GM Corporate Solutions

Financial & Strategic Advisors

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Foreword

Global M&A and Private Investment Snapshot

The global M&A volume and value witnessed a second consecutive annual decline in 2017, as the deal value came down to USD 4.7 trillion across 96,082 deals in 2017 as compared to USD 4.9 trillion across 104,559 deals in 2016 representing an 8% drop in deal volume and 3% in deal value over the same timeframe.

Despite the decline in global M&A, a more positive trend was recorded in terms of private equity and venture capital investment. Although volume saw a decline on year-on-year, value hit its highest level in ten years recording 23,103 deals worth USD 753 billion during 2017, compared to the USD 588 billion invested across 23,947 deals in 2016.

India M&A and Private Investments Snapshot

Year 2017 turned out to be a successful year for M&A activity in India with deal values increasing by 53.3% to USD 77.6 billion, compared with USD 50.6 billion in 2016. Alongside, deal volumes escalated by 2.5% to 614 deals in 2017 as compared to 599 deals in previous year.

The top five M&A deals accounted for 57% share, registering USD 44.3 billion in value. Sector-wise, communication sector witnessed 42.7% of the total deal activity worth USD 33.17 billion, followed by the energy, industrial and financial services sector.

Further the private equity sector has seen vigorous growth in 2017 as India received a record USD 24.4 billion investment in 2017, 26% more than the previous highest USD 19.3 billion recorded in 2015. Despite decline of 23% in volume, year witnessed a nearly 50% increase in deal value over 2016, which saw USD 16.5 billion invested across 829 deals.

The year witnessed a number of big-ticket deals with Japanese and Chinese investors at the forefront and is expected to persist in 2018.

Snapshot of Key Updates in India

On regulatory front, one of the major reforms brought by RBI is to discontinue the practice of issuance of LoUs/LoCs for trade credits for imports into India. This would only be routed through Letter of Credit or Bank guarantee now onwards. Also, regulations for cross border merger have now been notified by allowing an Indian company to merge with foreign company.

MCA through 'The Companies (Amendment) Bill, 2017' has made prominent changes in the definitions and various key provisions of the Companies Act. Further, basis the request of wide base of directors, MCA has extended the timeline for Condonation of Delay Scheme, providing a final opportunity to directors to regularize compliances before 30th April 2018.

On taxation front, MAT provisions for companies under going corporate insolvency resolution has been relaxed. CBDT has issued an instruction to conduct e-assessment for time-barring scrutiny cases and has also constituted a task force for drafting new direct tax legislation.

On GST front, continuous modifications are being introduced basis the decisions taken in GST council meetings which were held frequently to resolve the issues faced by taxpayers. Various relaxations have been provided to taxpayers in return filing, reduction in late filing fees, suspension of reverse charge mechanism etc. Also, roll out of E-way bill was further deferred due to the technical glitches faced by the taxpayers which became effective from April 1, 2018.

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"This newsletter aims to capture the key M&A and Private Investment deals from October 2017 to March 2018 and present a brief summary of important tax and regulatory changes. We hope that you find this an interesting read"

M&A Trends in India

The first quarter of 2018 witnessed 118 M&A deals worth USD 18.5 billion as compared to 105 deals worth USD 27.5 billion over the same period last year.

Domestic M&A witnessed a massive 5.3 times increase, year-on-year basis. Cross-border deal activity also bounced back in this quarter with 85% increase in the deal values compared to January-March 2018.

Sector-wise - telecom, real estate, energy, oil and gas dominated the investments.

Some of the key deals of Q4 2017 and Q1 2018 were:

Adani Transmissions Ltd, transmission business arm of the Indian business conglomerate - Adani Group, has signed a definitive binding agreement to acquire the Mumbai power business of Reliance Infrastructure Ltd for USD 1.9 billion.

US based American Tower Corporation (ATC) has agreed to acquire standalone telecom tower business of Kumar Mangalam Birla led Idea Cellular and Vodafone Plc.'s Indian unit Vodafone India for USD 1.2 billion.

Ahmedabad headquatered drugmaker, Torrent Pharmaceuticals has marked its 5th acquisition in 4 years, acquiring the branded formulation business of Unichem Laboratories in India and Nepal, including its Sikkim manufacturing facility, on a going concern basis for USD 558 million.

Mumbai based pharmaceutical company, Lupin Ltd, in order to expand its women's healthcare portfolio, has acquired US based drugmaker Symbiomix Therapeutics LLC in an all cash deal for USD 150 million.

Bangalore headquatered IT services firm Wipro Ltd, has signed a definitive agreement to sell its hosted data centre services business, transferring 8 data centres and over 900 employees, to US-based IT services provider Ensono Holdings for USD 405 million.

Indian multinational oil and gas company, Oil and Natural Gas Corp (ONGC) has entered into an agreement to acquire government's majority stake (51.11%) in state-refiner Hindustan Petroleum Corp for USD 5.78 billion. The deal being a related party transaction, has been carried out at arm's length price.

Mumbai headquartered Indian banking company, IDFC Bank and non-bank financial firm, Capital First Ltd have agreed to merge in in an all share swap deal valued at USD 1.5 billion. The deal is subject to approvals from RBI and SEBI.

Singapore Telecommunications (Singtel) has invested USD 413 million in debt laden Bharti Telecom Ltd, increasing its total stake (including stake of its affiliates) in the holding company of Bharti Airtel Ltd to 48.90% from 47.17%.

Kishore Biyani-led Future Retail Ltd, which already owns Big Bazaar, Easyday, Nilgiris and Heritage stores, has agreed to acquire a supermarket chain- Hypercity Retail (India) Ltd, owned by K Raheja Corp, for USD 100 million.

Private Investment Trends in India

Despite, 2017 being a record-breaking year for PE activity in India, final quarter of 2017 saw decline in investment value by 14% as compared to the previous quarter, aggregating to USD 5.7 billion across 153 deals. Financial services contributed nearly one-third of investment, attributing to Axis Bank's capital raise from Bain.

The trend continued in 2018 as PE witnessed deals worth USD 3.7 billion across 133 deals during the quarter ended March 2018 indicating 49% decline compared to the USD 7.3 billion across 200 transactions in the same period last year. In terms of big ticket deals, this quarter witnessed only 9 PE deals worth approx. USD 100 million as compared to 13 in the same period last year.

Sector-wise - financial services and information technology were marking sectors in field of investments.

Some of the key deals of Q4, 2017 and Q1, 2018 were:

Private sector lender Axis Bank has raised USD 1.8 billion from a consortium of investors, led by US-based global alternative investment firm Bain Capital, along with Life Insurance Corporation and Capital Group

India's one of the largest cab aggregator, OLA, has raised USD 1.1 billion from its existing Japanese investor, SoftBank Group Corp. and new China based investor, Tencent Holdings Ltd leading the funding round along with a few new US based investors.

New York based private equity firm Warburg Pincus, through its Indian affiliate has agreed to acquire 20% stake in Bharti Telemedia Ltd, DTH television arm of Bharti Airtel Ltd, for USD 350 million.

India's largest edible oil maker Ruchi Soya Industries, in order to reduce its debts, has agreed to divest its 51% stake in the company along with its entire branded oil distribution business to private equity firm Devonshire Capital for USD 620 million. The transaction is subject to approvals from creditors, SEBI and NCLT.

Private equity firm Everstone Capital has agreed to acquire Kenstar, Videocon group's home appliances brand, from Century Appliances Ltd, an associate of the Videocon Group. The comapany did not reveal the deal size; However media pegged the transaction at USD 200 million.

SuperMarket Grocery Supplies Pvt Ltd owned, Bangalore based online grocery and food proucts provider, Big Basket has raised USD 300 million in series E round of funding, led by Chinese conglomerate Alibaba Group Holding Ltd and participated by Sands Capital, International Finance Corp. and Dubai-based PEinvestor Abraaj Capital.

EtechAces Marketing and Consulting Pvt. Ltd owned, online insurance policy aggregator Policybazaar has raised USD 75 million from existing investors including Tiger Global Management, PremjiInvest & Temasek along with new investors led by Wellington Management, IDG Ventures India and True North.

Alternative investments manager The Xander Group Inc. has sold its stake in Pune's International Convention Centre, a project of Panchshil Realty, to private equity major Blackstone Group for USD 168 millon.

Online food delivery startup Swiggy.com, run by Bangalore based Bundl Technologies Pvt. Ltd, has raised USD 100 million in its largest funding round, led by existing South Africa based investor Naspers and followed by a new China based e-commerce investor Meituan-Dianping.

Gulf state's royal owned NPO, Qatar Foundation Endowment via its affiliate Three Pilars Pte, has divested its entire 5% stake in New Delhi based telecommunication company Bharti Airtel, for USD 1.48 billion in a secondary market transaction.

Gurugram based, food ordering and restaurant discovery platform Zomato Media Pvt. Ltd has raised USD 200 million from Ant Small and Micro Financial Services Group, payment affiliate of Chinese e-commerce giant Alibaba, valuing the company at about USD 1.1 billion.

Key Regulatory Updates

FEMA & FDI

- **Discontinuation of LoUs and LoCs for Trade Credits**
  RBI has issued a notification effective from March 13, 2018 to discontinue the practice of issuance of LoUs / LoCs for trade credits for imports into India by AD banks. This is part of a series of moves from RBI after Nirav Modi's scam came to light. Now, for trade credits for import, everything will be routed through Letter of Credit or Bank guarantee only.

- **Relief for MSME borrowers registered under GST**
  At present, banks and NBFCs generally classify a loan account as non-performing asset (NPA) based on 90-days and 120-days delinquency norms respectively.

  The RBI has given a temporary loan-repayment breather to GST registered MSMEs, whose cash flows were affected due to implementation of GST subject to certain conditions.

- **Rationalisation of MDR for Debit card transactions**
  In order to boost digital transactions, RBI has reduced MDR for debit card transactions (a fee vendor accepting your card for payment has to pay to bank) effective from January 1, 2018.

- **Final notification of Cross Border Merger regulations by RBI**
  The draft regulations for cross border merger as issued by RBI in April 2017, has now finally been notified on March 20, 2018 as Foreign Exchange Management (Cross Border Merger) Regulations, 2018.

  It consists of definitions, Inbound merger regulations, Outbound merger regulations, valuation norms, reporting requirements, compliance and certification requirements. These regulations would now enable active evaluation of cross border merger. Any transaction, on account of a cross border merger, undertaken in compliance with these Regulations shall be considered to have deemed approval of RBI subject to obtaining other applicable regulatory approvals as provided under the Act.

- **RBI Mandates Legal Entity Identifier (LEI) Code for Large Corporate Borrowers**
  In order to help banks effectively monitor total exposure of large corporate borrowers and to prevent advancement of multiple loans against same collateral, RBI has directed banks, to make it mandatory to obtain a 20-digit unique global reference number i.e. LEI code, in order to renew or enhance their credit facilities.

  In India, code may be obtained from Legal Entity Identifier India Ltd, a subsidiary of Clearing Corporation of India Limited (CCIL). Timelines have been defined basis the credit exposure for borrowers to obtain LEI code in India.

- **NBFC - Peer to Peer Lending Platform (Reserve Bank) Directions, 2017**
  RBI w.e.f Oct 4, 2017 has issued directions wherein a wide scope of activities, norms and guidelines, for NBFCs operating in peer to peer landing, has been specified by RBI along with applicable prudential norms wherein limits, timelines and compliance requirements have been mentioned.

  The RBI directives are a boost towards creating a differentiated and viable lending model in India.

Key Regulatory Updates

Companies Law Updates

- **The Companies (Amendment) Bill, 2017**
  The Companies (Amendment) Bill, 2017, passed by Lok Sabha and Rajya Sabha in 2017 respectively, has now been assented by President of India on January 3, 2018. Some prominent changes have been made in definitions and various provisions of CA, 2013. Following are the key takeaways from this amendment bill:

Incorporation of a Company: Changes in Provisions of CA, 2013

- The time limit to reserve the proposed name of the company with ROC has been reduced to 20 days (in case of new entity) and 60 days (in case of existing company) from the date of approval of proposed name, in place of 60 days from the date of placing the application.
- Persons, who are proposed to be appointed as the first directors, are now just required to submit a declaration in place of a notarized affidavit as per earlier provisions.
- The time period for intimation to ROC on setting up of a new registered office (in case of newly incorporate company) or shift of registered office (in case of an existing company) has been increased to 30 days from 15 days.
- It has now been clarified that a period of 182 days for determining the residency status of a director shall be computed on the basis of a financial year (currently it is based on previous calendar year). In case of new companies, a period of 182 days shall be calculated proportionately at the end of financial year in which it is incorporated.

Meetings of shareholders

- An unlisted company can now hold its AGM anywhere in India, if consent is given in writing or by electronic mode by all the members in advance. Requirement to hold AGM at registered office or in the city of registered office of the company has been dispensed with.
- Wholly owned subsidiary (WOS) of a company incorporated outside India can, now, hold its EGM at any place outside India. However, companies other than WOS of a company incorporated outside India, must hold EGM in India.
- An auditor once appointed for the permissible period, is now not required to be ratified in each and every AGM by the members as this provision of ratification was defeating the purpose of giving 5 years term to the auditor.

Issue of securities

- Proceeds received under private placement of securities shall not be utilized until return of allotment is filed with MCA. Hence, share application money can no longer be utilized as a source of meeting their short-term capital needs.
- Return of allotment has to be filed within 15 days in place of 30 days.
- In case of private placement of securities, an offer of shares cannot be renounced by the person to whom the offer is made.
- Companies can now issue shares at a discount to its creditors when its debt is converted into equity in pursuance to any statutory resolution plan or debt restructuring scheme in accordance with the RBI guidelines.
- The restriction of not issuing sweat equity shares until the completion of one year from the commencement has now been removed.

Changes in Key Definitions
Financial Year-
The relaxation to follow a different period as FY is now extended from holding and subsidiary of a company incorporated outside India to an associate also.

Associate Company-
Significant influence now means control of at least 20% of total voting power (rather than 20% of share capital), or control of or participation in business decision under an agreement.

Net Worth-
Amended to include "the debit or credit balance of profit and loss account in the calculation of net worth.

Prospectus: Information to be stated
Instead of detailed list of contents of the Prospectus, a company is required to state such information and set out such reports on financial information as may be specified by SEBI in consultation with the Central Government.

Companies Law Updates - Continued

Prohibition on acceptance of deposits from public
Limit for maintenance of "Deposit Repayment Reserve" against public deposits, in a scheduled bank, has been increased to 20% of deposit amounts maturing during following FY, in place of 15% of amounts maturing during current and following FY.

Return to be filed with Registrar in case Promoters' stake changes
Requirement to file a return in online form by a listed company to report changes in promoters' and top ten shareholders' stake with registrar, has been dispensed with.

Place of keeping registers, returns, etc.
MCA has removed the requirement of filing a special resolution in advance to ROC for keeping register/returns of the company, at a place other than registered office in India.

Postal Ballot
The items required to be passed mandatorily by postal ballot may now be transacted at a general meeting where the facility of electronic voting is provided by the company. It has been done to enable the maximum shareholders to participate in the meeting and discussions and vote electronically.

Corporate Social Responsibility
- For the purpose of constituting CSR committee and incurring expenditure towards CSR is to be calculated based on immediately preceding FY. Currently it is decided based on preceding 3 FYs.
- Further, a company can form a CSR Committee with 2 or more directors (currently - 3 or more including independent director), provided company is not required to appoint an independent director.

CG proposes to use PAN or Aadhar as DIN
It has been proposed to empower CG to recognise any other universally accepted identification number to be treated as director identification number. It is expected that PAN or Aadhar would be notified in to be used in place of DIN.

- **Companies (Incorporation) Amendment Rules 2018: Key Highlights**
  Certain rules have been amended with effect from 26th Jan 2018, stated as follows -
  - Name application can now be made without DSC requirement. However, only one name can be applied for at a time.
  - Zero incorporation fees - To foster and promote new start-ups and businesses, MCA has announced zero fees of incorporation for forms to be filed at the time of incorporation. This will enable saving of a few thousand rupees, thereby encouraging more start-ups to formally register as a company. Stamp duty will still be applicable at a rate depending upon the state of incorporation.
  - In addition to above mentioned, there are several changes in form to be filed and compliances to be done.

- **Condonation of Delay Scheme 2018 (CoDS)**
  MCA introduced CoDS to provide a final opportunity for defaulting companies (other than the companies which have been stuck off / whose names have been removed from the register of companies) and directors to regularize compliances before 31st March, 2018.

  Recently, validity of this scheme has been extended to April 2018. Key highlights are –
  - DIN would be automatically activated during the validity of the scheme to file the overdue documents by paying statutory fee and additional fee.
  - Shall file relevant forms to seek condonation of delay by paying INR 30,000
  - In case overdue documents are not filed then DIN of directors shall stand deactivated along with disqualification from the directorship as per CA, 2013 for a period of 5 years

  In case of a struck off company, aggrieved director can approach NCLT for restoration of the name of the company.

Key Tax Updates

Direct Tax Key Updates

- **Conduct of assessment proceedings under e-filing option for time-barring scrutiny cases**
  The CBDT issued an instruction covering various aspects of conducting scrutiny assessments electronically in cases getting time-barred in FY 2017-18. The e-assessments will be conducted using ITBA, an integrated platform to conduct various tax proceedings electronically through e-filing option and it is a part of IT department's digital transformation.

- **Application for registration of charitable or religious trusts etc.**
  Rule 17A has been substituted by the Income-tax (First Amendment) Rules, 2018, w.e.f. 19-2-2018. New rules have simplified the documentation to be submitted by shifting it on online e-filing portal. The form needs to be verified by the auditor verifying the income tax return.

- **Constitution of Task Force for drafting a new direct tax legislation**
  CBDT has constituted a Task force for reviewing the Act and to draft a new direct tax law in consonance with economic needs of the country. Task force will be drafting an appropriate direct tax legislation keeping in view -
  - the direct tax systems prevalent in various countries
  - international best practices
  - economic needs of the country
  - any other matter connected

  Task force has to submit its report to CBDT in every six months.

- **Relaxation in MAT provisions for companies under going corporate insolvency resolution**
  CBDT has notified that with effect from AY 2018-19, in case of a company, against whom an application for corporate insolvency resolution process has been admitted, the amount of total loss brought forward (including unabsorbed depreciation) shall be allowed to be reduced from the book profits for the purpose of levy of MAT under 115JB of Act.

- **Transfer Pricing Ruling: Bundled benchmarking is neither automatic nor mandate of law**
  Recently in case of DCIT vs Landis + Gyr Limited, Kolkata Tribunal held that in case of Transfer Pricing, transaction by transaction analysis to be considered. A relief has been given to assessee to use segmental profitability statement to determine the arm's length price. Earlier approach of using bundled benchmarking has been ruled out by this judgment. The transaction should be bundled and benchmarked only when they could not be segregated and benchmarked independently.

- **Extension of deadline for linking Aadhaar**
  The deadline for linking with bank accounts and mobile numbers has been extended indefinitely, till the five-judge constitution bench delivers its judgment on petitions challenging the validity of biometric scheme and the enabling laws.

  The extension has been given as the government wanted to avoid any inconvenience and to ensure that genuine beneficiaries who do not have an Aadhaar number are not denied benefits for the lack of the biometric identifier.

Finance Act 2018 – Key Takeaways

Stated below few prominent amendments proposed in Budget 2018 -

- **Individuals**
  - Existing education cess and higher education cess (3%) has been replaced by a new Health and Education cess of 4%
  - Standard deduction of INR 40,000 p.a. has been made available to salaries taxpayers in lieu of existing exemptions of transport allowance (INR 1600 per month) and reimbursement of medical allowance (INR 1,250 per month), providing a net benefit of INR 5,800.
  - Deduction limit under section 80TTA for savings interest earned from banks / post offices / co-operative societies has been increased to INR 50,000 (earlier INR 10,000). Threshold for TDS has also been increased accordingly to INR 50,000 per annum.
- **Charitable Trust**
  - No deduction allowed to charitable trust and other instructions in respect of any transaction undertaken in cash for an amount exceeding INR 10,000 per person per day.
- **Start-ups**
  - The benefit of incorporation for eligible start-ups has been extended from 1st April 2019 to 1st April, 2021;
  - The requirement of the Turnover being less than or equal to INR 25 Crores applicable to 7 previous years commencing from the date of incorporation.
  - The definition of eligible business has been expanded to provide the benefit to entities engaged in innovation, development or improvement of products or processes or services, or a scalable business model with a high potential of employment generation or wealth creation
- **Corporates**
  - Domestic companies having total turnover / gross receipts not exceeding INR 250 crores during FY 2016-17 to be taxed at 25%. The total turnover / gross receipts to be calculated on the basis of income earned from specific business activities and not any other income
  - Taxability of deemed dividend in case of loans and advances, shifted from recipient to distributing domestic company and made subject to DDT
- **Capital gains**
  - Benefit of capital gains under section 54EC has now been restricted to only Land, Building or both. Also, the period of lock-in for specified bonds has been increased to 5 years from 3 years.
  - LTCG in excess of INR 1 lakh from transfer of equity shares or equity oriented mutual funds to be taxed at 10% without indexation benefit.

Key Tax Updates

Indirect Taxes Key Update

Goods and Services Tax (GST) –
Till date, GST council has conducted 26 council meetings to ensure smooth application of new tax regime. In a period of previous 6 months, various clarifications and decisions have been taken. Below are few key highlights of such changes:

- **GST on advances received for supply of goods**
  The relaxation has been extended to all tax payers, except persons opting for composition scheme, for payment of GST on receipt of advance towards supply of goods. However, this relaxation is not applicable in case advance received for supply of services. Post this notification, time of supply for goods would be the date of invoice or due date by when invoice needs to be issued.

- **Changes in Composition scheme**
  - Aggregate turnover limit for person opting to pay tax under composition scheme has been enhanced to INR 1.5 crores from INR 1 crores (further recommended to be increased to INR 2 crores).
  - GST rate for manufacturers and restaurants has been reduced to 1% from 2% and 5% respectively.
  - Further, traders opting to pay tax under composition scheme would now have to pay the tax at 1% on their turnover of taxable supplies and not on total turnover (i.e excluding turnover from exempt supplies).
  - Those supplying services with or without goods (services not exceeding INR 500,000 in total) are now eligible to get registered under composition scheme, providing the benefit of this scheme to small service providers.

- **Relief for service providers making inter-state supplies under GST**
  A person making inter-state supplies and having an aggregate turnover (all over India) not exceeding INR 20lacs (INR 10lacs in special category states except J&K) are now exempted from obtaining GST registration. This notification is effective from 13th October 2017. One can opt to surrender his registration after complying with all GST requirements.

- **Cancellation of registration**
  A relaxation has been given to those who obtained voluntary registration. Now they are permitted to apply for cancellation of registration even before expiry of one year effective from date of registration.

- **Relaxation in GSTR Compliance**
  - **Relaxation in Filing:** Taxpayers with annual aggregate turnover up to INR 1.5 crores are now required to file GSTR-1, return for outward supplies, on quarterly basis instead of monthly filings. Whereas the provision remains same for other taxpayers.

  - **Reduction in late filing fees:** Fee for late filing of GST returns have been reduced as-

Particulars	Earlier Fee	Revised Fee
Normal Return (having outward supplies) (GSTR-1, GSTR-3B, GSTR-4, GSTR-5, GSTR-5A)	INR 200 per day	INR 50 per day
Nil Return (having no outward supplies) (GSTR-1, GSTR-3B, GSTR-4, GSTR-5, GSTR-5A)	INR 200 per day	INR 20 per day

  - **Extended Timeline for return filing:** No decision has been made on introducing GST returns and the present system of filing of GSTR-3B and GSTR-1 to continue till June 2018 till the new return system is put in place.

- **Self Service Portal for GST**
  GoI has launched a new self-help portal named as "Grievance Redressal Portal" (https://selfservice.gstsystem.in/) enabling taxpayers and other stakeholders to lodge their complaints. With the introduction of this new portal, taxpayers can raise tickets and check status of their queries, eliminating the requirement of mailing the queries on helpdesk@gst.gov.in, which was created by the CBEC for addressing GST-related queries.

Key Tax Updates

Indirect Taxes Key Updates – Continued

- **Reverse Charge Mechanism**
  The concept of Reverse charge mechanism (RCM) (i.e. payment of taxes by recipient in case of procurement from unregistered person) has been further suspended till 30th June 2018. Earlier it was suspended until 31 March 2018.

- **Extension of Various Benefits for Importers & Exporters**
  The GST Council has extended few reliefs to exporters in terms of reduction in tax rates, exemption / concession on procurement of goods for exports and release of refunds.

- **Release of refunds**
  - Refunds of IGST paid on exports outside India have been initiated from 10th Oct 2017 for exports made in July 2017 and from 18th Oct 2017 for exports made in August 2017.
  - Refunds of IGST paid on supplies made to SEZ and input taxes on exports under bond / LUT have been processed from 18th Oct, 2017.
  - GoI is considering to introduce the system of e-wallet for exporters, where such e-wallet would be credited with a notional amount as if was an advance refund. Such amount can be used to pay taxes and actual refunds would be adjusted from such e-wallet. This scheme was expected to be in effective from April 1, 2018 but now it has been postponed to October 1, 2018

- **Exemption / concession on procurement of goods for exports**
  - To prevent cash blockage of exporters due to upfront payment of GST inputs, the council has recommended to extend the following provisions till Oct 2018 (earlier it was extended till March 2018) -
  - Merchants exporters are required to pay GST @ 0.1% for procuring goods from domestic supplier for exports.
  - Domestic procurement made under Advance Authorization, EPCG and EOU schemes were recognized as 'deemed exports' with flexibility for either the suppliers or the exporters being able to claim a refund of GST / IGST paid thereon.

- **E-way Bill**
  Electronic Way Bill is a mechanism wherein a document needs to be generated before the movement of goods. It is generated by uploading the relevant information prior to movement of goods on GST portal and a unique e-way bill number (EBN) is allocated and made available to supplier, receiver and transporter. Stated below are some relevant provisions -

  - Threshold limit is INR 50,000 for a single document or aggregate of all documents. Document means Tax invoice / delivery challan / bill of supply
  - In case of supply by an unregistered person to a registered person, receiver is entitled to generate e-way bill. In case, it is not generated by supplier or receiver, then transporters carrying goods by road, air, rail, etc. need to generate e-way bill.
  - It is valid for a day, in case of less than 100 Kms. An additional day's validity is extended for every 100 Kms or part thereof.

  After being rolled out on February 1, 2018 with much of media attention, E-way bill faced the same online technical glitches as was faced in case of return filings on GST portal, resulting in deferment of the implementation of this bill. It has now been implemented from 1st April 2018 for inter-state and from 15th April 2018 for intra-state. Intra-state is yet to be rolled out in a phased manner for different states once notified by CBEC.

Glossary

Abbreviation	Description
AD	Authorized Dealer
AGM	Annual General Meeting
CA, 2013	Companies Act, 2013
CGST	Central Goods & Services Tax
CSR	Corporate Social Responsibility
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
DSC	Digital Signature Certificate
DIN	Director's Identification Number
EGM	Extra ordinary General Meeting
EPCG	Export Promotion Capital Goods
EVC	Electronic Verification Code
EOU	Export Oriented Units
FY	Indian Financial Year
GST	Goods & Services Tax
GoI	Government of India
IGST	Integrated Goods & Services Tax

Abbreviation	Description
ITBA	Income Tax Business Application
INR	Indian National Rupees
k	Thousand
LoU	Letter of Undertaking
LoC	Letter of Credit
MCA	Ministry of Corporate Affairs
MDR	Merchant Discount Rate
MAT	Minimum Alternative Tax
NBFC	Non-Banking Financial Corporation
NCLT	National Company Law Tribunal
PAN	Permanent Account Number
PE	Private Equity (for investments)
RBI	Reserve Bank of India
ROC	Registrar of Companies
SGST	State Goods & Services Tax
SEZ	Special Economic Zone

Disclaimer:

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