

**2015  
JUNE**

**P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
MONTHLY NEWSLETTER  
[www.pkluharukaco.com](http://www.pkluharukaco.com)



THIS ISSUE GIVES AN UPDATE ON ASPECTS ON WHICH THE CBDT, CBEC, RBI, WEST BENGAL STATE GOVERNMENT AND MINISTRY OF CORPORATE AFFAIRS THINK NEED CHANGES OR CLARIFICATIONS, A FEW RELEVANT CASE LAWS RELATING TO INCOME TAX AND A DUE DATES CALENDAR FOR THE MONTH OF JUNE.

TO SHARE YOUR VIEWS – [CLICK HERE](#)

INFORMATION PUBLISHED IN THE NEWSLETTER ARE TAKEN FROM PUBLICLY AVAILABLE SOURCES AND BELIEVED TO BE ACCURATE. P. K. LUHARUKA & CO., CHARTERED ACCOUNTANTS TAKES NO RESPONSIBILITY OF ACCURACY & RELIABILITY OF INFORMATION PUBLISHED IN THE NEWSLETTER. NO PART OF THIS NEWSLETTER MAY BE REPRODUCED, STORED IN A RETRIEVAL SYSTEM, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS – ELECTRONIC, MECHANICAL, PHOTOCOPYING, RECORDING OR OTHERWISE WITHOUT OUR PERMISSION.

### DIRECT TAXES

The CBDT has prescribed the procedure for response to arrear demand by Taxpayer and Verification & correction of demand by AO's. (Attached Circular No. 08/2015, dated 14<sup>th</sup> May, 2015)

### INDIRECT TAXES

- a. CBEC has approved a simplified procedure for transit of relief cargo to Nepal, supplied by foreign governments and multilateral relief agencies such as UNWFP, Red Cross etc. (Attached Circular No. 16/2015, dated, 19<sup>th</sup> May, 2015)
- b. CBEC hereby prescribes clarification regarding CENVAT Credit in transit sale through dealer. It is hereby clarified that the new provisos inserted in sub-rule (2) of Rule 11 of Central Excise Rules, 2002, are meant to improve the ease of doing business by providing an additional facility and not to withdraw any existing facility. (Attached Circular No. 1003/10/2015-CX, dated, 05<sup>TH</sup> May, 2015)
- c. RBI has recently dispensed with the SDF in case of exports taking place through the EDI ports vide Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2015' and A.P. (DIR Series) Circular No101, dated 14.05.2015. In lieu of SDF form a declaration has to be inserted in the Shipping Bill. The Shipping bill is amended by attached Notification No. 46/2015 – Customs (N.T.), dated 18/05/2015. (Attached Circular No. 15/2015-Customs, dated, 18<sup>th</sup> May, 2015)
- d. CBEC hereby determines the rate of exchange of conversion of foreign currency into Indian Currency or vice – versa w.e.f. 22<sup>nd</sup> May, 2015. (Attached Notification No. 47/2015-Customs (N.T.), dated, 21<sup>st</sup> May, 2015)

### RESERVE BANK OF INDIA

- a. RBI, in its circular dated 18.05.2015, appealed income tax assesses to remit their income tax dues sufficiently in advance of the due date in order to avoid hassles at the last moment. (Attached Circular dated 18<sup>th</sup> May, 2015)
- b. RBI in its, Second Bi-monthly Monetary Policy Statement for the year 2015-16 reduced the Repo rate under Liquidity Adjustment Facility by 25 basis points from 7.5 per cent to 7.25 percent with immediate effect. However, Cash Reserve Ratio was kept unchanged at 4.0 percent. The central bank cited that low domestic capacity utilization, mixed indicators of recovery, and subdued investment and credit growth had made a case for rate cut and hence the step has been taken. However, it cautioned that three risks have been identified which may impact inflation negatively. The three risks are forecast of below normal monsoon, firming crude oil prices and volatility in the external environment. (Attached Press Release 02nd June, 2015)

### COMPANY LAW

The ministry, in its circular dated 25.05.2015, released the Companies (Amendment) Act 2015 and the same shall be applicable as and when the Central Government notifies the different sections. (Attached General Circular, dated, 25<sup>th</sup> May, 2015)

### WEST BENGAL STATE LAWS

Last date for filing Profession Tax Return extended to 30.06.2015 for electronic submission and 15.07.2015 for submission of hard copy.

### THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

A web portal, <http://checkers.icaiaexam.icaai.org> has been developed and put in place, for handling the activities relating to Checkers, with effect from CA Examinations held in May 2015 onwards. Details of allotment of assignments to act as Checkers for the Chartered Accountancy Examinations held in May 2015 can be accessed at the above mentioned website from 11.00 a.m. on 19th May 2015 onwards. (Link to download: [http://www.icaai.org/new\\_post.html?post\\_id=11597&c\\_id=219](http://www.icaai.org/new_post.html?post_id=11597&c_id=219))

### CASE LAWS

- a. Sections 14A and Rule 8D disallowance can be made for shares held as stock in trade– **CIT vs. India Advantage Securities Ltd (Bombay High Court)**
- b. Loss from trading in derivatives is not a speculation loss and can be set-off against normal business profits – **ITO vs. Emperor International Ltd. (ITAT Delhi)**
- c. S. 40(a)(ia) second proviso was inserted by FA 2012 to rectify the unintended consequence of disallowance in the hands of the payer even if the payee has paid tax. It is curative and retrospective in operation. Assessee's claim of having obtained declarations u/s 197A from the payees should not be disbelieved without evidence. Assessee is not expected to go into the correctness of the declarations filed by the payees- **Ballabh Das Agarwal vs. (ITAT Kolkata)**

**June 2015**

Mo Tu We Th Fr Sa Su

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

---

**Details**

---

**06 June 2015**



**Subject** Due Date of payment (latest by 8 P.M.) of Service Tax for services deemed to be provided as per rules in the month of May in case of assesseees, other than individual or proprietorship firm or partnership firm (GAR 7 Challan)



**Subject** Due Date of payment of Central Excise Duties for the previous month - For non SSI Units - GAR-7 Challan

---

**07 June 2015**



**Subject** Due Date of deposit of TDS where income or amount is paid or credited in the month of May (Challan No./ ITNS. 281)



**Subject** Due Date of Monthly payment of TCS in May u/s 206C



**Subject** Submission of copy of declaration forms (Form 15G and form 15H) received for non deduction of TDS under section 197A before the Chief Commissioner or Commissioner

---

---

**10 June 2015**

**Subject** Due Date of ER-1 for Non-SSI assesseees and ER-2 for EOU units for the month of May

---

**15 June 2015**

**Subject** Due Date of Payment of PF for the month of May (plus grace period of 5 days)



**Subject** First installment (15%) of advance income-tax in case of a company for current FY (Challan No./ ITNS. 280)

---

**21 June 2015**

**Subject** Due Date of Payment of ESI for the month of May

---

Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

Circular No 8/2015

North-Block, TA-II, Division  
New Delhi the 14.05.2015

**Subject: - Procedure for Response to Arrear Demand By Taxpayer And Verification and Correction of Demand by AOs - regarding.**

The CBDT vide Instruction No.4 of 2014 dated 7<sup>th</sup> April, 2014, inter-alia, prescribed Standard Operating Procedure for Verification and Correction of Demand available or uploaded by AOs in CPC Demand Portal. Further a facility has been made available to taxpayers on the E-filing website ([www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in)) to provide online responses to such demands. The actions required to be performed by the taxpayer and the AO are being consolidated in this circular as under:

**2. Action To be performed by Taxpayers**

- i. Login to e-Filing website with User ID, Password, Date of Birth /Date of Incorporation and Captcha.
- ii. Go to **E-file** menu and click on "Response to Outstanding Tax Demand".
- iii. Following details would be displayed.
  - o Assessment Year
  - o Section Code
  - o Demand Identification Number (DIN)
  - o Date on which demand is raised
  - o Outstanding demand amount
  - o Uploaded By
  - o Rectification Rights
  - o Response- Submit and View
- iv. Taxpayer must click on "**Submit**" link under Response column for the respective AY in order to submit the response. Taxpayer has to select one of the options from the radio button.
  - o Demand is correct
  - o Demand is partially correct
  - o Disagree with demand
- v. If taxpayer selects "Demand is correct", then a pop up is displayed as "If you confirm 'Demand is correct' then you cannot 'Disagree with the demand'. Click on "**Submit**". A success message is displayed.
  - o If any refund is due, the outstanding demand along with interest will be adjusted against the refund due.
  - o In any other case taxpayer has to immediately pay the demand.
- vi. If taxpayer selects "Demand is partially correct", then "Amount which is correct" and "Amount which is incorrect" has to entered.
- vii. If taxpayer selects 'amount which is incorrect' then he should mandatorily fill one or more reasons for stating so as listed below:

- Demand has been already Paid –
    - Demand paid and Challan has CIN (Challan Identification Number)
    - Demand paid and Challan has no CIN
  - Demand has already been reduced by rectification/revision
  - Demand has already been reduced by Appellate Order but appeal effect has to be given by Department
  - Appeal has been filed and
    - Stay petition has been filed with
    - Stay has been granted by
    - Instalment has been granted by
  - Rectification / Revised Return has been filed at CPC
  - Rectification has been filed with Assessing Officer
  - Others
- viii. Based on the reasons selected, the taxpayer needs to provide additional information as per the table given below.

Additional Information Required			
Demand paid and Challan has CIN	BSR Code		
	Date of payment		
	Serial Number of challan		
	Amount		
	Remarks (any comments of taxpayer can be included)		
Demand paid and Challan has no CIN	Date of payment		
	Amount		
	Remarks (any comments of taxpayer can be included)		
	Upload copy of Challan		
Demand already reduced by rectification / Revision	Date of Order		
	Demand after rectification/ revision		
	Details of AO who has rectified or revised		
	Upload Rectification / Giving appeal effect order passed by AO		
Demand already reduced by Appellate Order but appeal effect to be given	Date of Order		
	Appellate Order passed by (details of CIT (A) etc)		
	Reference Number of Order		
Appeal has been filed: Stay petition has been filed	Date of filing of appeal		
	Appeal Pending with (details of CIT (A) etc)		
	Stay petition filed with (details of office etc)		
Appeal has been filed: Stay has been granted	Date of filing of appeal		
	Appeal Pending with		
	Stay granted by		
	Upload copy of Stay Order		

Appeal has been filed: Instalment has been granted	Date of filing of appeal	
	Appeal Pending with (details of CIT (A) etc)	
	Instalment granted by (details of office etc)	
	Upload copy of stay/instalment order	
Rectification / Revised Return filed at CPC	Filing Type	
	e-Filed Acknowledgement No.	
	Remarks (any comments of taxpayer can be included)	
	Upload Challan Copy	
	Upload TDS Certificate	
	Upload Letter requesting rectification copy	
Rectification filed with AO	Upload Indemnity Bond	
	Date of application	
	Remarks (any comments of taxpayer can be included)	
Other Reasons	Others (any comments of taxpayer can be included)	

- ix. If taxpayer selects "Disagree with the Demand", then taxpayer must furnish the details of disagreement along with reasons. Details / Reasons are same as provided under "Demand is partially correct".
- x. After the taxpayer submits the response the success screen would be displayed along with the Transaction ID.
- xi. The taxpayers can click on 'View' link under Response column to view the response submitted. The following details are displayed:
  - o Serial Number
  - o Transaction ID
  - o Date of Response
  - o Response Type

(Note 1: Where the taxpayer has not registered on the Income Tax Department's e-filing website – [www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in), he may do so to get details of outstanding demand and also to submit any response.

Note 2: Wherever the taxpayer finds it difficult to access Income Tax Department Website, he or she may make necessary application to the Assessing Officer along with above referred details as applicable in this case.

Note 3: In case of individual taxpayers if CIN is not available or payment is made prior to the period of introduction of CIN, the taxpayer may submit the documents as referred in para 4.1 or 4.2)

### 3. Action on the Part of the Department

The Assessing Officer or CPC Bangalore after verification should reduce/remove/confirm the demand in appropriate cases as per procedure outlined in para 4 below and in accordance with earlier instructions issued by CBDT. However, following cases are to be verified on priority:



- a) Taxpayer has furnished information in response to notice u/s 245 of the Act; or
- b) Taxpayer has requested for reduction/removal of demand; or
- c) Information regarding demand reduction/removal is available in Department Records; or
- d) Details are already available in the system, such as additional TDS credits reported by Deductor in case of earlier TDS mismatch.

#### **4. Handling Different Scenarios during Verification and Confirmation of Demand:**

The Assessing Officer (AO) should handle different scenarios during verification and confirmation of demand in following manner:

##### **4.1 Demand or tax has been paid:**

(a) If the taxpayer's reply or Departmental records show that demand or tax has already been paid and challan (challan identification number (CIN)) is available on the system:

i. The AO should reduce the demand by posting the challan or passing rectification order u/s 154 on the system.

ii. If the demand is prior to 01/04/2010, the demand has to be reduced directly on the CPC-FAS system.

(b) If CIN is not available or payment is made prior to the period of introduction of CIN, the reduction can be made only in case of **Individuals and HUFs** provided outstanding demand does not exceed **Rs.1,00,000 for that AY**. The AO should follow the steps as under:

i. The reduction can be made after obtaining of the document showing evidence of payment in form of taxpayer counterfoil or bank certificate or any communication from Department in respect of payment or adjustment of refund. In case where taxpayer is a senior citizen and taxpayer is not able to obtain bank certificate as the place of payment of tax is different from the current place of taxpayer, the AO should obtain the certificate from the bank directly.

ii. In case the outstanding demand is more than Rs.25000/- for that AY irrespective of the quantum of demand being reduced under paragraph 4.1.(b).i. above, the AO should obtain an indemnity bond (in the format given in Annexure A) from the taxpayer.

iii. Additionally, in case the demand being reduced under paragraph 4.1.(b).i. above exceeds Rs.50,000/- for that AY for the assessee, besides obtaining the indemnity bond, approval of Range Head should be taken on file before removing/reducing the demand.

iv. If the payment relates to mismatch of advance tax or self assessment tax, order u/s 154 of the Act needs to be passed.

##### **4.2 Demand due to TDS Mismatch:**

(a) If the taxpayer's reply or Departmental records show that the demand is on account of TDS mismatch and TDS credits are available in the system, the AO should follow steps as under:

i. The AO should reduce the demand by passing rectification order u/s 154 on the system after taking into account the TDS credits available on the system.

ii. If the demand is prior to 01/04/2010, the demand has to be reduced directly on the CPC-FAS system after rectification u/s 154.

(b) If the credits are not available in 26AS: The reduction can be done only in the cases of **Individuals and HUFs**. Further, the amount of reduction should not exceed **Rs.1,00,000 for that AY** and AO should take following steps:

i. AO should pass order u/s 154 manually after obtaining the TDS certificate from the assessee on the basis of which claim has been made.

ii. In case, the outstanding demand is more than Rs.25,000 for that AY, irrespective of the quantum of demand being reduced, the AO should obtain an indemnity bond (in the format given in *Annexure A*)

iii. Additionally, in case the demand being reduced under paragraph 4.2.(b).i above, exceeds Rs.50,000/- for that AY for the assessee, besides obtaining the indemnity bond, approval of Range Head should be taken on file before removing/reducing the demand.

#### **4.3 Demand already reduced or action is pending:**

(a) If the taxpayer's reply or Departmental records show that demand has already been reduced by way of an order (rectification order, appeal effect order etc.), the demand has to be reduced directly on the CPC-FAS system.

(b) In case where rectification or giving effect order to reduce demand is pending, the same should be completed and revised demand should be reflected.

(c) It is also clarified that after taking action as per para 4.1 or 4.2, if any refund becomes due to the taxpayer, the same may also be issued.

Enclosure: as above

Rg

(Rohit Garg)

Deputy Secretary to the Government of India

(F.No.225/151/2014/ITA.II)

Copy to:

1. Chairperson and all Members of CBDT
2. Pr.Director General of Income Tax (Systems)
3. All Officers and Technical Sections of CBDT
4. Director of Income tax (Inv.)/IT & Audit/Vigilance/Inv./RSP&PR/Recovery
5. Director of Income tax (O&MS), New Delhi
6. ITCC Division of CBDT(3 copies)
7. All Pr.CCIT/Pr.DGIT/CCIT/DGIT/CIT/DIT
8. Data Base Cell-for placing it on [www.irsolicersonline.gov.in](http://www.irsolicersonline.gov.in)
9. DIT(S)-4 for placing it on [www.incometaxindia.gov.in](http://www.incometaxindia.gov.in)
10. Guard File

Rg

(Rohit Garg)

Deputy Secretary to the Government of India

Annexure A

Format for Indemnity Bond (to be typed on non-judicial Stamp Paper of Rs. 100);

**INDEMNITY BOND**

This Bond of indemnity is made this \_\_\_\_\_ (Date of Indemnity Bond) in favour of Government of India (Department of Finance) i.e. Income Tax Department by

Mr./ \_\_\_\_\_ (Name of the Indemnifier) Son of / Daughter of / Wife of \_\_\_\_\_ on behalf of self or

M/s \_\_\_\_\_

PAN \_\_\_\_\_

Status \_\_\_\_\_

**WHEREAS This is to undertake:**

1. That I had filed my Income Tax Return for the Assessment Year \_\_\_\_\_
2. That TDS claimed in the return of Rs. \_\_\_\_\_ belongs to me as per TDS certificates mentioned below  
Name of Deductor, TAN of deductor, Date of TDS certificate, Amount
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_

OR

That Challan(s) paid for Rs. \_\_\_\_\_ belongs to me as given below:

Date of Payment, Bank through which payment made, Amount

  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
3. That in case it is found that the TDS certificates / Challan does not belong to me then the executor of this bond indemnify the Government of India (Ministry of Finance) for the loss, claim and excess amount of refund, if any, in all respect.

The executor of this bond indemnifies the government of India (Ministry of Finance) and keep it indemnified against all costs, damages, charges and expenses, excess amount of refund, interest, reduction in demand and also against all sum/money, whether for damages, costs, charges, expenses or otherwise.

In witness where of this bond is executed today this \_\_\_\_\_ (Date).

(.....)

**Circular No. 16/2015-Customs**

**F.No.552/15/2015-LC**  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

New Delhi, dated the 19<sup>th</sup> May 2015

To

The Chief Commissioner of Customs, Delhi/Lucknow/Patna/Kolkata,  
The Chief Commissioner of Central Excise, Kolkata/Lucknow.

Sir,

Subject: Simplified Transit procedure for relief supplies destined to Nepal

Requests have been received from the UN World Food Program (UNWFP), Government of Bangladesh and Government of Sri Lanka for facilitating transit movement of relief supplies to Nepal for the people affected by the earthquake. Relief supplies are also expected from other countries and international relief organizations. Keeping in view the requests from various governments and multilateral organizations to send relief supplies to Nepal, the Government of Nepal has been consulted for evolving a simplified procedure for facilitating transit of such relief cargo to Nepal.

2. Accordingly, the Board has approved a simplified procedure for transit of relief cargo to Nepal, supplied by foreign governments and multi-lateral relief agencies such as UNWFP, Red Cross etc.

3. Goods as are duly certified by Government of Nepal and/or their Embassy/Consulate General as relief materials shall be entitled to avail of the simplified procedure for transit, which is as follows:

a. The procedure would apply to transit cargo donated by Foreign Governments or Multilateral organizations or international relief agencies such as Red Cross to the Government of Nepal or its agencies as are duly authorized by the Government of Nepal to receive relief materials.

b. The Manifest/Bill of lading should indicate that the goods are destined to Nepal.

c. The simplified process shall be availed w.r.t. relief supplies as are certified by the Government of Nepal/Embassy of Nepal in New Delhi or their Consulate General in the format at Annex A.

d. As a measure of facilitation, the donor Govt./agency may file or authorize a Customs Broker to file the Simplified Declaration of Transit (Annex B) before

the Customs House where the goods are imported for the purpose of transit to Nepal.

e. The Declaration of Transit (as per Annex B), shall be filed accompanied by a letter issued by the Government of Nepal/Embassy of Nepal in New Delhi/Consulate General of Nepal (Annex A), along with an authorization issued by the Donor in favour of the Customs Broker (if applicable), and copies of Bill of Lading, Invoice & Packing List.

f. As a measure of facilitation, no Bond, security, or bank guarantee would be obtained from the transporter/donor/importing agency of Nepal for the purposes of transit.

g. The simplified procedure would be applicable to goods destined to Nepal via the land Customs stations of Nepalgunj (Rupaidiha), Raxaul, Jogbani, Sanauli and Panitanki.

h. The simplified procedure for transit is being extended to a limited number of Ports/Airports/ICDs in India, which shall be the Airports at Delhi, Lucknow, Varanasi, Patna, Kolkata & Bagdogra. Similarly, cargo in containers from the ICD at Delhi and Kanpur can be transshipped to Nepal under this procedure. Also, the Ports of Kolkata and Haldia shall follow this simplified procedure for the special relief cargoes referred hereinabove.

i. Advance filing of CTD shall be permitted.

j. The Commissioner of Customs at the Port/Airport/ICD shall permit the transit of the goods by Truck. The cargo loaded into the truck shall be sealed with customs seal and the seal no./truck number shall be indicated on all copies of the CTD.

k. At the Land Customs Stations, the Customs shall tally the truck no. and inspect the seal and permit transit of the Cargo into Nepal. Three copies of the CTD shall be handed over to the driver in sealed cover for delivery at the LCS at Nepal. Two of the CTDs shall be endorsed by Nepal Customs and returned to the driver, who shall deposit the same at the LCS of transit. One copy shall be retained by Nepal Customs.

l. The field formations are advised to depute officers for clearance beyond designated hours of business.

m. The Commissioner of Customs of the LCS shall transmit the CTD duly endorsed by Nepal Customs to Port/Airport/ICD of import by Fax for reconciliation.

n. The Commissioner of Customs at the Port/Airport/ICD of import and the Commissioner of Customs at Lucknow, Patna and Siliguri will maintain close liaison for reconciliation of CTDs. The CTDs would be reconciled by fax on weekly basis till the currency of this simplified process.

o. In the event of any failure to reconcile any CTD, the Commissioner of Customs at the Port/Airport/ICD of import shall bring the matter to the notice of the Board for taking up the issue with Nepal Customs/Foreign agency concerned.

p. The Commissioner of Customs at the Port/Airport shall evolve a procedure for manual processing & preservations of CTDs.

q. Nothing contained in these guidelines shall preclude the customs from examining the goods where there is reason to believe that the goods are not as per CTD or are in violation of any law for the time being in force. However, any such instance will require the express approval of the Commissioner.

4. The aforesaid simplified procedure for transit of cargo of relief supplies shall be applicable for a period of six months from the issue of this circular and may be extended for a further period as bilaterally agreed between Government of India and Government of Nepal.

5. Difficulties in implementation, if any, should be brought to the notice of the Board.

6. Hindi version follows.

Yours faithfully,

  
(Satyajit Mohanty)  
Director (ICD)

To

The Commissioner of Customs

-----  
-----

Subject: Transit of Goods landed at \_\_\_\_\_(Port/Airport/ICD) to Nepal.

Sir/Madam

The \_\_\_\_\_(name of the organization/Govt.) has consigned relief supplies to \_\_\_\_\_(name of the organization of the Govt. of Nepal) vide Airway Bill No./Bill of Lading No. \_\_\_\_\_ which have arrived/are to arrive at \_\_\_\_\_(name of port/airport) on \_\_\_\_\_(date) by flight No./Ship MV\_\_\_\_\_. These goods are supplies meant for relief operations/for distribution among disaster affected persons in Nepal and are eligible for the simplified transit procedure under circular no. \_\_\_\_\_ dated\_\_\_\_\_.

(Signature)

Name

Designation

Tel:

Embassy of Nepal, New Delhi

Or

Consulate General of Nepal

Or

Government of Nepal

Simplified Customs Transit Declaration for Transit of Goods to Nepal

(To be filled in sextuplicate)

Please attach:

Invoice/Packing list/Bill of Lading (House & Master) or Airway Bill/Letter from Government of Nepal or Embassy of Nepal, New Delhi or Consulate General of Nepal/Letter from Donor Agency addressed to Government of Nepal.

Authorization for filing SCTD issued by the Donor agency to be attached, if services of Customs Broker are to be availed.

---

SCTD filed at \_\_\_\_\_ Customs House

Flight No./Name of ship\_\_\_\_\_

Rotation No.\_\_\_\_\_

Line No.\_\_\_\_\_

Name and address of Consignor\_\_\_\_\_

Name and Address of Donor Agency\_\_\_\_\_

Name & Address of Importer (Nepal)\_\_\_\_\_

Airport /Port/ICD from where goods are to transit to Nepal\_\_\_\_\_

Land Customs Station for Transit to Nepal\_\_\_\_\_ (Raxaul,  
Jogbani, Panitanki, Sonauli, Nepalgunj)

Name of Customs Broker filing the CTD\_\_\_\_\_

Customs Broker's Licence No. \_\_\_\_\_(N.A, if consignor directly files the CTD  
through its mission in India)

Number, description, marks and serial nos. of packages\_\_\_\_\_

Container No./Seal No. (if applicable)\_\_\_\_\_/\_\_\_\_\_



Simplified Customs Transit Declaration for Transit of Good to Nepal

-Page 2-

Country of Origin\_\_\_\_\_

Description of Goods\_\_\_\_\_

Sl No.	Description	Quantity (in pcs) or weight or nos, as relevant	Value in US\$/INR
	Total value		

Gross/net weight of consignment\_\_\_\_\_

Route of Transit\_\_\_\_\_

Truck Number(s) on which goods will transit\_\_\_\_\_

Name & address of transporter\_\_\_\_\_

I/We declare that the goods entered herein are for transit to Nepal through India and shall not be diverted en-route to India or retained in India. I/We declare that the goods are relief supplies meant for Nepal. I/We further declare that all the entries made herein above are true and correct to the best of my/our knowledge.

Signature of consignor or donor agency/Authorized Customs Broker

\_\_\_\_\_  
For Customs House

SCTD Number\_\_\_\_\_

Seal No. affixed by Customs\_\_\_\_\_

Sign/Date/Stamp

**Circular No. 1003/10/2015-CX**

Dated 05.05.2015

F.No.267/29/2015-CX-8  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise and Customs  
\*\*\*\*\*

**Sub: Clarification regarding Cenvat Credit in transit sale through dealer - reg.**

Kind attention is invited to Notification No. 8/2015 – Central Excise (NT) dated 1-3-2015 amending Central Excise Rules, 2002 (CER). Representations have been received from trade regarding the scope and purpose of third and fourth proviso inserted in sub-rule (2) of rule 11 particularly with reference to procedural requirement after the amendment where an indenting or unregistered dealer negotiates transit sale. For ease of reference these two provisos are reproduced below –

“ Provided also that if the goods are directly sent to any person on the direction of the registered dealer, the invoice shall also contain the details of the registered dealer as the buyer and the person as the consignee, and that person shall take CENVAT credit on the basis of the registered dealer's invoice:

Provided also that if the goods imported under the cover of a bill of entry are sent directly to buyer's premises, the invoice issued by the importer shall mention that goods are sent directly from the place or port of import to the buyer's premises. “

2. Clarification has also been requested by the trade regarding continued applicability of circular no 96/7/95-CX dt 13-2-1995, 137/48/95-CX dt 18-7-1995 and 218/52/96-CX dt 4-6-1996, in so far as these circulars pertain to availment of credit on strength of original manufacturer's invoice where a dealer including an indenting dealer has procured order and has arranged direct transport of the goods from the premises of the manufacturer to the premises of the consignee. Further, clarification has also been sought regarding change in the requirement of registration for dealers consequent upon amendment in the rules.

3. The issue involved has been examined. It is clarified that the purpose of inserting the third and fourth provisos in sub-rule (2) of Rule 11 of CER is to allow an additional facility for direct transport of goods from the manufacturer or the importer to the consignee where the consignee avails Cenvat Credit on the basis of the Cenvatable invoice issued by the registered dealer or the registered importer. This facility obviates the need for the goods to be brought to the premises of the registered importer or the registered dealer for subsequent transport of the goods to the consignee.

4. It is further clarified that the provisions of the circulars on the issues referred in Para 3 would continue to apply as no amendment has been made in rule 9 of the Cenvat Credit Rules, 2004 which prescribes the document on the basis of which Cenvat Credit can be availed. No amendments have been made regarding registration requirements also.

5. Various specific issues referred to by the trade are clarified as follows –

(i) Where a registered dealer negotiates sale of an entire consignment from a manufacturer or a registered importer and orders direct transport of goods to the consignee, credit can be availed by the consignee on the basis of invoice issued by the manufacturer or the registered importer. In such cases no Cenvatable invoice shall be issued by the registered dealer in favour of the consignee though commercial invoice can be issued. Where a registered dealer negotiates sale of goods from the total stock ordered on a manufacturer or an importer to multiple buyers and orders direct transportation of goods to the consignees and the manufacturer or the importer is willing to issue individual invoices for each sale in favour of the consignees for such individual sale, the same procedure shall apply.

(ii) Where a registered dealer negotiates sale by splitting a consignment procured from a

manufacturer or a registered importer and issues Cenvatable invoices for each of the sale, it would now be possible for the dealer to order direct transport of the consignments as per the individual sales to the consignee without bringing the goods to his godown. This would save time and transportation cost for the dealer adding to ease of doing business. This is a new facility which flows from the amended provisions. Procedure as prescribed in the third proviso of rule 11(2) shall be applicable in such case.

(iii) Where a un-registered dealer negotiates sale of an entire consignment from a manufacturer or a registered importer and orders direct transport of goods to the consignee, credit can be availed by the consignee on the basis of invoice issued by the manufacturer or the registered importer. As the dealer is not registered, there is no question of issuing any Cenvatable invoice by him . Such dealers as in the past can continue to be un-registered.

(iv) Where goods are sold by the registered importer to an end-user (say a manufacturer) who would avail credit on the basis of importer's invoice and the goods are transported directly from the port or warehouse at the port to the buyer's premises, the amendment prescribes that for such movement the factum of such direct transport to the buyer's premises needs to be recorded in the invoice.

6. It may be noted that the new provisos are meant to improve the ease of doing business by providing an additional facility to the registered dealer or importer for direct dispatch of goods from the manufacturer to the consignee, when he is issuing Cenvatable invoice,. They do not withdraw any past facility. These amendments should therefore be harmoniously interpreted with the existing rules and circulars in conformity with the legal provisions, keeping the intention of the Government in mind. Difficulty faced, if any, should be brought to the notice of the Board. Hindi version would follow.

Shankar Prasad Sarma  
Under Secretary to the Government of India

**Circular No. 15/2015-Customs**

F. No. 450/25/2013-Cus IV (Pt.)  
Government of India  
Ministry of Finance  
Department of Revenue  
(Central Board of Excise and Customs)  
\*\*\*\*

New Delhi, dated 18.05.2015.

To,  
All Chief Commissioners of Customs / Customs (Preventive)  
All Chief Commissioners of Customs and Central Excise  
All Commissioners of Customs / Customs (Preventive)  
All Commissioners of Customs and Central Excise

Sir /Madam

**Subject: Dispensing with SDF form - reg.**

Government has taken number of measures to enhance the ease of doing business. In this direction, a Committee constituted by Ministry of Commerce and Industry has also recommended the reduction of documents for import and export of goods in order to reduce transaction cost.

2. As per the extant provisions, an exporter is required to submit the SDF form along with Shipping Bills for export of goods. RBI has recently dispensed with the SDF in case of exports taking place through the EDI ports vide Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2015' and A.P. (DIR Series) Circular No 101, dated 14.05.2015. Consequently, RBI has desired that the declaration of foreign exchange remittance under the Foreign Exchange Management Act, 1999 (given below) may be made a part of the Shipping Bill.

*"I/We undertake to abide by provisions of Foreign Exchange Management Act, 1999, as amended from time to time, including realization / repatriation of foreign exchange to / from India."*

DGFT has endorsed this proposal.

3. Accordingly, Board has issued Notification No 46/2015-Customs (N.T.), dated 18.05.2015 to incorporate the aforementioned declaration in lieu of SDF form in the Shipping Bill. Thus, declaration as mentioned in para 2 above should be furnished by exporters as part of the declaration in the Shipping Bill with immediate effect.

4. Chief Commissioners of Customs / Chief Commissioners of Customs and Central Excise are advised to sensitize the field formation working under their jurisdiction and issue suitable Public Notice / Trade Notice for guidance of trade and public.

5. Difficulty faced, if any, in implementation of aforementioned guidelines may be brought to the notice of the Board at an early date.

Yours faithfully,

(Pawan Khetan)  
OSD (Cus-IV)

[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  
Central Board of Excise and Customs  
\*\*\*\*\*

**Notification**  
**No. 46/2015-Customs (N.T.)**

New Delhi, 18<sup>th</sup> May, 2015

G.S.R. (E)....- In exercise of the powers conferred by section 157 read with section 50 of the Customs Act, 1962 (52 Of 1962), the Central Board of Excise and Customs hereby makes following amendment in Shipping Bill (Electronic Declaration) Regulations, 2011 namely:-

In the Shipping Bill (Electronic Declaration) Regulations, 2011, in the ANNEXURE,-

(i) for the words starting with “DECLARATION ” and ending with “signature”, the following shall be substituted, namely:-

**“DECLARATION**

I/We declare that the particulars given herein above are true, correct and complete.

I/We enclose herewith copies of the following documents\*.

1. Duty Exemption Entitlement Certificate/ Advance Authorisation/ Duty Free Import Authorisation Declaration
2. Invoice/Invoice cum packing list
3. Quota/Inspection certificates
4. Others (Specify)

Name of the Exporter:		Name of Customs Broker:	
Designation		Designation	
		Identity Card Number	

I/We undertake to abide by the provisions of Foreign Exchange Management Act, 1999, as amended from time to time, including realisation or repatriation of foreign exchange to or from India.

\* To be submitted with the exports goods in the warehouse.

Date .....

Signature:.....”;

(ii) APPENDIX-1 shall be omitted.

[F. No. 450/25/2013- Cus IV (Pt)]

(R.P.Singh)  
Director to the Government of India

NOTE: The Principal Regulations were notified vide Notification No. 80/2011-Customs (N.T.), dated 25<sup>th</sup> November 2011 and published in the Gazette Of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 839 (E), dated 25<sup>th</sup> November 2011.

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, PART-II, SECTION 3, SUB-SECTION (ii),  
EXTRAORDINARY]  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF EXCISE AND CUSTOMS

**Notification No.47 / 2015-Customs (N.T.)**

Dated the 21<sup>st</sup> May, 2015  
31 Vaisakha, 1937 (SAKA)

S.O. (E). – In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.44/2015-CUSTOMS (N.T.), dated the 07<sup>th</sup> May, 2015 *vide* number S.O.1222 (E), dated the 07<sup>th</sup> May, 2015, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 22<sup>nd</sup> May, 2015** 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	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	50.95	49.65
2.	Bahrain Dinar	173.95	164.45
3.	Canadian Dollar	52.90	51.65
4.	Danish Kroner	9.65	9.40
5.	EURO	71.85	70.05
6.	Hong Kong Dollar	8.30	8.15
7.	Kuwait Dinar	217.40	205.10
8.	New Zealand Dollar	47.40	46.00
9.	Norwegian Kroner	8.55	8.30
10.	Pound Sterling	100.30	98.05
11.	Singapore Dollar	48.35	47.20
12.	South African Rand	5.55	5.25
13.	Saudi Arabian Riyal	17.50	16.55
14.	Swedish Kroner	7.75	7.55
15.	Swiss Franc	69.10	67.45
16.	UAE Dirham	17.85	16.90
17.	US Dollar	64.30	63.25

SCHEDULE-II

S.No.	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	53.25	52.00

2.	Kenya Shilling	67.85	64.00
----	----------------	-------	-------

[F.No.468/01/2015-Cus.V]

(SATYAJIT MOHANTY)  
DIRECTOR (ICD)  
TEL.NO.011- 2309 3380



**भारतीय रिज़र्व बैंक**

**RESERVE BANK OF INDIA**

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

ई-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

June 02, 2015

## **Second Bi-monthly Monetary Policy Statement, 2015-16**

**Dr. Raghuram G. Rajan, Governor**

### **Monetary and Liquidity Measures**

On the basis of an assessment of the current and evolving macroeconomic situation, it has been decided to:

- reduce the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 7.5 per cent to 7.25 per cent with immediate effect;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liabilities (NDTL);
- continue to provide liquidity under overnight repos at 0.25 per cent of bank-wise NDTL at the LAF repo rate and liquidity under 14-day term repos as well as longer term repos of up to 0.75 per cent of NDTL of the banking system through auctions; and
- continue with overnight/term variable rate repos and reverse repos to smooth liquidity.

Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 8.25 per cent.

### **Assessment**

2. Since the first bi-monthly monetary policy statement of 2015-16 issued in April 2015, incoming data suggest that the global recovery is still slow and getting increasingly differentiated across regions. In the United States, the economy shrank in Q1 owing to harsh weather conditions, the strength of the US dollar weighing on exports and a decline in non-residential fixed investment. In the euro area, financial conditions have eased due to the European Central Bank's (ECB) quantitative easing and a depreciating euro. There has, however, been some moderation in composite purchasing managers' indices (PMI), economic sentiment and consumer confidence in April. In Japan, growth surprised on the upside in Q1, supported by private demand as business spending boosted inventories and personal consumption. For most emerging market economies (EMEs), macroeconomic conditions remain challenging due to domestic fragilities, exacerbated by bouts of financial market turbulence. China continues to decelerate in spite of monetary easing. The recent firming up of crude prices has reduced headwinds to growth for some energy exporters, while increasing them for importers. Even absent a decisive economic recovery or adverse geopolitical shocks, oil prices appear to be volatile.



3. Global financial markets have also been volatile, with risk-on risk-off shifts induced by changing perceptions of monetary policies in the advanced economies. Global currency markets continue to be dominated by the strength of the US dollar, with the G3 currencies reflecting the asynchronicity of their monetary policy stances. Volatility in global bond markets has increased with a number of factors at play: unwinding of European assets by investors due to the Greek crisis; rapidly changing expectations around the Fed's forward guidance; sharp movements in crude prices; and market corrections due to changes in risk tolerance.

4. As anticipated, the Central Statistics Office has revised downwards its estimate of India's gross value added (GVA) at basic prices for 2014-15 by 30 basis points from the advance estimates. Domestic economic activity remains moderate in Q1 of 2015-16. Agricultural activity was adversely affected by unseasonal rains and hailstorms in north India during March 2015, impinging on an estimated 94 lakh hectares of area sown under the *rabi* crop. Reflecting this, the third advance estimates of the Ministry of Agriculture indicate a contraction in foodgrains production by more than 5 per cent in relation to the preceding year's level. Successive estimates have been pointing to a worsening of the situation, with the damage to crops like pulses and oilseeds – where buffer foodstocks are not available in the central pool – posing an upside risk to food inflation. For the *kharif* season, the outlook is clouded by the first estimates of the India Meteorological Department (IMD), predicting that the southwest monsoon will be 7 per cent below the long period average. This has been exacerbated by the confirmation of the onset of *El Nino* by the Australian Bureau of Meteorology.

5. What is clear is that contingency plans for food management, including storage of adequate quantity of seeds and fertilisers for timely supply, crop insurance schemes, credit facilities, timely release of food stocks and the repair of disruptions in food supply chains, including through imports and de-hoarding, need to be in place to manage the impact of low production on inflation. Inflation control will also be helped by limiting the increase in agricultural support prices.

6. Industrial production has been recovering, *albeit* unevenly. The sustained weakness of consumption spending, especially in rural areas as indicated in the slowdown in sales of two-wheelers and tractors, continues to operate as a drag. Corporate sales have contracted. The disappointing earnings performance could have been worse if not for the decline in input costs. Capacity utilisation has been falling in several industries, indicative of the slack in the economy. While an upturn in capital goods production seems underway, clear evidence of a revival in investment demand will need to build on the tentative indications of unclogging of stalled investment projects, stabilising of private new investment intentions and improving sales of commercial vehicles. In April, output from core industries constituting 38 per cent of the index of industrial production declined across the board, barring coal production. The sustained revival of coal output augurs well for electricity generation and mining and quarrying, going forward. There is some optimism on gas pricing and availability. The resolution of power purchase processes has to be expedited and power distribution companies' financial stress has to be addressed on a priority basis. Some public sector banks will need more capital to clean up their balance sheets and support lending as investment revives.

7. Leading indicators of services sector activity are emitting mixed signals. A pick-up in service tax collections, sales of trucks, railway freight, domestic air passenger and air freight traffic could augur well for transport and communication and trade. On the other hand, the slowdown in tourist arrivals, railway traffic and

international air passenger and freight traffic could affect hotels, restaurants and some constituents of transportation services adversely. The services PMI declined in April 2015, mainly on account of slowdown in new business orders. Community and personal services are likely to be held back by the ongoing fiscal consolidation.

8. In April, retail inflation measured by the consumer price index (CPI) decelerated for the second month in a row, supported by favourable base effects [of about (-) 0.8 per cent] that moderated the rise in the price index for the fourth successive month. Food inflation softened to a contra-seasonal four-month low, with the impact of unseasonal rains yet to show up. Vegetables inflation continued to ease, along with that of other sub-groups such as cereals, oil, sugar and spices. On the other hand, protein items, especially milk and pulses, continued to impart upward inflationary pressures.

9. Fuel inflation rose for the fourth successive month to a twelve-month high, driven by prices of electricity and firewood. Inflation in these components was accentuated by base effects – the recent price uptick coming on top of muted increases a year ago. Inflation excluding food and fuel rose marginally. House rent, education, medical and transport expenses were among the major drivers of inflation in this category. Rural wage growth, although still moderate, picked up. Inflation expectations remain in high single digits, although they may adapt further to current low inflation. Yet, both input and output price pressures remain muted as reflected in the Reserve Bank's industrial outlook survey. Purchasing managers' indices also corroborate these developments.

10. Liquidity conditions eased in April 2015 after the tightness in the second half of March 2015 on account of advance tax outflows and financial year-end behaviour of banks. The Reserve Bank's liquidity management operations were reversed in view of the improvement in liquidity conditions through April. During May, however, rapid increases in currency in circulation and a build-up of government balances resulted in liquidity conditions tightening again. Accordingly, fine tuning operations of varying tenors were conducted, besides the regular overnight repo at fixed rate and 14-day variable rate repo auctions. These injections helped meet the frictional liquidity requirements. In May, the average daily net liquidity injected through LAF fixed rate repos, besides regular 14-day variable rate repos, additional variable rate repos and MSF, was ₹ 1031 billion as compared with ₹ 819 billion in April. As a result, weighted average money market rates shadowed the policy rate. Longer term interest rates, particularly gilts, hardened in early May on international cues but eased in the second half of the month, particularly after the issuance of the new benchmark bond.

11. Merchandise export growth has weakened steadily since July 2014 and entered into contraction from January 2015 through April, with a recent shrinking of even volumes exported. The deterioration in export performance affected economies across Asia as global demand fell and the fall in commodity prices impacted terms of trade for commodity exporters. From December 2014 onwards, merchandise import growth also turned negative, led by a sharp decline in the volume of oil imports as inventory build-up by refineries subsided. Gold imports spiked in the month of March and remained elevated in April owing to festival demand and regulatory relaxations. Notably, the volume of imports has been recording increases, despite the value decline. Given these developments, the reduction in the current account deficit resulting from the sharp decline in oil prices has begun to reverse, though the size of the deficit is expected to be contained to about 1.5 per cent of GDP this year. Net exports are, therefore, unlikely to contribute as much to growth going forward as they did in the past financial year. Consequently growth will depend more on a

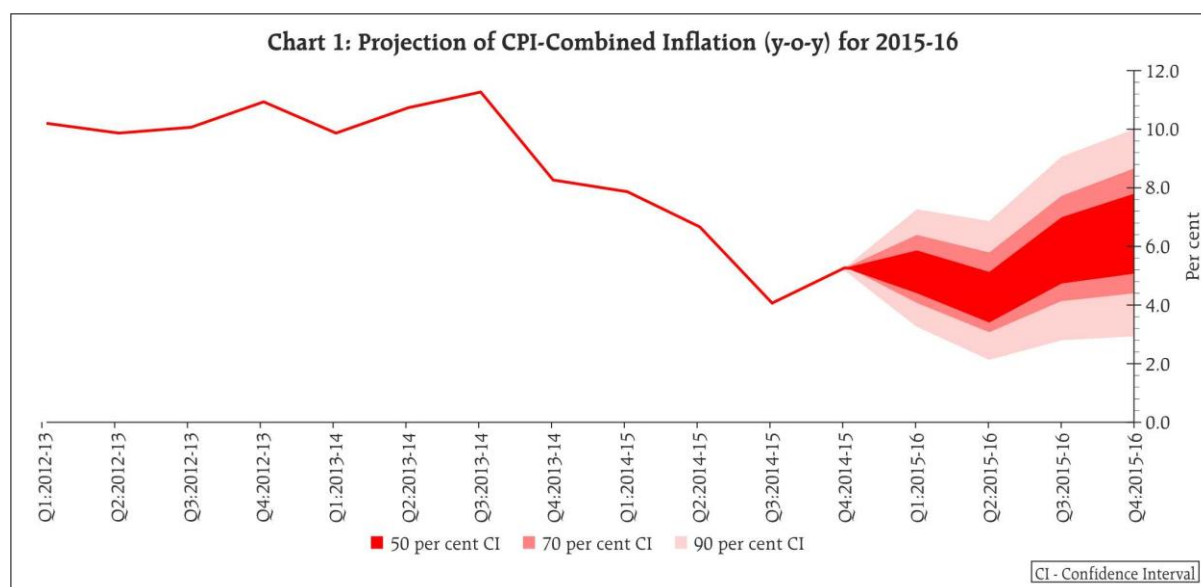
strengthening of domestic final demand. While portfolio and direct foreign investment flows were buoyant during 2014-15, with net foreign direct investment to India at US\$ 36.6 billion and net portfolio inflows at US\$ 41 billion, the year 2015-16 has begun with net portfolio outflows in the wake of a reduction in global portfolio allocations to India. Foreign exchange reserves are around US\$ 350 billion, providing a strong second line of defence to good macroeconomic policies if external markets turn significantly volatile.

### Policy Stance and Rationale

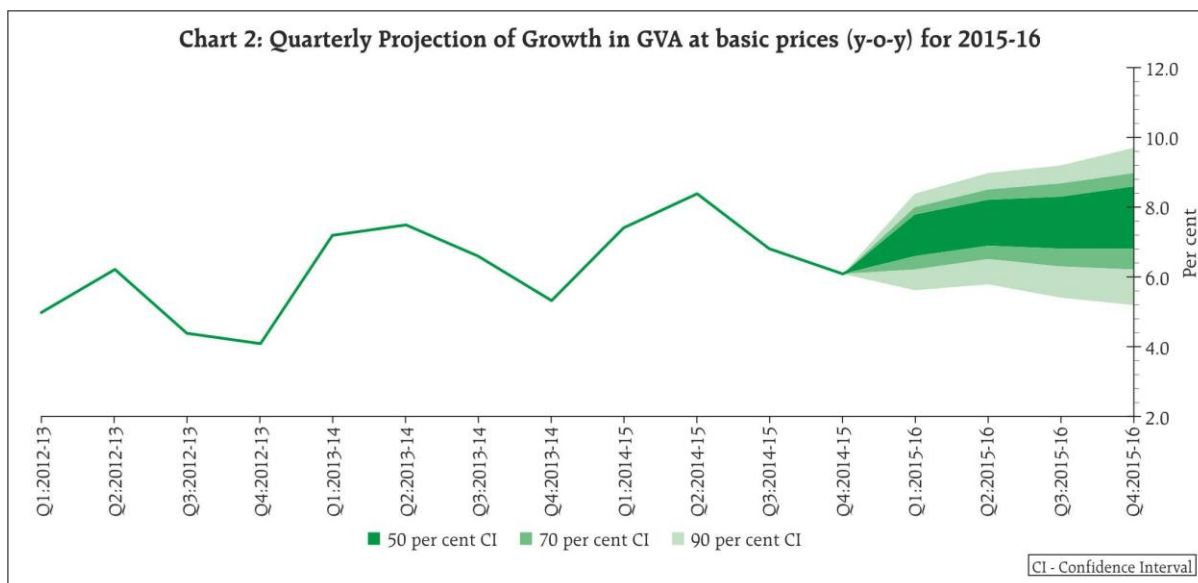
12. Banks have started passing through some of the past rate cuts into their lending rates, headline inflation has evolved along the projected path, the impact of unseasonal rains has been moderate so far, administered price increases remain muted, and the timing of normalisation of US monetary policy seems to have been pushed back. With low domestic capacity utilization, still mixed indicators of recovery, and subdued investment and credit growth, there is a case for a cut in the policy rate today.

13. Yet, of the risks to inflation identified in April, three still cloud the picture. First, some forecasters, notably the IMD, predict a below-normal southwest monsoon. Astute food management is needed to mitigate possible inflationary effects. Second, crude prices have been firming amidst considerable volatility, and geo-political risks are ever present. Third, volatility in the external environment could impact inflation. Therefore, a conservative strategy would be to wait, especially for more certainty on both the monsoon outturn as well as the effects of government responses if it turns out to be weak. With still weak investment and the need to reduce supply constraints over the medium term to stay on the proposed disinflationary path (to 4 per cent in early 2018), however, a more appropriate stance is to front-load a rate cut today and then wait for data that clarify uncertainty. Meanwhile banks should pass through the sequence of rate cuts into lending rates.

14. Assuming reasonable food management, inflation is expected to be pulled down by base effects till August but to start rising thereafter to about 6.0 per cent by January 2016 – slightly higher than the projections in April. Putting more weight on the IMD's monsoon projections than the more optimistic projections of private forecasters as well as accounting for the possible inflationary effects of the increases in the service tax rate to 14 per cent, the risks to the central trajectory are tilted to the upside (Chart 1).



15. Reflecting the balance of risks and the downward revision to GVA estimates for 2014-15, the projection for output growth for 2015-16 has been marked down from 7.8 per cent in April to 7.6 per cent with a downward bias to reflect the uncertainties surrounding these various risks (Chart 2).



16. Strong food policy and management will be important to help keep inflation and inflationary expectations contained over the near term. Furthermore, monetary easing can only create the enabling conditions for a fuller government policy thrust that hinges around a step up in public investment in several areas that can also crowd in private investment. This will be important to relieve supply constraints and aid disinflation over the medium term. A targeted infusion of bank capital into scheduled public sector commercial banks, especially those that implement concerted strategies to clean up stressed assets, is also warranted so that adequate credit flows to the productive sectors as investment picks up.

17. The third bi-monthly monetary policy statement will be announced on August 4, 2015.

**Press Release : 2014-2015/2547**

**Alpana Killawala**  
Principal Chief General Manager


**भारतीय रिज़र्व बैंक**
**RESERVE BANK OF INDIA**

वेबसाइट : [www.rbi.org.in/hindi](http://www.rbi.org.in/hindi)

Website : [www.rbi.org.in](http://www.rbi.org.in)

इ-मेल email: [helpdoc@rbi.org.in](mailto:helpdoc@rbi.org.in)
**संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001**

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

May 18, 2015

### Pay IT dues in advance at RBI or at authorised bank branches

The Reserve Bank of India has appealed to income tax assesseees to remit their income tax dues sufficiently in advance of the due date. It has also stated that assesseees can use alternate channels like select branches of agency banks or the facility of online payment of taxes offered by these banks. These will obviate the inconvenience involved in standing in long queues at the Reserve Bank offices.

It is observed that the rush for remitting Income –Tax dues through the Reserve Bank of India has been far too heavy towards the end of June every year and it becomes difficult for the Reserve Bank to cope with the pressure of issuing receipts although additional counters to the maximum extent possible are provided for the purpose.

Twenty-nine agency banks are authorised to accept payments of Income Tax dues. These are:

1.	Allahabad Bank	16.	Syndicate Bank
2.	Andhra Bank	17.	UCO Bank
3.	Bank of Baroda	18.	Union Bank of India
4.	Bank of India	19.	United Bank of India
5.	Bank of Maharashtra	20.	Vijaya Bank
6.	Canara Bank	21.	State Bank of India
7.	Central Bank of India	22.	State Bank of Bikaner & Jaipur
8.	Corporation Bank	23.	State Bank of Hyderabad
9.	Dena Bank	24.	State Bank of Travancore
10.	IDBI Bank	25.	State Bank of Mysore
11.	Indian Bank	26.	State Bank of Patiala
12.	Indian Overseas Bank	27.	HDFC Bank Ltd.
13.	Oriental Bank of Commerce	28.	Axis Bank Ltd.
14.	Punjab & Sindh Bank	29.	ICICI Bank Ltd.
15.	Punjab National Bank		



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II — खण्ड 1

PART II — Section 1

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं० 25] नई दिल्ली, मंगलवार, मई 26, 2015/ ज्येष्ठ 5, 1937 (शक)  
No. 25] NEW DELHI, TUESDAY, MAY 26, 2015/JYAISTHA 5, 1937 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## MINISTRY OF LAW AND JUSTICE (Legislative Department)

*New Delhi, the 26th May, 2015/Jyaistha 5, 1937 (Saka)*

The following Act of Parliament received the assent of the President on the 25th May, 2015, and is hereby published for general information:—

### THE COMPANIES (AMENDMENT) ACT, 2015

No. 21 OF 2015

[25th May, 2015.]

An Act to amend the Companies Act, 2013.

BE it enacted by Parliament in the Sixty-sixth Year of the Republic of India as follows:—

1. (1) This Act may be called the Companies (Amendment) Act, 2015.

Short title  
and com-  
mencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

18 of 2013.

2. In section 2 of the Companies Act, 2013 (hereinafter referred to as the principal Act),—

Amendment  
of section 2.

(i) in clause (68), the words “of one lakh rupees or such higher paid-up share capital” shall be omitted;

(ii) in clause (71), in sub-clause (b), the words “of five lakh rupees or such higher paid-up capital,” shall be omitted.

3. In section 9 of the principal Act, the words “and a common seal” shall be omitted.

Amendment  
of section 9.

4. Section 11 of the principal Act, shall be omitted.

Omission of  
section 11.

Amendment  
of section 12.

**5.** In section 12 of the principal Act, in sub-section (3), for clause (b), the following clause shall be substituted, namely:—

“(b) have its name engraved in legible characters on its seal, if any;”.

Amendment  
of section 22.

**6.** In section 22 of the principal Act,—

(i) in sub-section (2),—

(a) for the words “under its common seal”, the words “under its common seal, if any,” shall be substituted;

(b) the following proviso shall be inserted, namely:—

“Provided that in case a company does not have a common seal, the authorisation under this sub-section shall be made by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary.”;

(ii) in sub-section (3), the words “and have the effect as if it were made under its common seal” shall be omitted.

Amendment  
of section 46.

**7.** In section 46 of the principal Act, in sub-section (1), for the words “issued under the common seal of the company”, the words “issued under the common seal, if any, of the company or signed by two directors or by a director and the Company Secretary, wherever the company has appointed a Company Secretary” shall be substituted.

Insertion of  
new section  
76A.

**8.** After section 76 of the principal Act, the following section shall be inserted, namely:—

Punishment  
for contra-  
vention of  
section 73 or  
section 76.

“76A. Where a company accepts or invites or allows or causes any other person to accept or invite on its behalf any deposit in contravention of the manner or the conditions prescribed under section 73 or section 76 or rules made thereunder or if a company fails to repay the deposit or part thereof or any interest due thereon within the time specified under section 73 or section 76 or rules made thereunder or such further time as may be allowed by the Tribunal under section 73,—

(a) the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees; and

(b) every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both:

Provided that if it is proved that the officer of the company who is in default, has contravened such provisions knowingly or wilfully with the intention to deceive the company or its shareholders or depositors or creditors or tax authorities, he shall be liable for action under section 447.”.

Amendment  
of section  
117.

**9.** In section 117 of the principal Act, in sub-section (3),—

(i) in clause (g), the word “and” occurring at the end shall be omitted;

(ii) after clause (g), the following proviso shall be inserted, namely:—

“Provided that no person shall be entitled under section 399 to inspect or obtain copies of such resolutions; and”.

Amendment  
of section  
123.

**10.** In section 123 of the principal Act, in sub-section (1), after the third proviso, the following proviso shall be inserted, namely:—

“Provided also that no company shall declare dividend unless carried over previous losses and depreciation not provided in previous year or years are set off against profit of the company for the current year.”.

- 11.** In section 124 of the principal Act, in sub-section (6),—
- Amendment  
of section  
124.
- (i) for the words, brackets and figure “unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be”, the words “dividend has not been paid or claimed for seven consecutive years or more shall be” shall be substituted;
- (ii) after the proviso, the following *Explanation* shall be inserted, namely:—
- “*Explanation.*—For the removal of doubts, it is hereby clarified that in case any dividend is paid or claimed for any year during the said period of seven consecutive years, the share shall not be transferred to Investor Education and Protection Fund.”.
- 12.** In section 134 of the principal Act, in sub-section (3), after clause (c), the following clause shall be inserted, namely:—
- Amendment  
of section  
134.
- “(ca) details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government;”.
- 13.** In section 143 of the principal Act, for sub-section (12), the following sub-section shall be substituted, namely:—
- Amendment  
of section  
143.
- “(12) Notwithstanding anything contained in this section, if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, the auditor shall report the matter to the Central Government within such time and in such manner as may be prescribed:
- Provided that in case of a fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:
- Provided further that the companies, whose auditors have reported frauds under this sub-section to the audit committee or the Board but not reported to the Central Government, shall disclose the details about such frauds in the Board's report in such manner as may be prescribed.”.
- 14.** In section 177 of the principal Act, in sub-section (4), in clause (iv), the following proviso shall be inserted, namely:—
- Amendment  
of section  
177.
- "Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed;".
- 15.** In section 185 of the principal Act, in sub-section (1), in the proviso, after clause (b), the following clauses and proviso shall be inserted, namely:—
- Amendment  
of section  
185.
- “(c) any loan made by a holding company to its wholly owned subsidiary company or any guarantee given or security provided by a holding company in respect of any loan made to its wholly owned subsidiary company; or
- (d) any guarantee given or security provided by a holding company in respect of loan made by any bank or financial institution to its subsidiary company:
- Provided that the loans made under clauses (c) and (d) are utilised by the subsidiary company for its principal business activities.”.



Amendment  
of section  
188.

**16.** In section 188 of the principal Act,—

(a) in sub-section (1),—

(i) for the words "special resolution", at both the places where they occur, the word "resolution" shall be substituted;

(ii) after the third proviso, the following proviso shall be inserted, namely:—

"Provided also that the requirement of passing the resolution under first proviso shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.";

(b) in sub-section (3), for the words "special resolution", the word "resolution" shall be substituted.

Amendment  
of section  
212.

**17.** In section 212 of the principal Act, in sub-section (6), for the words, brackets and figures "the offences covered under sub-sections (5) and (6) of section 7, section 34, section 36, sub-section (1) of section 38, sub-section (5) of section 46, sub-section (7) of section 56, sub-section (10) of section 66, sub-section (5) of section 140, sub-section (4) of section 206, section 213, section 229, sub-section (1) of section 251, sub-section (3) of section 339 and section 448 which attract the punishment for fraud provided in section 447", the words and figures "offence covered under section 447" shall be substituted.

Amendment  
of section  
223.

**18.** In section 223 of the principal Act, in sub-section (4), in clause (a), for the words "by the seal", the words "by the seal, if any," shall be substituted.

Amendment  
of section  
248.

**19.** In section 248 of the principal Act, in sub-section (1),—

(i) in clause (a), after the word 'incorporation', the word 'or' shall be inserted;

(ii) clause (b) shall be omitted.

Amendment  
of section  
419.

**20.** In section 419 of the principal Act, in sub-section (4), the words "or winding up" shall be omitted.

Amendment  
of section  
435.

**21.** In section 435 of the principal Act, in sub-section (1),—

(i) for the words "trial of offences under this Act", the words "trial of offences punishable under this Act with imprisonment of two years or more" shall be substituted;

(ii) the following proviso shall be inserted, namely:—

"Provided that all other offences shall be tried, as the case may be, by a Metropolitan Magistrate or a Judicial Magistrate of the First Class having jurisdiction to try any offence under this Act or under any previous company law."

Amendment  
of section  
436.

**22.** In section 436 of the principal Act, in sub-section (1), in clause (a), for the words "all offences under this Act", the words, brackets and figures "all offences specified under sub-section (1) of section 435" shall be substituted.

Amendment  
of section  
462.

**23.** In section 462 of the principal Act, for sub-section (2), the following sub-sections shall be substituted, namely:—

“(2) A copy of every notification proposed to be issued under sub-section (1), shall be laid in draft before each House of Parliament, while it is in session, for a total period of thirty days, and if, both Houses agree in disapproving the issue of notification or both Houses agree in making any modification in the notification, the notification shall not be issued or, as the case may be, shall be issued only in such modified form as may be agreed upon by both the Houses.

(3) In reckoning any such period of thirty days as is referred to in sub-section (2), no account shall be taken of any period during which the House referred to in sub-section (2) is prorogued or adjourned for more than four consecutive days.

(4) The copies of every notification issued under this section shall, as soon as may be after it has been issued, be laid before each House of Parliament.”.

---

DR. SANJAY SINGH,  
*Secretary to the Govt. of India.*

---

CORRIGENDUM

In the Coal Mines (Special Provision) Act, 2015 (11 of 2015), as published in the Gazette of India, Extraordinary, Part II, Section 1, Issue No. 4, dated the 30th March, 2015, at page 6, in line 7 *for* “quesiton”, *read* “question”.

---

CORRIGENDA

In the Insurance Laws (Amendment) Act, 2015 (5 of 2015), as published in the Gazette of India Extraordinary, Part II, Section 1, Issue No. 8, dated the 20th March, 2015,—

- (i) at page 5, in line No. 41, *for* “sub-section (1)”, *read* “sub-section (2);
- (ii) at page 7, in lines 40 and 41, *for* “the Securities”, *read* “Securities”;
- (iii) at page 35, in line 30, *for* “sub-section (12)”, *read* “sub-section (2).