendations of the said Pay Commission except where there has been merger of more than one pre-revised or pay into one grade with a common grade pay or pay scale, and where this benefit will extend only for the post(s) for which that grade pay or pay scale is the normal replacement grade without any upgradation.”

### **EXPLANATORY MEMORANDUM**

Income Tax Department. Non-Statutory Departmental Canteens (various posts in Group 'C' posts) Recruitment Rules, 2015 were notified In the Gazette of India vide GSR 883(E) dated 18<sup>th</sup> November, 2015. Following the recommendations of CCS (Revised Pay) Rules, 2016 dated 25<sup>th</sup> July 2016, the Government had issued instructions vide DoPT OM No. AB.14017/13/2016-Estt. (RR) dated 9<sup>th</sup> August, 2016 to amend the existing Pay Band and Grade Pay by the raw Pay Structure. It is also certified that the amendment from a retrospective date will not affect any one adversely as similar provision existed in the earlier Rules.

[F. No. HRD/CM/124/02/2016-17(Pt.)/Dy.No.101/2017-Ad.VII]  
JATI SINGH MEENA, Under Secy.

Footnote: The principal rules were published vide notification number G.S.R. 883(E). dated the 18<sup>th</sup> November, 2015 in Gazette of India, Part II, Section 3, Sub-section (i) dated 18.11.2015.

## NOTIFICATION

New Delhi, the 16th March, 2017

G.S.R. 253(E).—In exercise of the powers conferred by the proviso to article 309 of the constitution, the President hereby makes the following rules further to amend the Income Tax Department (Group C) Recruitment Rules, 2003, namely:—

1. (i) These rules may be called the Income Tax Department (Group C) Recruitment (Amendment) Rules, 2017.  
(ii) They shall be come into force on the date of their publication in the Official Gazette.
2. In the Schedule to the Income Tax Department (Group C) Recruitment Rules, 2003, the following shall be amended namely—

### Senior Gestetner Operator

In column (4):

- a) for the existing entries in Heading "Scale of Pay", the words "Level in the Pay Matrix" shall be substituted.
- b) for the words and figures "Rs. 3050-75-3950-80-4590", the words and figures "Level 2" in the Pay Matrix (Rs.19900-63200) shall be substituted.

### EXPLANATORY MEMORANDUM

The Income Tax Department (Group C) Recruitment Rules, 2003 were notified in the Gazette of India vide GSR 324 dated 2<sup>nd</sup> September, 2003. Following the recommendations of CCS (Revised Pay) Rules, 2016 dated 25<sup>th</sup> July 2016, the Government had issued instructions vide DoPT OM No. AB.14017/13/2016-Estt.(RR) dated 9<sup>th</sup> August 2016 to amend the existing rules by substituting the words "Level in the Pay Matrix" for the words "Level in the Pay Scale".

It is also certified that the amendment from a retrospective date will not affect any one adversely as similar provision existed in the earlier Rules.

[F. No. HRD/CM/124/02/2016-17(Pt.)/Dy.No.101/2017-Ad.VII]

JATI SINGH MEENA, Under Secy.

**Footnote :** The principal rules were published vide notification number G.S.R. 321, dated the 2<sup>nd</sup> September, 2003 in the Gazette of India, Part II, Section 3, Sub-section (i) dated 02.09.2003.

RAKESH SUKUL Digitally signed by RAKESH SUKUL  
Date: 2017.03.17 11:01:56 +05'30'

## IPR UPDATES

CG/Public Notice /2017/

Dated: 17.03.2017

### Public Notice (SIPP-Facilitator)

Government of India has launched Scheme for facilitating Start-ups Intellectual Property Protection (SIPP). The scheme facilitated the start-ups to file applications for patents, designs & trademarks through registered facilitators in appropriate IP offices by paying only statutory fees. No fee for facilitation shall be charged from the start-ups as prescribed fee for same is to be paid directly to the facilitators by respective IP offices, on submission of claim after filing of application as per the guideline published dated 08.06.2016. However, instances have been reported in this office whereupon the registered facilitators have been ignoring facilitation to the start-ups citing various reasons and asking extra fees from them.

All such facilitators are hereby cautioned to avoid such practices. It may be noted that any act of denial of facilitation to the start-ups shall be considered as an act of misconduct in his professional capacity. Same shall lead to removal of their name from the list(s) of facilitators and subsequently, action for removal of him / her name from the registered list of patent / trademark agent under relevant provision of the Patents Act / Trade Marks Act.

-sd-  
(O.P Gupta)  
Controller General of Patents,  
Designs & Trade Marks

## **Public Notice**

### **Guidelines for Facilitators and Start-ups for filing and processing applications for Patent, Designs and Trade Marks**

In respect to the *Scheme for Facilitating Startups Intellectual Property (SIPP)* announced by the Government of India and the list of facilitators published for the purpose, references have been received regarding the procedure to be adopted for filing/ processing of startups' applications for Patents , Designs and Trademarks and fees to be paid to the facilitators in respect thereof.

Accordingly,, it is clarified as follows:

#### **1. Patents:**

- i. A start- up willing to file a patent application for his invention shall select a facilitator from the list of facilitators published on the official website of CGPDTM i.e. [www.ipindia.nic.in](http://www.ipindia.nic.in) and contact him directly for preparation of application. If the startup is unable to select a facilitator, it should contact the Head of Office of the respective Patent office as per jurisdiction, who shall provide 3 names of facilitator and the startup shall finalise the name of Facilitator.
- ii. The facilitator after assessing the patentability of the invention and other aspects as per Patents Act and Rules and being satisfied that the application for patent can be filed, shall draft the patent specification in consultation with the start up.
- iii. Thereafter, the Facilitator shall file a complete Patent specification at the appropriate Patent Office on behalf of the start- up as per jurisdiction by following the prescribed procedure under the Patent Act and Rules.
- iv. Fee for filing patent application and other statutory fees, as per First Schedule, shall be borne by the start up.
- v. After a patent application is received by the Patent Office the facilitator shall submit the claim for fees as per the fee schedule given in SIPP Scheme. A letter addressed to the Head of Office of the respective Patent Office, giving details of claimed fee for drafting of application and his ID proof as a Registered Patent Agent, shall be submitted along with the invoice .



- vi. The Head of Office shall verify the ID of the facilitator and ascertain the suitability of payment and arrange for the payment of fee to the facilitator after receiving such claim from the facilitator.
- vii. Simultaneously with making the payment to the facilitator, the Head of Office shall forward to the Office of the CGPDTM the details of the application and payment made to the facilitator.
- viii. The facilitator shall monitor and perform further steps of proceedings of startup's patent application, prepare the reply to any query from Patent Office, attend the hearings, etc. and shall file the relevant documents in the Patent Office by following the time line, as and when required, on behalf of the startup and may submit the claim for payment of the fee as per the fee schedule of SIPP Scheme as per the procedure elaborated above.

**ix. Designs :**

For filing and processing applications for designs, the list of Facilitators for Patents will be applicable and the procedure for claiming the fees by the Facilitator, after he files the design application for a startup as per the designs Act and Rules, shall be as elaborated above.

**x. Trade Marks:**

For filing and processing applications for trademarks, the list of Facilitators for Trademarks will be applicable and, after filing a trademark application for a startup as per the Trade Marks Act and Rules, the Facilitator shall submit the claim for payment of fees to the respective Head of Office of the Trade Marks Registry who shall follow the procedure as elaborated under para vi and vii.

For any query regarding filing of applications, payment of fees and procedural issues, a facilitator/startup may contact Dr.W.M.Dhumane, Office of Controller General of Patents, Designs and Trademarks on e-mail: [wm.dhumane@nic.in](mailto:wm.dhumane@nic.in) or phone (+91 22 24112244).

  
(G.P.Gupta)  
CGPDTM

## **Scheme for Facilitating Startups Intellectual Property Protection (SIPP)**

### **Introduction**

Intellectual Property Rights (IPRs) are emerging as a strategic business tool for any business organization to enhance industrial competitiveness. Startups, with limited resources and manpower, can sustain in this highly competitive world only through continuous growth and development oriented innovations; for this, it is equally crucial that they protect their IPRs. The scheme for Startups Intellectual Property Protection (SIPP) is envisaged to facilitate protection of Patents, Trademark and Designs of innovative and interested startups.

### **Vision**

To protect and promote Intellectual Property Rights of startups and thus encourage innovation and creativity among them.

### **Objective**

The scheme of SIPP aims to promote awareness and adoption of Intellectual Property Rights amongst startups. Scheme is inclined to nurture and mentor innovative and emerging technologies among Startups and assist them in protecting and commercialize it by providing them access to high-quality IP services and resources.

### **Who Can Apply**

Any startup recognised in terms of explanation 5 of the Notification GSR 180(E) published in the Part II, Section 3, Sub Section (i) of the Gazette of India dated 17.2.2016.

It is further clarified that an entity shall be considered a 'startup' if it meets the terms and conditions laid down in the above mentioned notification.

The startups covered under this scheme will not be required to obtain certificate of an eligible business from the Inter-Ministerial Bard of Certification.

### **Appointment of Facilitators**

For effective implementation of the scheme, facilitators shall be empanelled by the Controller General of Patent, Trademark and Design (CGPDTM). The CGPDTM shall regulate conduct and functions of empanelled facilitators from time to time.

In case of any complaint by a startup about a facilitator or on getting information about professional misconduct through any source, the CGPDTM can remove the facilitator from the panel.

### **Who can be a Facilitator**

- i. Any Patent Agent registered with the CGPDTM.
- ii. Any Trademark Agent registered with the CGPDTM.

- iii. Any Advocate as defined under The Advocates Act\* 1961 who is entitled to practice law as per the rules laid down by Bar Council of India from time to time, who is well-versed with the provisions of the relevant Acts and Rules, and is actively involved in filing and disposal of applications for patents, trademarks and designs.
- iv. Government departments/ organizations/ agencies like TIFAC, NRDC, BIRAC, DEITY, DSIR etc.

#### Functions of Facilitators

Among other functions as may be decided by the CGPDTM, facilitators will be responsible for:

- Providing general advisory on different intellectual property rights to startups on pro bono basis,
- Providing information on protecting and promoting IPRs to startups in other countries on pro bono basis,
- Providing assistance in filing and disposal of the IP applications related to patents, trademarks and Design under relevant Acts at the national IP offices under the CGPDTM
- Drafting complete provisional specifications for inventions of startups,
- Preparing and filing responses to examination reports and other queries, notices or letters by the IP office,
- Appearing on behalf of startup at hearings as may be scheduled,
- Contesting opposition, if any, by other parties, and
- Ensuring final disposal of the IPR application.

#### Fees of Facilitators

Following fees structure will be applicable to the empanelled facilitators, for any number of patents, trademarks or designs that may be applied for by a startup. The facilitator shall not charge anything from the Startup or the entrepreneur, and this fees shall be paid directly to the facilitator by the Central Government through the office of the CGPDTM. This structure may be revised from time to time by the Department of Industrial Policy and Promotion.

(Figures in ₹)

Stage of Payment		Patent	Trademark	Design
At the time of filing of Application		10,000	5,000	2,000
At the time of final disposal of Application	Without Opposition	10,000	2,000	2,000
	With Opposition	15,000	5,000	4,000

Note: If any application is withdrawn or abandoned before disposal of application, facilitator shall be entitled to fees only for filing of application and not for disposal of application.



**Statutory Fees**

The cost of the statutory fees payable for each patent, trademark or design applied for in India or abroad by a startup after launch of this scheme shall be borne by the startup itself.

**Period of Scheme**

The scheme shall be run initially on a pilot basis, and shall be applicable for a period of 1 year from the date of launch of Startup India.

**Budget**

The budget for the scheme shall be provided from the funds available with the Department.

**Ownership of IPR**

This scheme shall in no way transfer, either wholly or partially, ownership rights on the IPR created to the facilitator or the Government, and the Startup shall have full rights on the IP generated.

**Disclaimer**

The scheme does not in any way entitle the startup or the facilitator to grant or registration, as the case maybe, of the IPR; the applications shall be disposed off as per the relevant laws and rules.

## EXCISE TAX UPDATES

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

**Government of India**  
**Ministry of Finance**  
**(Department of Revenue)**

**Notification No. 06/2017-Central Excise (N.T.)**

New Delhi, the 14th March, 2017

In exercise of powers conferred by clause (b) of section 2 of the Central Excise Act, 1944(1 of 1944) read with sub-rule (1) of rule 3 of the Central Excise Rules, 2002, the Central Board of Excise and Customs makes the following further amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue), Notification No. 38/2001-Central Excise (N.T.) dated the 26th June, 2001, namely:-

In the said notification, in the TABLE, for S.No.4 and the entries relating thereto, the following shall be substituted, namely:-

Sl.No	Officers	Rank of Officers of Central Excise
(1)	(2)	(3)
"4.	Officers of Directorate General of Central Economic Intelligence Bureau namely: - 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"

[F.No. 96/5/2017-CX.I]

(Santosh Kumar Mishra)  
Under Secretary to the Government of India

**Note:-** The principal notification No. 38/2001–Central Excise (N.T.), dated the 26th June, 2001 published in the Gazette of India vide GSR 467(E) dated 26th June, 2001 and was last amended vide Notification No. 28/2014-Central Excise (N.T.) dated 16th September, 2014 published in the Gazette of India vide G.S.R. 652 (E) dated the 16th September, 2014.

**Circular No. 1054/03/2017-CX**

F. No. 116/31/2016-CX.3  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise and Customs

New Delhi, dated the 15th March, 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)

Madam/ Sir,

**Sub: Classification of 'Saree' under CETA, 1985-reg.**

Representations have been received from the members of the trade requesting clarification regarding classification of 'Saree'. The issue raised in these representations is whether the goods described as 'Saree' which has undergone further processing such as embroidery, stitching of lace and tikki etc. and stitched with two or more kinds of fabrics is classifiable as 'Saree' under Chapter 54 or as made-ups under Chapter 63 of the Central Excise Tariff Act, 1985.

2. The issue has been examined. As per Rule (1) of General Rules of Interpretation of the Schedule, *"The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to terms of the headings and any relative Section or Chapter Notes..."* Further, as per Rule 3(a) of the said Rule, *"The heading which provides the most specific description shall be preferred to headings providing a more general description..."*

3. 'Saree' has been specifically classified under Chapter 50, 52 and 54 of the Central Excise Tariff Act, 1985 depending upon the material of the fabrics. Further, even after stitching, embroidery work and fixing of falls etc., a 'saree' remains fabrics only as no new item emerges having distinct name, character and use. Stitching of two or more different kinds of fabrics also does not take away its classification from heading 50, 52 or 54 as in that case, by virtue of Section note 2(A) of Section XI, such 'saree' will be classifiable under the heading as if consisting wholly of that one textile material which predominates by weight over any other single textile material. In case no one textile material predominates by weight, 'saree' is to be classified as if consisting wholly of that one textile material which is covered by the heading which occurs last in numerical order among those which equally merit consideration.

4. Chapter 63 covers „Other made up textile articles; sets; worn clothing and worn textile articles; rags“ which is a more general description. 'Saree' is not specifically classified in this chapter and therefore application of Rule 3(a) [refer para 2] would take out 'Saree' outside the ambit of chapter 63.

5. In view of above, it is 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. Each case may be decided on the basis of facts of the case and where further processing of 'Saree' does not change the essential characteristics of the fabric as that of 'Saree', it should continue to be classified as 'Saree'.

6. Difficulty faced, if any, in implementing the circular should be brought to the notice of the Board. Hindi version will follow.

(ROHAN)  
Under Secretary to the Govt. of India

## CUSTOM UPDATES

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

Government of India  
Ministry of Finance  
(Department of Revenue)  
**(Central Board of Excise and Customs)**

Notification No. 21/2017-CUSTOMS (N.T.)

New Delhi, 15th March, 2017  
24 Phalgun, 1938 (SAKA)

S.O. ... (E).- In exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Excise & Customs, being satisfied that it is necessary and expedient so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted namely:-

"TABLE-1

S. 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

TABLE-2

S.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	392 per 10 grams

		serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.03.2012 is availed	
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

TABLE-3

S.No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$ Per Metric Tonne )
(1)	(2)	(3)	(4)
1	080280	Areca nuts	2594"

[F. No. 467/01/2017 -Cus-V]

(Kshitendra Verma)

Under Secretary to the Govt. of India

Note: - The principal notification was published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide Notification No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, vide number S. O. 748 (E), dated the 3rd August, 2001 and was last amended vide Notification No. 13/2017-Customs (N.T.), dated the 28th February, 2017, e-published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 665(E), dated 28th February, 2017.

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

**Notification No.22/2017 - Customs (N.T.)**

New Delhi, dated the 16<sup>th</sup> March, 2017  
25 Phalgun, 1938 (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.14/2017-CUSTOMS (N.T.), dated 2<sup>nd</sup> March, 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 17<sup>th</sup> March, 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) (For Imported Goods)	(b) (For Export Goods)
(1)	(2)	(3)	
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	78.85
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

(1)	Foreign Currency (2)	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees (3)	
		(a) (For Imported Goods)	(b) (For Export Goods)
1.	Japanese Yen	58.55	56.65
2.	Kenya Shilling	65.75	61.45

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

(Kshitendra Verma)  
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