THE INSTITUTE OF
Company Secretaries of India
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

Info Capsule

INDIAN TRUSTS ACT, 1882[1]

Ministry of Finance (Department of Economic Affairs) vide Notification S.O. 1267(E) dated the 21st April, 2017 and in pursuance of section 20 of the Indian Trusts Act, 1882, the Central Government hereby specifies the following securities for the purposes of the said section, namely:—

(a) Government securities;

(b) Securities, the principal whereof and the interest whereon is fully and unconditionally guaranteed by the Central Government or any State Government;

(c) Units of debt mutual funds regulated by the Securities and Exchange Board of India established by section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(d) Listed (or proposed to be listed on exchanges in case of fresh issue) debt securities issued by any body corporate, including a bank and a public financial institution as defined in clause (72) of Section 2 of the Companies Act, 2013 (18 of 2013), which have a minimum residual maturity period of three years from the date of investment;

(e) Basel III Tier-I bonds issued by a scheduled commercial bank under guidelines issued by the Reserve Bank of India, which are either listed or are proposed to be listed on an exchange;

(f) the infrastructure related debt instruments listed or proposed to be listed in case of fresh issue:—

(i) debt securities issued by a body corporate engaged mainly in the business of development or operation and maintenance of infrastructure, or development, construction or finance of low cost housing;

(ii) securities issued by an infrastructure debt fund operating as a non-banking financial company and regulated by the Reserve Bank of India; or

(iii) units issued by an infrastructure Debt Fund operating as a Mutual Fund and regulated by the Securities and Exchange Board of India;

[1] Available at: http://egazette.nic.in/WriteReadData/2017/175489.pdf

(g) shares of body corporates listed on any recognised stock exchange which has a market capitalisation of not less than five thousand crore rupees as on the date of investment;

(h) units of mutual funds regulated by the Securities and Exchange Board of India, which have minimum sixty-five per cent of their investment in shares of body corporates listed on a recognised stock exchanges; or

(i) exchange traded funds or index funds regulated by the Securities and Exchange Board of India which replicate the portfolio of the Bombay Stock Exchange Sensex Index or the National Stock Exchange Nifty Index, or those constructed specifically for disinvestment of shareholding of the Government of India in a body corporate:

Provided that the investment under clauses (d), (e) and (f) shall be made only in such securities which have minimum AA rating or equivalent in the applicable rating scale from at least two credit rating agencies registered with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Credit Rating Agency) Regulations, 1999:

Provided further that in case of investment under sub-clause (ii) of clause (f), the ratings shall relate to the non-banking financial company and for that sub-clause, the ratings shall relate to the investment in eligible securities rated above investment grade of the scheme of the fund:

Provided also that if the securities or entities have been rated by more than two rating agencies, the two lowest of all the ratings shall be considered.

ADVISORY TO COMPANIES TO FURNISH STATEMENT OF FINANCIAL TRANSACTIONS (SFT) TO THE INCOME TAX DEPARTMENT[2]

The Respective heads of the companies are required to furnish the statement online in respect of the transactions listed below in Form 61A to the Income-Tax Department ***on or before 31st May, 2017***. The transactions listed below are in addition to other transactions specified in Rule 114E which may be reportable by eligible companies.

As per Rule 114E of the Income Tax Rules 1962, for and from 2016-17, all companies have to be furnish SFT in respect of certain specified transactions as tabulated below:

S. NO.	***NATURE AND VALUE OF TRANSACTIONS***	***REPORTING COMPANIES***
1.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring bonds or debentures issued by the company or institution (other than the amount received on account of renewal of the bond or debenture issued by that company)	A company or institution issuing bonds or debentures

[2] Available at : http://www.mca.gov.in/Ministry/pdf/ACFSFTtoIncomeTaxDepartment.pdf

2.	Receipt from any person of an amount aggregating to ten lakh rupees or more in a financial year for acquiring shares (including share application money) issued by the company A company issuing shares	A company issuing shares
3.	Buy back of shares from any person (other than the shares bought in the open market) for an amount or value aggregating to ten lakh rupees or more in a financial year	A company listed on a recognised stock exchange purchasing its own securities under section 68 of the Companies Act, 2013

This advisory is issued to companies, on the request of DGIT (I&CI), as a prior information.

GOODS AND SERVICES TAX[3]

In the run-up to the goods and services tax (GST) roll-out, the Central Board of Excise and Customs is set for a major revamp with respect to tax intelligence, information technology, risk assessment, post-clearance audit, taxpayer services, among others. The Board, which is being renamed as the Central Board of Indirect Taxes and Customs (CBIC), will fortify and expand its intelligence wing — directorate general of GST intelligence — to fight against tax evasion and clamp down on black money. While the number of commissionerates would be cut by a fourth to 101 for the GST, as against 141 for central excise and service tax, the Board is looking to redeploy officers to gain international competence. The number of directorates will go up under the GST regime. For a robust IT network, the directorate general of systems is being strengthened and the directorate general for taxpayer services is being expanded for a greater outreach to facilitate smooth transition. About 60,000 officers have been trained so far.

Every state will be divided into smaller bits called as 'GST Range' with 1,000 assessees, and these will be grouped together to form a GST division serving 5,000 assessees. There will be 3,969 such ranges. There is likely to be new divisions under customs. A division on dispute resolution, capacity building and compliance measures is also being deliberated.

Team ICSI

[3] Available at: http://www.business-standard.com/article/economy-policy/cbec-gears-up-for-gst-roll-out-117042400044_1.html