

## Summary of the recently issued notifications/circulars

**01. CBDT Press Release, dated 1<sup>st</sup> June 2018**

Revised Income Tax Informants Reward Scheme, 2018

**02. MCA Notification, dated 12<sup>th</sup> June 2018**

Companies (Appointment and Qualification of Directors) 3rd Amendment Rules, 2018.

**03. MCA Notification, dated 13<sup>th</sup> June 2018**

Companies (Registered Valuers and Valuation) 2nd Amendment Rules, 2018

**04. MCA Notification, dated 13<sup>th</sup> June 2018**

Companies (Management and Administration) 2nd Amendment Rules, 2018.

**05. MCA Notification, dated 13<sup>th</sup> June 2018**

Commencement notification

**06. ICAI Announcement, dated 10<sup>th</sup> June 2018**

Subject: Indian Valuation Standards as issued by the Institute of Chartered Accountants of India effective for the valuation reports issued on or after 1st July, 2018. - (10-06-2018)

**07. RBI Circular No. 30, dated 7<sup>th</sup> June 2018**

Foreign Investment in India -Reporting in Single Master Form

**08. CT Notification 26, dated 13<sup>th</sup> June 2018**

Seeks to make amendments (Fifth Amendment, 2018) to the CGST Rules, 2017.

**09. CT Notification 26, dated 13<sup>th</sup> June 2018**

Seeks to specify goods which may be disposed off by the proper officer after its seizure.

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**Recently issued notifications/circulars are given below for your ready reference.**

**01. CBDT Press Release, dated 1<sup>st</sup> June 2018**

**Subject:** Revised Income Tax Informants Reward Scheme, 2018

**Brief note:**

With the objective of obtaining people's participation in the Income Tax Department's efforts to unearth black money and reduce tax evasion, a new reward scheme titled "Income Tax Informants Reward Scheme, 2018" has been issued by the Income Tax Department, superseding the earlier reward scheme issued in 2007.

Under the revised scheme, a person can get reward up to Rs. 50 lakh for giving specific information in prescribed manner to the designated officers of Investigation Directorates in Income Tax Department about substantial evasion of tax on income or assets in India which are actionable under the Income-tax Act, 1961.

Further, Government of India had earlier introduced Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, in order to investigate and assess income and specific assets kept in foreign countries by people taxable in India, recover tax on it and take other actions like penalty and prosecution. With the objective of attracting and encouraging people to give information about such income and assets actionable under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015, reward up to Rs. 5 crore has been introduced in the new reward scheme. The amount has been kept high to make it attractive to potential sources in foreign countries. Under this Scheme, a person can get

reward for giving specific information in prescribed manner about substantial tax evasion on income and assets abroad which are actionable under Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015.

Information under this scheme has to be given in prescribed manner to the Director General of Income Tax (Investigation) or an officer whom he may authorize in this behalf. Foreigners will also be eligible for reward under this scheme. Identity of the persons giving information will not be disclosed and strict confidentiality shall be maintained.

**To view and print these PDF document, please follow below mentioned link:**

<https://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/714/Press-Release-Revised-Income-Tax-Informants-Reward-Scheme-2018-New-1-6-2018.pdf>

**02. MCA Notification, dated 12<sup>th</sup> June 2018**

**Subject:** Companies (Appointment and Qualification of Directors) 3<sup>rd</sup> Amendment Rules, 2018.

**Brief note:**

The Central Government hereby makes the following rules further to amend the Companies (Appointment and Qualification of Directors) Rules, 2014, namely:-

1. (1) these rules may be called the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2018.
- (2) They shall come into force on the date of their publication in the Official Gazette.

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2. In the Companies Appointment and Qualification of Directors) Rules, 2014, in the annexure,

(i) for form DIR-3, the new form shall be substituted;

(ii) for form DIR-6, the new form shall be substituted;

The above forms is provided in the notification.

**To view and print these PDF document, please follow below mentioned link:**

[http://www.mca.gov.in/Ministry/pdf/Cmp3rdAmndRul31206\\_13062018.pdf](http://www.mca.gov.in/Ministry/pdf/Cmp3rdAmndRul31206_13062018.pdf)

### 03. MCA Notification, dated 13<sup>th</sup> June 2018

**Subject:** Companies (Registered Valuers and Valuation) 2nd Amendment Rules, 2018

**Brief note:**

The Central Government hereby makes the following rules further to amend the Companies (Registered Valuers and Valuation) Rules, 2017, namely:-

1. (1) 'These rules may be called the Companies (Registered Valuers and Valuation) Second Amendment Rules, 2018.

(2; They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Registered Valuers and Valuation) Rules, 2017, in rule 19, in sub-rule 2, after clause (g), the following clause shall be inserted, namely:-

"(h) Presidents of, the Institute of Chartered Accountants of India, the Institute of Company

Secretaries of India, the Institute of Cost Accountants of India as ex-officio members."

**To view and print these PDF document, please follow below mentioned link:**

[http://www.mca.gov.in/Ministry/pdf/CompaniesRegisteredRule1306\\_14062018.pdf](http://www.mca.gov.in/Ministry/pdf/CompaniesRegisteredRule1306_14062018.pdf)

### 04. MCA Notification, dated 13<sup>th</sup> June 2018

**Subject:** Companies (Management and Administration) 2nd Amendment Rules, 2018.

**Brief note:**

The Central Government hereby makes the following rules further to amend the Companies (Management and Administration) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Management and Administration), Second Amendment Rules, 2018.

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

2. In the Companies (Management and Administration) Rules, 2014, -

(i) rule 13 shall be omitted;

(ii) in rule 15, the sub-rule(6), shall be omitted;

(iii) in rule 18, in sub-rule (3), Explanation after clause (ix), shall be omitted;

(iv) in rule 22, in sub-rule (16) for the proviso, the following shall be substituted, namely:-

"Provided that any aforesaid items of business under this sub-rule, required to be transacted by means of postal ballot, may be transacted at a general meeting by a company which is required to provide the facility to members to vote by

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electronic means under section 108, in the manner provided in that section:

Provided further that One Person Companies and other companies having members upto two hundred are not required to transact any business through postal ballot"

**To view and print these PDF document, please follow below mentioned link:**

[http://www.mca.gov.in/Ministry/pdf/Company2ndAmndRule13062018\\_14062018.pdf](http://www.mca.gov.in/Ministry/pdf/Company2ndAmndRule13062018_14062018.pdf)

**05. MCA Notification, dated 13<sup>th</sup> June 2018**

**Subject:** Commencement notification

**Brief note:**

In exercise of the powers conferred by sub-section (2) of section 1 of the Companies (Amendment) Act, 2017 (1<sup>st</sup> of 2018), the Central Government hereby appoints the 13<sup>th</sup> June 2018 as the date on which the following provisions of the said Act shall come into force, namely :-

Sl.No.	Sections
1	Section 22;
2	Section 24;
3	Section 25;
4	Section 26; and
5	Section 71.

**To view and print these PDF document, please follow below mentioned link:**

[http://www.mca.gov.in/Ministry/pdf/CommNotificatio1306\\_14062018.pdf](http://www.mca.gov.in/Ministry/pdf/CommNotificatio1306_14062018.pdf)

**06. ICAI Announcement, dated 10<sup>th</sup> June 2018**

**Subject:** Indian Valuation Standards as issued by the Institute of Chartered Accountants of India effective for the valuation reports issued on or after 1<sup>st</sup> July, 2018. - (10-06-2018)

**Brief note:**

The Institute of Chartered Accountants of India (ICAI) issues Valuation Standards as a benchmark for Valuation Practices applicable for Chartered Accountants

Recognising the need to have the consistent, uniform and transparent valuation policies and harmonise the diverse practices in use in India, the Council of the Institute of Chartered Accountants of India (ICAI) at its 375<sup>th</sup> meeting has issued the Valuation Standards which are 1<sup>st</sup> of its kind in India.

With a vision to promote best practices in this niche area of practice, the Standards lay down a framework for the chartered accountants to ensure uniformity in approach and quality of valuation output. The following Valuation Standards have been issued by ICAI:

1. Preface to the Indian Valuation Standards
2. Framework for the Preparation of Valuation Report in accordance with the Indian Valuation Standards
3. Indian Valuation Standard 101 - Definitions
4. Indian Valuation Standard 102 - Valuation Bases
5. Indian Valuation Standard 103 - Valuation Approaches and Methods
6. Indian Valuation Standard 201 - Scope of Work, Analyses and Evaluation

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7. Indian Valuation Standard 202 - Reporting and Documentation
8. Indian Valuation Standard 301 - Business Valuation
9. Indian Valuation Standard 302 - Intangible Assets
10. Indian Valuation Standard 303 - Financial Instruments

The Valuation Standards have been issued by the Institute of Chartered Accountants of India to set up concepts, principles and procedures which are generally accepted internationally having regard to legal framework and practices prevalent in India.

### **Applicability of Valuation Standards:**

These Indian Valuation Standards will be applicable for all valuation engagements on mandatory basis under the Companies Act 2013. In respect of Valuation engagements under other Statutes like Income Tax, SEBI, FEMA etc, it will be on recommendatory basis for the members of the Institute. These Valuation Standards are effective for the valuation reports issued on or after 1st July, 2018.

In formulating the Valuation Standards, ICAI considered best valuation practices followed globally as well as in India, uniqueness of Indian conditions, current practices in India along with their advantages and disadvantages and various purposes for which valuations might be required over and above the requirements of Companies Act.

These standards come as ICAI's consistent drive to guide its members for ensuring high quality work and standards.

These Indian Valuation Standards will be effective till Valuation Standards are notified by the central Government under Rule 18 of the Companies (Registered Valuers and Valuation) Rules, 2018.

**To view and print these PDF document, please follow below mentioned link:**

<https://resource.cdn.icai.org/50484clcg100618.pdf>

### **07. RBI Circular No. 30, dated 7<sup>th</sup> June 2018**

**Subject:** Foreign Investment in India -Reporting in Single Master Form

#### **Brief note:**

As announced in the First Bi-monthly Monetary Policy Review dated April 5, 2018, Reserve Bank, with the objective of integrating the extant reporting structures of various types of foreign investment in India, will introduce a Single Master Form (SMF). The SMF would be filed online.

2. SMF would provide a facility for reporting total foreign investment in an Indian entity {as defined in Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations 2017, dated November 7, 2017}, as also investment by persons resident outside India in an Investment Vehicle.

3. Prior to the implementation of the SMF, Reserve Bank would provide an interface to the Indian entities, to input the data on total foreign investment in a specified format. The interface will be available on RBI website [www.rbi.org.in](http://www.rbi.org.in) from June 28, 2018 to July 12, 2018. Indian entities not complying with this pre-requisite will

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not be able to receive foreign investment (including indirect foreign investment) and will be non-compliant with Foreign Exchange Management Act, 1999 and regulations made thereunder.

4. The entities may be in readiness with the requirements to be provided in the Entity Master at Annex 1. The format of the SMF is at Annex 2. The final form, when hosted, will be available in the Master Direction-Reporting under FEMA, 1999.

5. AD Category-I banks may bring the contents of this circular to the notice of their customers / constituents concerned.

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

**To view and print these PDF document, please follow below mentioned link:**

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NT194481067EB1B554402821A8C2AB7A52009.PDF>

**08. CT Notification 26, dated 13<sup>th</sup> June 2018**

**Subject:** Seeks to make amendments (Fifth Amendment, 2018) to the CGST Rules, 2017.

**Brief note:**

The Central Government hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely:-

(1) These rules may be called the Central Goods and Services Tax (Fifth Amendment) Rules, 2018.

(2) Save as otherwise provided, they shall come into force on the date of their publication in the Official Gazette.

2. In the Central Goods and Services Tax Rules, 2017, -

(i) in rule 37, in sub-rule (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that the value of supplies on account of any amount added in accordance with the provisions of clause (b) of sub-section (2) of section 15 shall be deemed to have been paid for the purposes of the second proviso to sub-section

(2) of section 16.”;

(ii) in rule 83, in sub-rule (3), in the second proviso, for the words “one year”, the words “eighteen months” shall be substituted;

(iii) with effect from 01<sup>st</sup> July, 2017, in rule 89, for sub-rule (5), the following shall be substituted, namely:-

“(5) In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula:-

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.

Explanation:- For the purposes of this sub-rule, the expressions –

(a) Net ITC shall mean input tax credit availed on inputs during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both; and

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(b) Adjusted Total turnover shall have the same meaning as assigned to it in sub-rule (4).”

(iv) with effect from 01<sup>st</sup> July, 2017, in rule 95, in sub-rule (3), for clause (a), the following shall be substituted, namely:-

“(a) the inward supplies of goods or services or both were received from a registered person against a tax invoice;”;

(v) in rule 97, in sub-rule (1), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that an amount equivalent to fifty per cent. of the amount of cess determined under sub-section (5) of section 54 read with section 11 of the Goods and Services Tax (Compensation to States) Act, 2017 (15 of 2017), shall be deposited in the Fund.”;

(vi) in rule 133, for sub-rule (3), the following shall be substituted, namely:-

“(3) Where the Authority determines that a registered person has not passed on the benefit of the reduction in the rate of tax on the supply of goods or services or the benefit of input tax credit to the recipient by way of commensurate reduction in prices, the Authority may order-

(a) reduction in prices;

(b) return to the recipient, an amount equivalent to the amount not passed on by way of commensurate reduction in prices along with interest at the rate of eighteen per cent. from the date of collection of the higher amount till the date of the return of such amount or recovery of the amount including interest not returned, as the case may be;

(c) the deposit of an amount equivalent to fifty per cent. of the amount determined under the above clause in the Fund constituted under

section 57 and the remaining fifty per cent. of the amount in the Fund constituted under section 57 of the Goods and Services Tax Act, 2017 of the concerned State, where the eligible person does not claim return of the amount or is not identifiable;

(d) imposition of penalty as specified under the Act; and

(e) cancellation of registration under the Act.

Explanation: For the purpose of this sub-rule, the expression, “concerned State” means the State in respect of which the Authority passes an order.”;

(vii) in rule 138, in sub-rule (14), after clause (n), the following clause shall be inserted, namely:-

“(o) where empty cylinders for packing of liquefied petroleum gas are being moved for reasons other than supply.”;

(viii) in FORM GSTR-4, in the Instructions, for Sl. No. 10, the following shall be substituted, namely:-

“10. For the tax periods July, 2017 to September, 2017, October, 2017 to December, 2017, January, 2018 to March, 2018 and April, 2018 to June, 2018, serial 4A of Table 4 shall not be furnished.”;

(ix) with effect from 01<sup>st</sup> July, 2017, in FORM GST PCT-01, in PART B,

(a) against Sl. No. 4, after entry (10), the following shall be inserted, namely:-

“(11) Sales Tax practitioner under existing law for a period of not less than five years

(12) tax return preparer under existing law for a period of not less than five years”;

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(b) after the "Consent", the following shall be inserted, namely:-

"Declaration

I hereby declare that:

- (i) I am a citizen of India;
- (ii) I am a person of sound mind;
- (iii) I have not been adjudicated as an insolvent; and
- (iv) I have not been convicted by a competent court.";
- (x) in FORM GST RFD-01, in Annexure-1,
- (a) for Statement 1A, the new Statement shall be substituted.
- (xi) in FORM GST RFD-01A, in Annexure-1,
- (a) for Statement 1A, the new Statement shall be substituted.

**To view and print these PDF document, please follow below mentioned link:**

[http://www.cbic.gov.in/resources/htdocs-cbec/gst/Notification-26-2018-central\\_tax-English.pdf](http://www.cbic.gov.in/resources/htdocs-cbec/gst/Notification-26-2018-central_tax-English.pdf)

**09. CT Notification 26, dated 13<sup>th</sup> June 2018**

**Subject:** Seeks to specify goods which may be disposed off by the proper officer after its seizure.

**Brief note:**

The Central Goods and Services Tax Act, 2017 (12 of 2017) (hereinafter referred to as the said Act), the Central Government hereby notifies the goods or the class of goods (hereinafter referred to as the said goods) mentioned in the Schedule

below, which shall, as soon as may be after its seizure under sub-section (2) of section 67 of the said Act, be disposed of by the proper officer, having regard to the perishable or hazardous nature, depreciation in value with the passage of time, constraints of storage space or any other relevant considerations of the said goods.

**Schedule**

- (1) Salt and hygroscopic substances
- (2) Raw (wet and salted) hides and skins
- (3) Newspapers and periodicals
- (4) Menthol, Camphor, Saffron
- (5) Re-fills for ball-point pens
- (6) Lighter fuel, including lighters with gas, not having arrangement for refilling
- (7) Cells, batteries and rechargeable batteries
- (8) Petroleum Products
- (9) Dangerous drugs and psychotropic substances
- (10) Bulk drugs and chemicals falling under Section VI of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)
- (11) Pharmaceutical products falling within Chapter 30 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)
- (12) Fireworks
- (13) Red Sander
- (14) Sandalwood
- (15) All taxable goods falling within Chapters 1 to 24 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975)
- (16) All unclaimed/abandoned goods which are liable to rapid depreciation in value on account of fast change in technology or new models etc.



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(17) Any goods seized by the proper officer under section 67 of the said Act, which are to be provisionally released under sub-section (6) of section 67 of the said Act, but provisional release has not been taken by the concerned person within a period of one month from the date of execution of the bond for provisional release.

**To view and print these PDF document, please follow below mentioned link:**

[http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-27-2018-central\\_tax-English.pdf](http://www.cbic.gov.in/resources//htdocs-cbec/gst/Notification-27-2018-central_tax-English.pdf)

➤ **If you have any questions, please write to**  
**updates@pgbhagwatca.com**

➤ **If you do not want such updates, please email to**  
**updates@pgbhagwatca.com.**

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