ACCOUNTING, REGULATORY & TAX NEWSLETTER

Vol 4
May, 2017

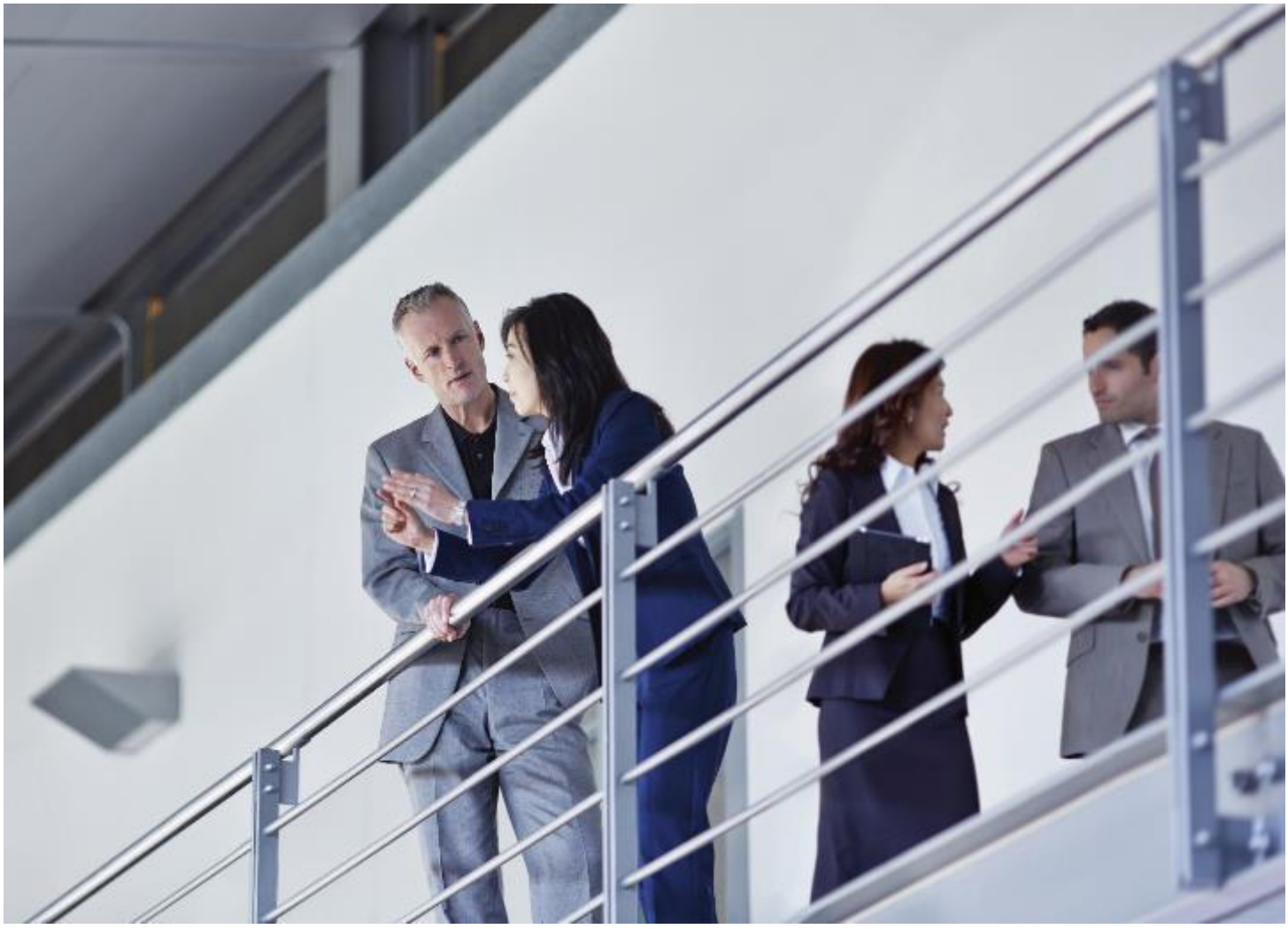


TABLE OF CONTENTS

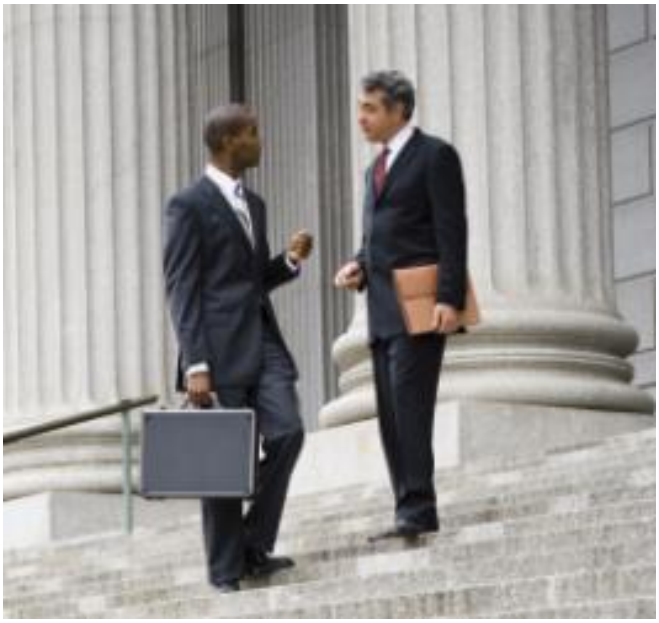
Accounting Updates 01

Regulatory Updates 03

Tax Updates

- Direct Tax 07
- Transfer Pricing 10
- Indirect Tax 11

ACCOUNTING UPDATES



ACCOUNTING UPDATES

The Institute of Chartered Accountants of India (ICAI)

1. **Expert Advisory Committee (EAC) issues an opinion on 'Forfeiture of Bank Guarantees of Contractors'**

   Opinion issued by EAC expressed hereinafter is from the perspective of accounting requirements contained in the Companies (Accounting Standards) Rules, 2006 and without considering the application of Accounting Standards amended by MCA vide Notification dated March 30, 2016, which should be applied for the accounting periods commencing on or after the date of such Notification.

   The query raised relates to the accounting treatment of forfeiture of bank guarantees of contractors. Due to the default of contractors in execution of capital works the Company forfeited the bank/ performance guarantee amount of INR 21.24 crore. The Company recognized the forfeited amount as its other income.

   EAC opines that in the given case income results from forfeiture/ invoking and cancellation of of certain contracts on which the contract work had not even started. Thus the income is of the nature of a penalty on the contractors due to non-fulfillment of the tender/contract conditions. Accordingly, income arising from forfeited/ invoked bank guarantees should be recognised in the statement of profit and loss.

2. **Revision of issues under Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 5**

   On 17th April, 2017, ITFG has issued the revised ITFG Clarification Bulletin 5 wherein Issue No. 2 has been withdrawn and Issue No. 4 and Issue No. 5 of the said Bulletin have been revised.

   - **Deleted Issue 2**: Classification of security deposit received by Electricity Distribution Company which is refundable when the connection is surrendered as 'Current' or 'Non-current' liability. The issue does not pertain to transition from previous GAAP to Ind AS instead issue has already been explained in the 'General Instructions For Preparation Of Balance Sheet' pursuant to the requirements of Division II-Schedule III to the Companies Act, 2013. In view of this, the above issue has been withdrawn by ITFG.
   - **Revised Issue 4**: The processing fees on the loan that were capitalised as part of the relevant fixed assets as per the previous GAAP, should be reduced from the carrying amount of fixed assets as at the date of the transition net of cumulative depreciation impact.

     And consequently, the carrying amount of the loan should be restated to its amortised cost in accordance with Ind AS 109, Financial Instruments. The difference between the adjustments to the carrying amount of loan and to fixed assets, respectively should be recognized in the retained earnings as at the date of the transition.

     Since, the adjustment to fixed assets is only consequential and arising because of applying the transition requirements of Ind AS 101, First-time Adoption of Ind AS, it would not be construed as an adjustment to the deemed cost of property, plant and equipment as envisaged under paragraph D7AA of Ind AS 101, First-time Adoption of Ind AS.
   - **Revised Issue 5**: The asset related government grants already deducted from the cost of the fixed assets under previous GAAP to be recognized as unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101, First-time Adoption of Ind AS, the corresponding adjustment should be made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

     Since the adjustment to the property, plant and equipment is only consequential and arising because of applying the transition requirements of Ind AS 101, First-time Adoption of Ind AS, it would not be construed as an adjustment to the deemed cost of property, plant and equipment as envisaged under paragraph D7AA of Ind AS 101, First-time Adoption of Ind AS.

ACCOUNTING UPDATES

3. FAQ on treatment of Securities Premium Account on transition to Ind AS

On 17th April, 2017, ICAI has issued FAQs on treatment of the securities premium account under Ind AS on date of transition.

This FAQ considers a situation wherein the company has issued non-convertible debentures redeemable at a premium prior to the date of transition to Ind AS and for which it has utilised the securities premium account to provide for debenture redemption premium and for writing off debenture issue expenses as per Section 78 of the Companies Act, 1956 and Section 53 of Companies Act, 2013.

On the transition to Ind AS, the company is required classify and measure such non-convertible debentures at amortised cost under Ind AS 109, Financial Instruments, by applying the effective interest method (EIM) with retrospective effect from the date of issue of debentures. EIM includes all transaction costs that are directly attributable to the acquisition or issue of debentures, such as, expenses incurred on issue of debentures and premiums and discounts, if any. Since the company had previously adjusted the entire amount of debenture redemption premium payable from the securities premium account, the carrying amount of the non-convertible debentures as per Indian GAAP would be higher as compared to the amortised cost on the date of transition.

Ind AS 101, First-time Adoption to Ind AS, requires that adjustments resulting from accounting policies in previous Indian GAAP which differs from Ind AS and arising from events and transactions before the date of transition to Ind AS should be recognized directly in retained earnings (or, if appropriate, another category of equity). Accordingly, on transition to Ind AS, the excess carrying value of the financial liability as per Indian GAAP over the amortised cost based on the EIM would be reversed by crediting the securities premium account with corresponding debit to the relevant account which was credited earlier (i.e. the debenture liability).

This FAQ replaces Issue No. 7 of the ITFG Bulletin 2 that was previously released in May 2016.

REGULATORY UPDATES

SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI)

SEBI, at its board meeting held on April 26, 2017 has taken several affirmative steps some of which are as under

Inclusion of NBFCs under Qualified Institutional Buyers (QIBs)

Currently institutions such as banks and insurance companies were only categorised as QIBs, which are eligible to participate in the Initial Public Offer (IPO). To give boost to the IPO market, SEBI has approved the inclusion of NBFCs registered with RBI and having a networth of INR 500 crore under the category of QIB.

Relaxation relating to preferential allotments extended to Scheduled Banks and Financial Institutions

- SEBI (Issue of Capital and Disclosure Requirements (ICDR)) Regulations, 2009 does not permit
  - Preferential allotment to any person who has sold the shares of the issuer 6 months preceding the relevant date.
  - Sale of any shares existing prior to preferential allotment from the relevant date up to a period of 6 months from the date of trading approval (i.e. lock-in requirement).
- Like Mutual funds and Insurance Companies the relaxation from above provisions is now extended to Banks and Financial Institutions facilitating Banks and Financial institutions to participate in preferential allotment under Corporate Debt Restructuring (CDR) or Strategic Debt Restructuring (SDR) or a bilateral restructuring even though they have sold the shares of the borrower company within 6 months prior to the relevant date.

Appointment of Monitoring Agency

- SEBI mandated appointment of Monitoring Agency (MA) where the IPO/Follow on Public offer (FPO) /Right issue size exceeds INR 100 crores as against the earlier limit of INR 500 crores.
- Other conditions specified in this regard are:
  - Submission of MA report – Quarterly (within 45 days from the end of quarter)
  - Disclosing MA report on company's website
  - Submitting MA report to Stock Exchange

  - Comments of Board of Directors and Management on the findings of MA report.
- This is welcoming move to increase control and supervision on utilisation of funds raised through IPOs/FPOs/Rights issues.

Amendment to SEBI (Foreign Portfolio Investor) Regulations, 2014 (FPI Regulations)

SEBI has proposed amendment to FPI Regulations expressly prohibiting Resident Indians/NRIs or the entities which are beneficially owned by Resident Indians/NRIs from subscribing to Offshore Derivative Instruments.

MINISTRY OF CORPORATE AFFAIRS ('MCA') AMENDMENTS

Notification for commencement of Section 234 of Companies Act, 2013

The Ministry of Corporate Affairs ('MCA'), on 13 April 2017, notified Section 234 of Companies Act, 2013 permitting cross border mergers / amalgamation.

The key features to note are:

- Provision enables Indian company to merge into Foreign Company and vice-versa
- A Foreign Company can merge with an Indian company only if such Foreign Company is incorporated in permitted foreign jurisdictions[1]

[1]Permitted foreign jurisdiction is a jurisdiction:

- whose securities market regulator is a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to a bilateral Memorandum of Understanding with SEBI; OR
- whose Central Bank is a member of the Bank of International Settlements (BIS); **AND**
- a jurisdiction, not identified in the public statement of the Financial Action Task Force (FATF) as:
  - a jurisdiction having a strategic Anti-Money Laundering or Combating the Financing of Terrorism deficiencies to which counter measures apply; OR
  - a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

REGULATORY UPDATES

- Central Government to notify rules, in consultation with the Reserve Bank of India ("RBI"), for such merger / amalgamation
- Prior approval of RBI required for such merger / amalgamation
- Consideration can be in cash or in Depository Receipts or partly in cash and partly in Depository Receipts
- The transferee company shall ensure that valuation and disclosure norms as prescribed in rules are complied with

This is a welcome move for the India M&A landscape. Merger of foreign company into an India company was permitted, however, the reverse i.e. an Indian company merging into foreign company is now being permitted. Cross border mergers are internationally accepted corporate re-organisation methods.

It would be helpful if appropriate amendments to foreign exchange control regulations and income tax regulations are notified in due course to pave the way for practical implementation of these changes.

The procedure mentioned u/s 230-232 shall apply to such cross-border mergers as well.

RESERVE BANK OF INDIA (RBI)

Clarification on Guidelines on compliance with Accounting Standard (AS) 11 [The Effects of Changes in Foreign Exchange Rates] by banks

On 18th April, 2017 RBI has clarified vide circular RBI/2016-17/281 DBR.BP.BC.No.61/21.04.018/2016-17 that the repatriation of accumulated profits should not be considered as disposal or partial disposal of interest in non-integral foreign operations as per AS 11, The Effects of Changes in Foreign Exchange Rates. Accordingly, banks should not recognise in the profit and loss account the proportionate exchange gains or losses held in the foreign currency translation reserve on repatriation of profits from overseas operations.

Frequently asked questions (FAQs) on Withdrawal of Legal Tender Character of the Old Bank Notes in the Denominations of INR 500 and INR 1000 and the Specified Bank Notes (Cessation of Liabilities) Ordinance 2016

On 20th April, 2017, RBI has issued FAQs covering the following aspects:

- Objective for introduction of scheme of withdrawal of legal tender character of the old bank notes in the denominations of INR 500 and INR 1000
- Nature of the above scheme
- Brief nature of Specified Bank Notes (Cessation Of Liabilities) Act 2017
- Brief of facility for exchange of specified bank notes (SBNs) for the resident Indians, residents and non-resident Indian citizens living abroad, and overseas citizens of India/persons of Indian origin
- Withdrawal limit from accounts/ bank branches/ ATMs

Draft Regulations enabling cross boarder merger

Consequent to the MCA notification permitting cross-border mergers, the RBI has issued draft regulations governing inbound as well as outbound mergers.

It mandates compliance with all requirements under FEMA regulations for issue / transfer of securities, borrowings, acquisition of immovable assets, etc pursuant to cross-border mergers. Draft regulations also prescribes a period of 180 days from the date of sanction of the Scheme within which assets/securities that are not in compliance with FEMA requirements need to sold / transferred and sale proceeds shall be repatriated.

It also prescribes that internationally accepted pricing methodology should be strictly adhered to for valuation of shares.

Disclosure to RBI has also been mandated vide these draft guidelines and the Indian as well as the Foreign Company shall furnish reports as required by RBI.

All cross-border mergers undertaken in accordance with these regulations shall be deemed to be approved by RBI for the purposes of Companies Act, 2013, else specific approval from RBI is required.

It is expected that RBI will issue final guidelines shortly after taking into consideration the comments received paving the way for smoother implementation of cross-border mergers.

Change in the requirements for Asset Reconstruction Companies ('ARCs')

Keeping in view the greater role envisaged for ARCs in resolving stressed assets as also the recent regulatory changes governing sale of stressed assets by banks to ARCs, RBI, vide notification dated April 28, 2017 has increased the minimum *Net Owned Funds ('NOF') requirement for ARCs from Rs 2 crore to Rs 100 crore on an ongoing basis.

All the ARCs which are already registered with RBI and not having the revised minimum NOF shall achieve a minimum NOF of INR 100 crore latest by March 31, 2019. ARCs shall submit a certificate from their statutory auditors periodically as evidence of such compliance thereof.

*Net Owned Funds ('NOF') – it shall be arrived at by reducing from Owned Funds (OF), the amount representing –

- Investments of the ARCs in shares of –
  - its subsidiaries;
  - companies in the same group;
  - all other ARCs; and
- The book value of debentures, bonds, outstanding loans and advances made to, and deposits with –
  - subsidiaries of the ARC; and
  - companies in the same group, to the extent such amount exceeds 10% of the OF.

REGULATORY UPDATES

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI)

Guidelines on Information and Cyber Security for insurers

On 7th April, 2017, IRDAI has issued 'Guidelines on Information and Cyber Security for insurers' (the "Guidelines") which are applicable to all insurers regulated by IRDAI. These guidelines are applicable to all data created, received or maintained by insurers wherever these data records are and whatever form they are in, in the course of carrying out their designated duties and functions. The guidelines require:

- Internal Audit plan of the organization to have a separate IS audit plan covering IT/Technology infrastructure and applications.
- Audit plan and the reports to be presented to the Audit Committee of the Board
- Annual Independent Assurance Audit by qualified external systems Auditor

Insurers are expected to take suitable steps to ensure full compliance with the requirements of the Guidelines by 31st March, 2018. Insurers are further required to submit the first audit report as stipulated under the Guidelines to IRDAI by 31st March 2018.

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (ICAI)

Deferment of applicability of Standards on Auditing (SA) 701 and Revised SAs 700, 705, 706

The Council of ICAI has decided to defer the effective date/ applicability of following SAs by one year:

- SA 700 (Revised), "Forming an Opinion and Reporting on Financial Statements"
- SA 701, "Communicating Key Audit Matters in the Independent Auditor's Report"
- SA 705 (Revised), "Modifications to the Opinion in the Independent Auditor's Report"
- SA 706 (Revised), "Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report"

Consequent to the decision, the abovementioned SAs are now effective/ applicable for audits of financial statements for the periods beginning on or after 1st April 2018 instead of periods beginning on or after 1st April, 2017 as was earlier decided.

Implementation guide on auditor's report under Rule 11(d) of Companies (Audit and Auditors) Amendment Rules, 2017 and amendment to Schedule III of Companies Act, 2013

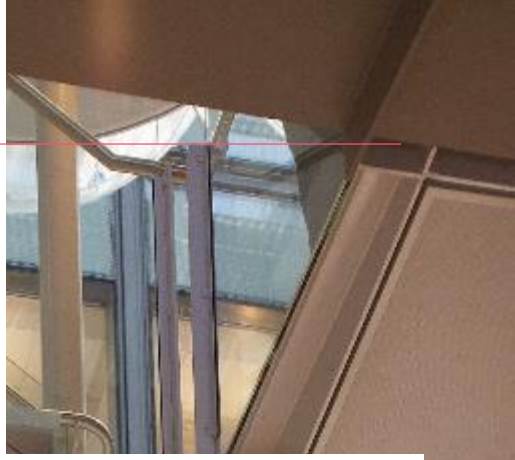
Pursuant to notification Ministry of Corporate Affairs dated 30th March, 2017, ICAI has issued implementation guidance to provide guidance around disclosures in the financial statements as to holdings as well as dealings in SBNs during the period from 8th November 2016 to 30th December 2016 (the 'Specified Period'). Implementation guide comprises:

- FAQs which includes following clarifications:
  - Notification to amend Schedule III and issue of auditor's report under Rule 11(d) is applicable to financial statements which are issued after 30th March, 2017 and which include the specified period. Notification does not require mentioning the denominations of closing cash balance held during the specified period.
  - Where in auditor's professional judgement instance of non-compliance with relevant notifications is of such nature that it has an impact on the true and fair view of the financial statements, the auditor should consider modifying his report in accordance with SA 705, Modifications to the Opinion in the Independent Auditor's Report.
- Illustrative list of audit procedures in respect of disclosure of SBNs and other denomination notes includes the following:
  - Obtain closing cash certificate with denominations as at 8th November 2016 and 30th December 2016;
  - Obtain understanding of controls placed during the specified period to ensure there were no payments and receipts made in SBNs other than those permitted by regulators from time to time;
  - Roll-forward or roll-back procedures where auditor has conducted physical cash count;
  - Obtain listing as to SBNs available with the company as at 8th November 2016 and how they were dealt with (a) used for payment for permitted transactions, (b) deposited in bank accounts, (c) used for payment for non-permitted transactions, and (f) available with the Company as at closing of 30th December 2016;
  - Obtain listing of receipts of the SBNs during the specified period, including nature of transactions and amount with denominations;
  - Obtain a reconciliation of cash balance during the specified period in the format specified in Schedule III.
  - Verification of payments, deposits and receipts.
  - Obtain management representation letter regarding (a) completeness of disclosure made, (b) manner of dealing in the SBNs, and (c) permitted receipts and permitted payments made by the Company.

Reporting against Rule 11(d) for companies to which Schedule III requirements are applicable includes

- Scenario 1: Where the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in SBNs during the specified period and based on audit procedures and relying on the management representation, auditor's report that the

REGULATORY UPDATES



disclosures are in accordance with books of account maintained by the Company;

- Scenario 2: Where the disclosure requirement as envisaged in Notification dated 30th March, 2017 is not applicable to the Company because the Company did not have any holdings or dealings in SBNs during the specified period;
- Scenario 3: Where the company has provided requisite disclosures in the financial statements as to holdings as well as dealings in SBNs, however, the auditor is not able to verify the same due to non-availability of sufficient and appropriate audit evidence resulting into scope limitation;
- Scenario 4: Where the company has not provided requisite disclosures in the financial statements as to holdings as well as dealings in SBNs;
- Scenario 5: Where the company has not provided certain requisite disclosures in the financial statements as to holdings as well as dealings in SBNs. Consequently auditor is unable to obtain sufficient and appropriate audit evidence to report whether the disclosures to the extent stated in the notes are in accordance with books of account maintained by the Company;
- Scenario 6: Where the company has provided requisite disclosures in the financial statements as to holding as well as dealings in SBNs but have transacted in non-permitted receipt/payments.

Written representation from the management depending upon the facts and circumstances should be obtained.

FAQ on Companies Act, 2013

ICAI has issued FAQs on following matters to facilitate the understanding and interpretation of the provisions of Companies Act, 2013:

- Incorporation and allied matters;
- Capital and allied matters;
- Directors;
- Board related matters;
- Management and administration;
- Accounts;
- Audit and auditors;
- Secretarial audit;
- Deposits;
- Dividend;
- Corporate social responsibility; and
- Compromise and arrangement.

It has further provided a list of sections of Companies Act, 2013 that has been notified and enforced by the Ministry of Corporate Affairs as on 30th January, 2017 through Annexure.

FAQ on the Insolvency and Bankruptcy Code, 2016

ICAI has issued FAQs on following matters to facilitate the understanding of the provisions of the Insolvency and Bankruptcy Code, 2016 and its Regulations released upto 31st January, 2017.

- Introduction to the Insolvency and Bankruptcy Code, 2016;
- Insolvency Resolution and Liquidation of Corporate Persons;
- Insolvency Resolution and Bankruptcy for Individuals and Firms;
- Regulation of Insolvency Professionals, Agencies and Information Utilities; and
- Miscellaneous.

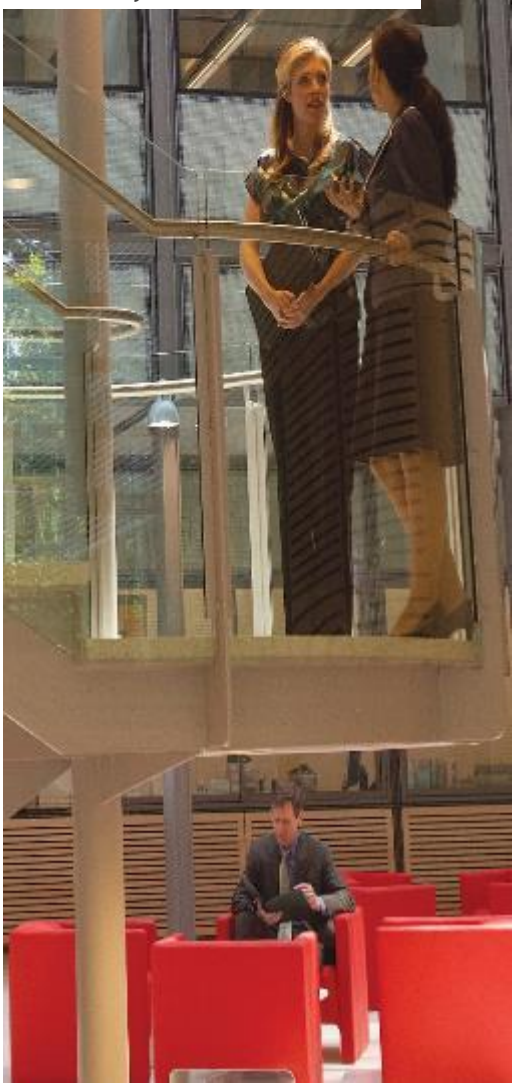
Through Annexure it has further provided:

- Table of Amendments from Section 245 to 255 of Insolvency and Bankruptcy Code, 2016;
- List of sections of the Insolvency and Bankruptcy Code, 2016 notified till 1st April, 2017;
- List of Sections of the Insolvency and Bankruptcy Code, 2016 not yet notified till 1st April, 2017.

Withdrawal of FAQ's on the Revised Schedule VI to the Companies Act, 1956

With issuance of Schedule III to the Companies Act, 2013, which is to be followed by the Companies from 1st April 2014, Revised Schedule VI to Companies Act, 1956 is not applicable.

In view of above, on 10th April, 2017, ICAI has decided to withdraw FAQs on the Revised Schedule VI to the Companies Act, 1956 issued in May 2012.



TAX UPDATES
Direct Tax

CIRCULARS/ NOTIFICATIONS/PRESS RELEASES

No penal consequences on cash withdrawal of banks

In order to curb black money and move toward less cash economy, the Finance Act, 2017 introduced a new section 269ST of the IT Act wherein penalty equivalent to the amount of cash received has been prescribed, in cases where a taxpayer receives cash amounting to INR 2 lakhs or more-

- in aggregate from a single person or
- in respect of a single transaction or
- in respect of transactions relating to one event or occasion from a person.

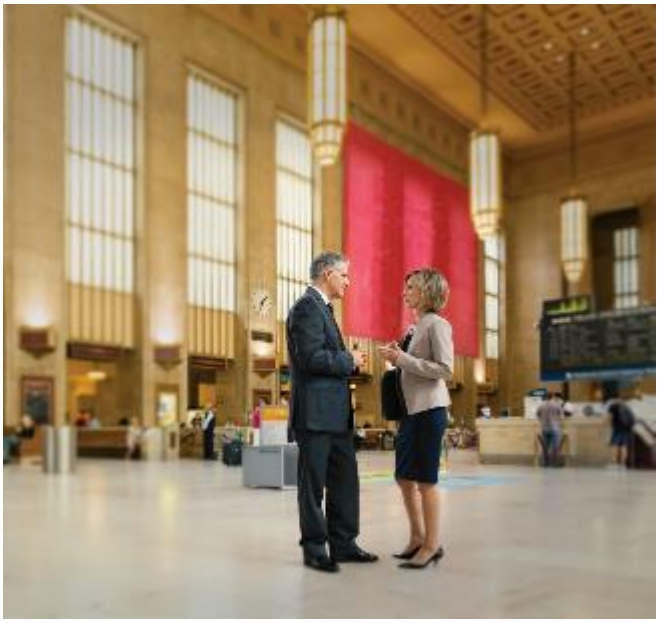
In order to grant relief to taxpayers, the CBDT has notified that the above penal provisions shall not apply in cases involving any cash withdrawal by a taxpayer from banks, post office savings bank and co-operative banks.
[Notification No.28/2017 (F.No.370142/10/2017-TPL) dated April 5, 2017]

Clarification on removal of Cyprus from the list of Notified Jurisdictional Areas under Section 94A of the IT Act retrospectively

As per the provisions of Section 94A of the IT Act, the Central Government, due to lack of effective exchange of information from any country or territory outside India, may specify such country or territory as Notified Jurisdictional Area (NJA). As a result, all transactions with persons in NJA shall be considered as transactions with Associated Enterprises and such transactions must comply with transfer pricing regulations. Further, deduction of expenses for payment to such persons shall not be allowed or allowed subject to fulfillment of certain conditions while computing the total income.

In this regard, vide Notification no. 86 dated November 1, 2013, the Central Government specified Cyprus to be NJA. The said notification was issued owing to the inadequate exchange of information by Cyprus to the Indian Tax Authorities.

Subsequently, post finalization of amendment in Tax Treaty between India and Cyprus, the Central Government vide Notification no. 114 dated December 14, 2016 rescinded the earlier Notification no. 86 and removed Cyprus from the list of NJAs. However, due to the ambiguity regarding the date of applicability of the said Notification no. 114, the Central Government issued another Notification no. 119 dated December 16, 2016, amending the language of the Notification no. 114 to it being effective retrospectively. Despite such clarification, some of Indian Tax Authorities still took a view that removal of Cyprus from the list of NJA was effective prospectively and not retrospectively. As a result, the CBDT, for the purpose of removal of doubts, further clarified vide Circular No 15 dated April 21, 2017



that the Notification no. 86 has been rescinded with retrospective effect from November 1, 2013.
[Circular No.15/2017 (F. No. 500/002/2015-FT&TR-III(1)), Dated April 21, 2017]

Lease rental income from letting out of building in an Industrial Park/Special Economic Zone ('SEZ') to be treated as business income

Section 80-IA of the IT Act provides that 100% of the profits derived by an undertaking which develops, develops and operates or maintains and operates an industrial park or SEZ (notified by the Central Government) shall be allowed as deduction from the total income of the taxpayer. The said deduction from computation of total income shall be allowed for ten consecutive assessment years.

However, the Indian Tax Authorities contended that the rental income from letting out of buildings in the industrial parks or SEZ should be classified as income from house property. Accordingly, such rental income did not form part of the business profits and hence, ineligible for deduction under Section 80-IA of the IT Act. This contention was highly debatable and open to litigation. Thereafter, the Hon'ble Karnataka High Court in the case of Velankani Information Systems Private Limited and Information Technology Park Limited held that the rental income should be chargeable to tax as business profits and not income from house property.

In view of the above judgements, the CBDT clarified that it is now a settled position that income from letting out of premises or developed space along with other facilities in an industrial park or SEZ is to be charged under the head 'Profits and Gains of Business' and not 'Income from House Property'. Accordingly, the CBDT instructs the Indian Tax Authorities that it shall not file appeals on the same issue and those already filed may be withdrawn/not pressed upon.
[Circular No. 16/2017 (F.No. 279/Misc./140/2015/ITJ) Dated April 25, 2017]

TAX UPDATES
Direct Tax

JUDICIAL UPDATES

Fees for strategic, financial counselling and advisory services to US entity not taxable under the India-US Tax Treaty

The taxpayer made a payment to a US based entity on account of professional fees for global biopharmaceutical strategic counselling and advisory services rendered by such an entity. The services predominantly included business promotion, marketing, publicity and financial advisory services. However, the taxpayer did not withhold any tax on such payment on the ground that the same was not taxable in India in view of the provisions of the India-US Tax Treaty.

The Tax Tribunal observed that the above mentioned payment was made for rendering of services and not for use of any information concerning industrial, commercial or scientific information and therefore, the payment was not 'royalty' under Article 12(3)(a) of the India-US Tax Treaty. Further, in view of the fact that the recipient of services is not being able to perform such services, in future, on its own and without any recourse to service provider, the above-mentioned services did not 'make available' any technical services, experience, skill or knowledge or process, etc and therefore the impugned payments cannot be regarded as fees for included services as per Article 12(4) of the India-US Tax Treaty. Accordingly, it was held that such services were not taxable in India and therefore taxpayer is not required to withhold tax in India.
[Marck Biosciences Ltd. ITA No. 203/Ahd/2014 (Ahemdabad Tribunal)]

Formula One racing circuit constituted Fixed Place Permanent Establishment (PE) for commercial rights holder in UK

In a landmark ruling, the Hon'ble Supreme Court has confirmed that owing to its access to and control over the racing circuit, the UK entity constituted a Permanent Establishment in India. The facts before the Hon'ble Supreme Court are summarized as under:

- The FIA Formula One World Championship (Championship) is an annual series of motor races, conducted in the name and style of the Grand Prix over a three day period.
- Formula One World Championship Ltd (F1-WC or taxpayer), a company incorporated in the UK, entered into a Race Promotion Contract with Jaypee Sports International Limited (Jaypee or Promoter) dated September 13, 2011 for granting Jaypee, the right to host, stage and promote the Formula One Grand Prix of India event for a consideration of USD 40 million.
- An Artworks License Agreement, permitting Jaypee to use certain marks and intellectual property ('IP') belonging to the taxpayer, was also entered between the taxpayer and Jaypee on the same day for a consideration of USD 1.

The Supreme Court with regards to the above transactions upheld the High Court's ruling that the circuit is a fixed place where the commercial/economic activity of conducting F1 championship was carried out and would constitute PE for F1-WC in India. Therefore, payments made by Jaypee to F1-WC under the Race Promotion Contract were business income of F1-WC through PE at the circuit and therefore chargeable to tax in India.

Accordingly, Jaypee was liable to withhold tax from the amounts paid under Section 195 of the IT Act. However, only that portion of the income which is attributable to the said PE would be treated as income of F1-WC taxable in India.

Whilst pronouncing the judgement, in view of the peculiar facts of the present case, some of the important observations/findings of the Supreme Court are summarized below:

- PE has to be a fixed place of business 'through' which business of an enterprise is wholly or partly carried on. Article 5(2) of the India-UK Tax Treaty provides for an inclusive list of PEs which is not exhaustive. An establishment not specifically excluded in Article 5(3) of the India-UK Tax Treaty may constitute a PE by satisfying the aforesaid conditions.
- The circuit is a fixed place where different races (including the Grand Prix) are conducted, which is an economic/business activity.
- Various agreements cannot be looked into by isolating them from each other. Their wholesome reading would bring out the real transaction between two parties. A glance over the flowchart of these commercial rights and agreements between the parties clearly demonstrates that the entire event is under the control of F1-WC and its affiliates.
- The commercial rights held by F1-WC are exploited with actual conduct of race in India. Physical control of the circuit was also with F1-WC and its associates.
- For the duration of the event as well as two weeks prior to it and a week succeeding it, F1-WC had full access to the racing circuit through its personnel, the team contracted to it, both racing as well as spectator teams. During this period, F1-WC could also dictate who were authorized to enter the areas reserved for it.

TAX UPDATES
Direct Tax

- At all material times, F1-WC had exclusive access to the circuit, and all the spaces where the teams were located.
- No other event could be conducted in the circuit during the F1 Championship.
- Commercial rights associated with the event were effectively transferred back by Jaypee to affiliates of F1-WC. Therefore, it is evident that F1-WC (as along with its affiliates) undertook the aforesaid commercial activities in India as part of it business.
- The title sponsorship rights were transferred by Beta Prema 2 to Bharti Airtel before the former acquired the same from Jaypee.
- As per the test laid down by the Andhra Pradesh High Court[1] the circuit is a fixed place where the commercial/economic activity of conducting F-1 Championship was carried out and it was clearly a virtual projection of the F1-WC in India.
- As per Philip Baker[2], a PE must have three characteristics: stability, productivity and dependence. All characteristics are present in this case and the fixed place of business in the form of physical location, i.e. Buddh International Circuit, was at the disposal of F1-WC through which it conducted business.

[Formula One World Championship Ltd. v. Commissioner of Income-tax, (International Taxation)-3, Delhi (TS-161-SC-2017) / CIVIL APPEAL NOS. 3849, 3850, 3851 OF 2017]

[1]Commissioner of Income Tax, A.P.-I vs. Visakhapatnam Port Trust [(1983) 144 ITR 146]
[2]A Manual on the OECD Model Tax Convention on Income and on Capital

TAX UPDATES
Transfer Pricing

JUDICIAL UPDATES

Deletes Transfer Pricing adjustment on intra-group management fees in absence of justification for NIL ALP

The Ahmedabad Tax Tribunal deleted the transfer pricing adjustment made by the tax authorities on account of intra-group management services. The Tax Tribunal held that whether a particular service benefits the taxpayer in monetary terms or it being allowed as a deduction in computation of income has no role in determination of Arm's Length Price (ALP). Further, the tax tribunal held that while determining the ALP of a service, the price, which to an independent enterprise would pay for the same service should be considered based on a recognized method. The ALP of a service cannot be determined on subjective perceptions, divorced from grounds of realities of a business. The only justification for taking ALP as NIL under Comparable Uncontrolled Price method is when services are provided without a consideration. Thus, the contention of the tax authorities was rejected as it was not legally sustainable.

[Sabic Innovative Plastics Private limited ITA No 1125 (AHD) of 2014 and ITA No. 427 (Ahd) of 2016 (Ahmedabad Tax Tribunal)]

Tax Tribunal rejected the Royalty rate approved by RBI/FIPB for determination of Arm's Length Price

The Mumbai Tax Tribunal rejected the taxpayer's contention that that payment of royalty approved by the Reserve Bank of India (RBI) under the automatic route or the approval granted by the FIPB Unit of Ministry of Finance would constitute arm's length price under the transfer pricing regulations. The tax tribunal held that since the Government of India has waived off all the restrictions on the payment of royalty under foreign technology collaboration, the taxpayer cannot claim any amount of payment, as ALP. Further, the tax tribunal held that the rates prescribed under the automatic route by RBI or FIPB are meant to achieve different objectives, whereas the objective of transfer pricing is to ensure that taxable profits earned in India are not shifted to foreign tax jurisdiction without payment of legitimate share of tax due in India. Thus, the case was remitted back to the tax authorities for fresh determination of ALP.

[A.W. Faber Castell (India) Private Limited ITA No. 1037 (MUM) of 2017 (Mumbai Tax Tribunal)]

Tax tribunal lays parameters for determination of arm's length price for intra-group services

The Delhi Tax Tribunal held that while determining the ALP of intra-group services, it was necessary to assess the following (1) need test (2) benefit test (3) rendition test (4) duplication test and (5) share-holding activity test. The need test and benefit test are required to be examined from a perspective of a businessman and not from the perspective of the revenue. Thus, if the normal business justifies the needs of those services and if those services have certain perceivable benefits, the tax authorities cannot question the payment for such services, provided the services are neither duplicative nor shareholder's services. Further, the onus to prove that the services are received from the AE lies with the taxpayer. The taxpayer is required to demonstrate with credible evidence that services are received from the AE.

[Avery Dennison (India) Private Limited Income Tax Appeal No. 5578 (Del) of 2016 (Delhi Tax Tribunal)]

TAX UPDATES
Indirect Tax

STATUTORY UPDATES
SERVICE TAX

Point of taxation for services by way of transportation of goods by a vessel from outside India to the customs station in India by a person located in non-taxable territory to a person located in non-taxable territory

The point of taxation in respect of services provided by a person located in non-taxable territory to a person in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India, shall be the date of bill of lading of such goods in the vessel at the port of export. This shall come into effect from 22.01.2017 retrospectively.
[Notification No. 14/2017-Service Tax dated 13.04.2017 read with Circular No. 206/4/2017-Service Tax dated 13.04.2017]

Person liable for paying service tax in case of services by way of transportation of goods by a vessel from outside India to the customs station in India by a person located in non-taxable territory to a person located in non-taxable territory

Person liable for paying service tax in respect of services provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India, shall be the importer as defined under section 2(26) of the Customs Act, 1962. This shall come into effect from 23.04.2017.
[Notification No. 15/2017-Service Tax dated 13.04.2017 read with Circular No. 206/4/2017-Service Tax dated 13.04.2017]

Amount of service tax to be paid in case of services by way of transportation of goods by a vessel from outside India to the customs station in India by a person located in non-taxable territory to a person located in non-taxable territory

Person liable for paying service tax for the taxable services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India, shall have the option to pay an amount calculated at the rate of 1.4% of the sum of cost, insurance and freight (CIF) value of such imported goods.

Also, it is clarified that in case of services of transportation of goods by sea provided by a foreign shipping line to a foreign charterer w.r.t. goods destined for India, this option to pay service tax @ 1.4% of value of imported goods is available.

In addition, Swachh Bharat Cess and Krishi Kalyan Cess will be paid accordingly [ST @1.4% of Customs value of goods, Swachh Bharat Cess and Krishi Kalyan Cess each @ 0.05% of Customs value of goods].

This shall come into effect from 22.01.2017 retrospectively.
[Notification No. 16/2017-Service Tax dated 13.04.2017 read with Circular No. 206/4/2017-Service Tax dated 13.04.2017]

Clarification for claiming abatement in case of transportation of goods in a vessel by foreign shipping lines

It is clarified that there is an exemption of 70% of value of services of transportation of goods in a vessel subject to the fulfillment of the condition that CENVAT credit on inputs and capital goods used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.

This conditional exemption has been extended for the reason that, out of the full value of such services, the exempted value of service has already suffered taxes (Central Excise) which would have been available as CENVAT credit to set off service tax on full value of service. In effect, service tax is levied on the value added only.

However, in case of foreign shipping lines, their services being exports from their home country, are zero-rated in their home country and thus have suffered no taxes. Further the foreign shipping lines do not get registered in India and do not follow the provisions of CENVAT Credit Rules.

Thus, the condition for availing exemption is not fulfilled by the foreign shipping lines. Hence, benefit of conditional exemption will not be available to them and service tax will be paid on full value of services.
[Circular No. 206/4/2017-Service Tax dated 13.04.2017]

TAX UPDATES
Indirect Tax

CENTRAL EXCISE

CENVAT Credit Amendment Rules for services by way of transportation of goods by a vessel from outside India to the customs station in India by a person located in non-taxable territory to a person located in non-taxable territory

Input service definition under Rule 2(l) of CENVAT Credit Rules, 2004 has been amended to include services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory, by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India. This is in the case where service tax is paid by the manufacturer or the provider of output service being importer of goods as the person liable for paying service tax and the said imported goods are his inputs or capital goods.

CENVAT credit of service tax paid shall be allowed after such tax is paid by the manufacturer or the provider of output service being importer of goods as the person liable for paying service tax for services provided or agreed to be provided by a person located in non-taxable territory to a person located in non-taxable territory, by way of transportation of goods by a vessel from a place outside India up to the customs station of clearance in India. A challan evidencing payment of service tax by the manufacturer or the provider of output service being importer of goods as the person liable for paying service tax as mentioned above is a valid document under Rule 9 of CENVAT Credit Rules, 2004.

This shall come into effect from 23.04.2017.
[Notification No. 10/2017-Central Excise (N.T.) dated 13.04.2017 read with Circular No. 206/4/2017-Service Tax dated 13.04.2017]

CUSTOMS

Clarification on taxability of raw materials/ capital goods supplied to the EOUs/ EPZ/ SEZ/ EHTP/ STP units from indigenous sources

It is clarified that the taxability of raw materials/ capital goods supplied to the EOUs/EPZ/SEZ/EHTP/STP units from indigenous sources, which are later transferred/ sold back to DTA except for the purpose of replacement in order to resolved the issue pertaining to procurement of certificates by the Development commissioner in this respect. Option has been given to such units to either treat such goods as 'imported goods' and pay the import duty so liable. Alternatively, the EOUs/ EPZ/ SEZ/ EHTP/ STP units would be allowed to clear the domestically procured goods upon exit and on payment of Excise Duty as per Notification No. 22/2003-CE dated 31 March 2003.
[Circular No. 13/2017 – Cus dated 10.04.2017]

Clarification on payment of fine/ penalty upon adjudication for amendment of Import General Manifest

It is clarified that the fine/penalty imposed, if any, upon adjudication for amendment of Import General Manifest ('IGM') would be payable by Shipping Line/ Agent as they are in charge of the amendment of the IGM.
[Circular No. 14/2017 – Cus dated 11.04.2017]

Clarification on license/ authorization holders to submit a proof of discharge of export obligation in order to keep issuance of Show Cause Notice in abeyance

It has been made mandatory for license/ authorization holders to submit a proof of discharge of export obligation in order to keep issuance of Show Cause Notice in abeyance. However, in cases where the licence/authorization holder fails to submit proof of their application for EODC/Redemption Certificate, extension/clubbing etc., action for recovery may be initiated by enforcement of Bond/Bank Guarantee. In cases of fraud, outright evasion, etc., field formations shall continue to take necessary action in terms of the relevant provisions.
[Circular No. 16/2017 – Cus dated 02.05.2017]

FOREIGN TRADE POLICY

Extension of period of service and rates of rewards under SEIS

The Director General of Foreign Trade vide the said Public Notice has extended the period of service and rates of rewards for under the Services Exports from India Scheme ('SEIS') notified vide Public Notice No. 3/2015-20 by 1 year to 31 March 2017.
[Public Notice No. 3/2015-2020 – FTP dated 21.04.2017]

Timeline and a roadmap for changeover to online issuances of RCMC

The DGFT vide Trade Notice no. 01/2017 has requested all Export Promotion Councils to lay down a timeline and a roadmap for changeover to online issuances of Registration Cum Membership Certificates (RCMC) keeping in pace with the Government's campaign of "Digital India".
[Trade Notice 01/2015-2020 dated 07.04.2017]

CASE LAW HIGHLIGHTS
SERVICE TAX

Refund of CENVAT credit is available for service exports from unregistered premises

Assessee is engaged in providing IT and Business Support Services and was granted the service tax registration on 23.01.2009 which was later amended on 11.07.2013. Assessee filed a refund claim for the period October 2012 to December 2012.

TAX UPDATES
Indirect Tax

Revenue partly allowed the refund claim, but rejected the balance on the ground of non-registration of the premises and secondly on account of limitation. Commissioner (Appeals) reversed the order-in-original and the same was upheld by CESTAT. Being aggrieved, Revenue filed an appeal before High Court.

High Court rejected Revenue's reliance on Notification No. 5/2006-CE (NT), Rule 5 of CENVAT Credit Rules and Rule 4 of Service Tax Rules to disentitle claim of assessee for refund of CENVAT credit. Also, observed that Notification No. 5/2006-CE (NT) which sets out the procedure for claiming refund of unutilized credit, does not bar grant of CENVAT credit even if premises are not registered and opined that correlating jurisdiction of concerned officer to whom application is to be made with location of registered premises would not obliterate the rights of exporter to claim refund.

It was also held that neither Rule 5 of CCR nor Rule 4(2) & (3) of Service Tax Rules bring to the fore any limitation w.r.t. refund of unutilized CENVAT credit qua export services merely on ground of unregistered premises. Reliance was place on High Court rulings in mPortal India Wireless Solutions (P) Ltd and Tavant Technologies, while distinguishing Sutham Nylocots decision on facts. ***[Commissioner Of Service Tax, Chennai V. Scioinspire Consulting Services (India) Pvt. Ltd. - Ts-93-hc-2017(mad)-st, Madras High Court]***

Irrespective of non-profit motive, educational trust imparting training / coaching is liable to tax

Assessee, a Trust registered under the Bombay Public Trust Act, 1950, is providing (not necessarily by charging a fee), the necessary training and coaching so as to enable the students to appear for the Indian Administrative Services and other civil services examinations. On the basis of Circular dated January 28, 2009 and based on the retrospective amendment in regard to non-levy of service tax on not-for-profit institutions, Revenue issued a letter demanding service tax from the assessee.
Assessee contended that it is an educational public trust and hence, service tax would not be leviable on its activities, at least in 2010. It also denied service tax liability on the ground that it was not charging fee mandatorily from the students; the essential criteria for charging service tax would be whether the educational institution predominantly works for profit or otherwise. In this regard, assessee relied on various decisions of CESTAT which have taken a view that institutions like assessee cannot be brought within the purview of the service tax leviable under the Finance Act, 1994. High Court upheld Constitutional validity of Explanation to Section 65(105)(zzc) of Finance Act clarifying levy of service tax to all training and coaching centres, including non-profit oriented educational public trusts by rejecting assessee's stand that retrospective amendment w.e.f. July 1, 2003 vide Finance Act 2010 violated Article 14 of Constitution inasmuch as essential criterion for charging service tax was functioning of educational institutions predominantly with profit motive.

It was also observed that purpose of Explanation was to remove any doubts with regard to nature of activity and its character, as there was confusion whether coaching & training imparted by any registered trust or society would be covered by definition of 'taxable service'. Relying on the Apex Court's ruling in Bishwanath Jhunjhunwala & Anr which stated that full effect has to be given to amended provision where language is unambiguous and clear, High Court stated, "….in matter of taxation the legislature enjoys greater freedom and latitude and it is allowed to pick and choose districts, objects, persons, methods and even rates of taxes if it does so reasonably. In this case, the legislature has indeed acted reasonably and taxed the service provided by training and coaching centre and classes" and continued "…once there is a power to make retrospective amendment and of the above nature, then, one cannot pick one or two words from the explanation and read them in isolation. The explanation would have to be read as a whole." and points out that there are inbuilt safeguards and checks on the power to recover service tax. ***[Chanakya Mandal V. Union Of India And Others - Ts-107-hc-2017(bom)-st, Bombay High Court]***

CENTRAL EXCISE

Supreme Court dismisses review of applicability of 'unjust enrichment' principle to refunds pursuant to discounts

Assessee is a manufacturer of cutting tools and had filed a refund claim towards excise duty paid on various taxes and discounts such as turnover tax, surcharge, additional sales discounts, transitory insurance, excise discounts, additional discounts and turnover discounts. The claim of the Assessee was that the said amount was deductable from the excise duty. The Department was of the opinion that the refund towards turnover discount and additional discount was to be rejected as the Assessee was not eligible for deduction from the wholesale price for determination of value under Section 4 of the Central Excises & Salt Act, 1944.

Supreme Court dismissed the review petitions against 3-Judge Bench order which ruled on entitlement of excise duty refund pursuant to year end turnover discounts and additional discounts offered by manufacturer to dealers by way of credit notes. Bench had rejected Revenue's stand that any credit note that is raised post clearance will not be taken into account for purpose of refund by referring to decision in Bombay Tyre International.

TAX UPDATES
Indirect Tax

Supreme Court noted assessee's submission that turnover discount is known to the dealer even at the time of clearance and held that assessee would be entitled to file refund claim on the basis of credit notes raised by him towards such discount. However, as regards applicability of unjust enrichment principle, Supreme Court rejected Madras HC's interpretation of Section 11-B of Central Excise Act and observed that, "The sine qua non for a claim for refund as contemplated in Section 11-B of the Act is that the claimant has to establish that the amount of duty of excise in relation to which such refund is claimed was paid by him and that the incidence of such duty has not been passed on by him to any other person"
[Commissioner Of Central Excise, Madras V. Addison & Co. Ltd. - Ts-101-sc-2017-exc]

Assessee cannot approach Settlement Commission after adjudication, irrespective of order receipt date

Assessee, Concrete Constructions, is engaged in the business of construction. Revenue issued show cause notice, demanding service tax, interest and penalty for the period from October 2010 to March 2015. Thereupon, assessee paid certain amounts before and also after receipt of the show cause notice. The assessee also submitted its reply to show cause notice and appeared for personal hearing. Thereafter, it decided to go before the Settlement Commission by invoking the provisions of Section 32E of Central Excise Act, and hence, sent a letter requesting the Revenue to defer the adjudication to enable it to approach the Settlement Commission. To prove its bona fides, the assessee also paid interest component. However, assessee was served with an adjudication order confirming the demand for payment of service tax, followed by attempts to take coercive steps. Therefore, contending that its right to approach the Settlement Commission u/s 32E had been destroyed by the impugned order, assessee filed writ petition before the High Court.

High Court held that assessee does not have right to approach Settlement Commission u/s 32E of Central Excise Act after adjudication order has been passed, irrespective of when the order has been received by assessee and noted the principle of serving / communicating the order passed by an administrative or quasi-judicial authority to the assessee as laid down in Section 37C and provisions enabling assessee to appeal before Commissioner (Appeals), Appellate Tribunal and High Court.

However, remarks that Section 32E is in contrast to aforesaid provisions since the statute uses the expression "before adjudication", thus making right to approach the Settlement Commission completely different than the right to appeal against an adjudication order. Referring to the amendment brought about to Section 32E vide Amendment Act 22 of 2007, High Court stated that first proviso to Section 32E(1) even before amendment, made it clear that no application can be entertained by the Settlement Commission in cases which were pending with the Appellate Tribunal or any Court and the same prescription has been retained under the third proviso to Section 32E(1) post amendment.
[Concrete Constructions V. Union Of India & Ors - Ts-108-hc-2017(tel & Ap)-exc, Telangana & Andhra Pradesh High Court]

CUSTOMS

Provisions of section 114 will stand automatically attracted on the custodian in the event of violations by way of omission and commission of the acts stated therein

M/s Sanco Trans Limited ('Appellant' or 'Sanco') is a Container Freight Station (CFS) and a custodian of goods for the purpose of import and export in terms of Section 45 of the Customs Act 1962. A show cause notice was issued by the Directorate of Revenue Intelligence (DRI) pursuant to the seizure of red sanders logs, which are prohibited goodsand were falsely declared as natural granite chips. In response the appellant denied any involvement in the transaction. The defence taken was to the effect that the goods originally packed in the container, natural granite chips, were substituted clandestinely and without the knowledge of the appellant at the time of transportation to the port for export. According to the appellant, transportation was the domain of custom house agent and not the custodian.
Reliance was placed on the circular 57/98 dated 4 August 1998 where the roles and responsibilities were clearly mentioned. It is made incumbent on the CFS/custodian to assume responsibility, not merely for duty liability on loss/pilferage of goods under transportation, but for the goods itself. This will include loss of the original goods by substitution which has happened under the watch of the CFS.
High Court held that Custody is a dynamic process commencing with the receipt of cargo, movement of goods by the custodian and concluding with the presentation of shipping documents by the representative of the custodian at the gateway ports/airports and including all events in between. Any attempt to dilute the responsibility of the custodian in this sequence would clearly be contrary to the apparent intention. The custodian is a link in the chain of events relating to the movement of goods in the course of import and export, thus being responsible for all aspects of a transaction within the contours of circular 57/98 dated04 August 1998/. As a consequence the provisions of Section 114 will stand automatically attracted in the event of violations by way of omission and commission of the acts stated therein. Accordingly, the appeal was dismissed.
[Sanco Trans Ltd. V. Commissioner Of Customs, Chennai - Ts-91-hc-2017(mad)-cust, Madras High Court]

Contact Us

For any content related queries, you may please write to the respective service line experts at:
accountingadvisory@bdo.in
taxadvisory@bdo.in
transactiontax@bdo.in

For any other queries, kindly write to:
marketing@bdo.in

BDO Offices

Bengaluru
Floor 6, No. 5, Prestige Khoday Tower
Raj Bhavan Road,
Bengaluru 560001, INDIA
Tel: +91 80 4656 1300

Chennai – Office 1
117/54, Floor 2, Citadel Building
Dr Radha Krishnan Salai, Mylapore
Chennai 600 004, INDIA
Tel: + 91 44 3001 0200

Chennai – Office 2
Floor 1, Tower C, Tek Meadows
No. 51, Sholinganallur
Chennai 600119, INDIA
Tel: +91 44 3001 0200

Hyderabad
Manbhum Jade Towers, II Floor
6-3-1090/A/12 & 13
Somajiguda, Hyderabad 500082, INDIA
Tel: +91 40 3024 2999

Kolkata
Floor 4, Duckback House
41, Shakespeare Sarani
Kolkata 700017, INDIA
Tel: +91 33 4600 3505

Mumbai - Office 1
The Ruby, Level 9, North West Wing
Senapati Bapat Marg, Dadar (W)
Mumbai – 400028, INDIA
Tel: +91 22 3332 1600

Mumbai - Office 2
Floor 2, Enterprise Centre
Nehru Road,
Near Domestic Airport, Vile Parle (E)
Mumbai – 400099, INDIA
Tel: +91 22 3358 9700

New Delhi - Gurgaon
The Palm Springs Plaza
Office No. 1501-08, Sector-54,
Golf Course Road,
Gurgaon-122001, INDIA
Tel: +91 124 281 9000

Pune
Floor 6, Building # 1
Cerebrum IT Park, Kalyani Nagar
Pune 411014, INDIA
Tel: +91 20 3006 4700

Visit us at www.bdo.in