

November 2015

Market Watch

Sensex

31.10.2015 : **26658.83**

30.09.2015 : **26154.83**

Nifty

31.10.2015 : **8065.80**

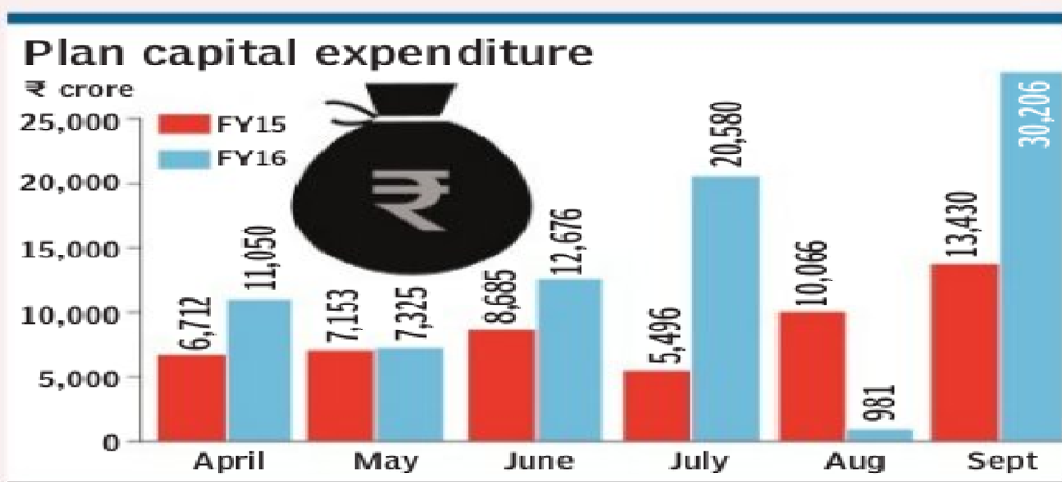
30.09.2015 : **7948.90**

Fiscal Deficit is 68.1 % during April 2015 - September 2015

Fiscal deficit in the first half of the current fiscal stood at Rs 3.78 Lakh Crore, or 68.1 per cent, of the Budget estimate (BE) for the whole year. The fiscal situation in April-September showed improvement over the year ago as the deficit then stood at 82.6 per cent of the Budget estimate of 2014-15. As per the data released by the Controller General of Accounts, tax revenue came in at Rs 3.69 Lakh Crore, or 40.2 per cent, of the full year BE of Rs 9,19,842 Crore. Total receipts from revenue and non-debt capital of the government during the first six months of Rs 5.31 lakh crore. The government estimates Rs 12.21 lakh crore receipts at end-March 2016. The government's Plan expenditure during the period was Rs 2, 53,816 cores, 54.6 per cent of the full-year BE. The non-Plan expenditure during April-September of 2015-16 was Rs 6.56 lakh crore, or about 50 per cent of the whole-year estimate. The total expenditure (Plan and non-Plan) was Rs 9.10 lakh crore as against the government's estimate for the current fiscal at Rs 17.77 Lakh Crore.

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Government to issue Gold Bonds for Public Subscription from 05 November 2015 to 20 November 2015

Finance ministry said Sovereign Gold Bonds will offer an interest rate of 2.75% and open for subscription November 5-20. "The bonds will be issued on November 26 2015; the bonds will be sold through banks and designated post offices" The tenor of the Bond will be for a period of 8 years with exit option from 5th year to be exercised on the interest payment dates.

Minimum permissible investment will be 2 grams and maximum will be 500 grams having 999 purity i.e. 23.976 carat . In case of joint holding, the investment limit of 500 grams will be applied to the first applicant only. Payment for the Bonds will be through electronic funds transfer/cash payment/cheque/demand draft. The investors will be issued a Stock/Holding Certificate.

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Compliance Due Dates

Due Date	Related to	Particulars
06.11.2015 (Friday)	SERVICE TAX	Deposit Service Tax for the month of October 2015 for Company Assesses .
07.11.2015 (Saturday)	TDS/TCS (Income Tax)	Deposit TDS/TCS for deductions/collections made during the month of October 2015.
15.11.2015 (Sunday)	EPF	Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of October 2015.
15.11.2015 (Sunday)	DVAT	Deposit tax deducted at source under DVAT Act for the month of October 2015
15.11.2015 (Sunday)	TDS/TCS (Income Tax)	Issue Quarterly TDS / TCS Certificate for the Quarter ending September 30, 2015 by downloading from TRACES
16.11.2015 (Monday)	DVAT	File Online D-VAT Return 2nd Quarter (extended from October 28, 2015).
21.11.2015 (Saturday)	ESI	Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of October 2015.
21.11.2015 (Saturday)	DVAT	Deposit DVAT and CST for the month ended October 2015.
22.11.2015 (Sunday)	TDS/TCS (Income Tax)	Issue TDS Certificate for tax deducted under Section 194-IA in the month of October, 2015
22.11.2015 (Sunday)	DVAT	Issue TDS certificates for the tax deducted at source under Rule 59(2) .
23.11.2015 (Monday)	DVAT	File Online Form DP-1 (Dealer Profile) (extended from October 21, 2015).
30.11.2015 (Monday)	COMPANY LAW	<ul style="list-style-type: none"> File Form AOC - 4, AOC 4 CFS & AOC - 4 (XBRL) for Financial Statements (Extended from October 30, 2015) of companies for the FY 2014-15 with MCA File MGT - 7 for Annual Return of companies for the FY 2014-15 with MCA
30.11.2015 (Monday)	TDS/TCS (Income Tax)	Issue Quarterly TDS / TCS Certificate for the Quarter ending September 30, 2015 by downloading from TRACES
30.11.2015 (Monday)	INCOME TAX	File ITRs & Submit Audit Report of Companies and assesses who are required to get their accounts audited under section 92E under Income Tax Act, 1961 (Domestic and International Transfer Pricing Audit) for AY 2015-16

LIST OF HOLIDAYS

DATE	DAY	HOLIDAY
11.11.2015	Wednesday	Deepawali
13.11.2015	Friday	Bhai Duj

Income Tax

Cost of production of an Abandoned Feature Film in not A Capital Expenditure

CBDT clarifies that Rule 9A does not apply to abandoned feature films and that the expenditure incurred on such abandoned feature films is not to be treated as a capital expenditure. The cost of production of an abandoned feature film is to be treated as revenue expenditure and allowed as per the provisions of Section 37 of the Income tax Act.

Income from Display of Rough Diamonds in Special Notified Zone

A “Special Notified Zone” has been established in the Bharat Diamond Bourse. To facilitate the participation of leading diamond mining companies of the world in this zone, CBDT has notified that the activity of mere display of uncut diamonds (without sorting or sale) inside “a special notified zone” carried out on or after 01st April, 2015 shall not be taxable under the provision of income tax act, 1961.

Electronically filed ITRs of AY 2014-15 can be validated through EVC

CBDT directs that return of income which are filed on or after 01.04.2015 electronically (without DSC) pertaining to the Assessment Year 2014-2015 or returns filed in response to various statutory notices as prescribed under the Act can also be validated through EVC.

Revision in Guidance of Transfer Pricing Provisions

CBDT has revised and updated guidance for implementation of transfer pricing provisions. The Instruction sets out the circumstances in which a reference can be made to the TPO by the AO, the role of the TPO when such a reference is made, the role of the AO after determination of the ALP by the TPO, etc.

Measurement of Distance for determining the status of Agriculture Land

Agriculture land is excluded from the definition of capital assets but depends on its distance to a municipality or cantonment board. The method for the measurement of the distance to be taken aerially from the assessment year 2014-15 and the subsequent assessment year. For the period prior to the assessment year 2014-15 the distance would be measured by taking the shortest road distance.

Framing of scrutiny assessments in cases of Mining Business

CBDT has instructed that while scrutinizing the cases of assesses engaged in Mining Business, Annual Returns (Form H-1 in case of Iron Ore mining and Form H-2 to H-8 in case of mining in other Ores) filed to Indian Bureau of Mines, shall also be referred to by the assessing officers to ascertain whether any suppression of production and discrepancy in stock exists.

Use of email based communication for paperless Assessment Proceedings

CBDT has decided to initiate the concept of using email for corresponding with taxpayers and sending through emails the questionnaires, notice etc. at the time of scrutiny proceedings and getting responses from them using the same medium on a pilot basis at Delhi, Mumbai, Bangalore, Ahmadabad & Chennai. Initially, 100 cases for e-hearing could be identified out of those which have been selected for scrutiny on the basis of AIR/CIB information or non-matching with 26AS-data, in each of these centers and major part of assessment processing should be conducted in electronic mode. Consent of taxpayers should also be obtained in the beginning and cases of only willing taxpayers be considered under the pilot project.



Income Tax

Deduction under section 80DDB can now be claimed on the basis of Prescription of a Private Hospital Specialist

CBDT has notified that for claiming deduction under section 80DDB (provides deduction on medical treatment of specified diseases and ailment), it is not mandatory to obtain a prescription from specialist working in government hospital that means a prescription can be obtained from a specialist working in private hospital by amending rule 11DD of the income tax rules, 1962.

Amendment in Transfer Pricing Rules

CBDT has amended transfer pricing rules for determining Arm Length Price (ALP) which allow introduction of a “range concept” for determination of ALP and “use of multiple year data” for undertaking comparability analysis in transfer pricing cases. The amended regime will be applicable for computation of ALP of international transactions and specified domestic transactions undertaken on or after 1/04/2014.

Launch of “e-Sahyog” pilot project of the Income-Tax Department

Taking a step further towards its commitment to the ‘Digital India’ initiative of the Government of India, the Income Tax Department has launched an “e-Sahyog” pilot project to further the Department’s commitment to work in an e-environment and to reduce the need for the taxpayer to physically appear before tax authorities. On this occasion, the Finance Minister stated that the objective of the Income Tax Department is to make life as easy as possible for the assessee and difficult only for those who consciously evade taxes. These digital initiatives will help in creating a positive environment.

Redressal of grievances received from Taxpayers by email

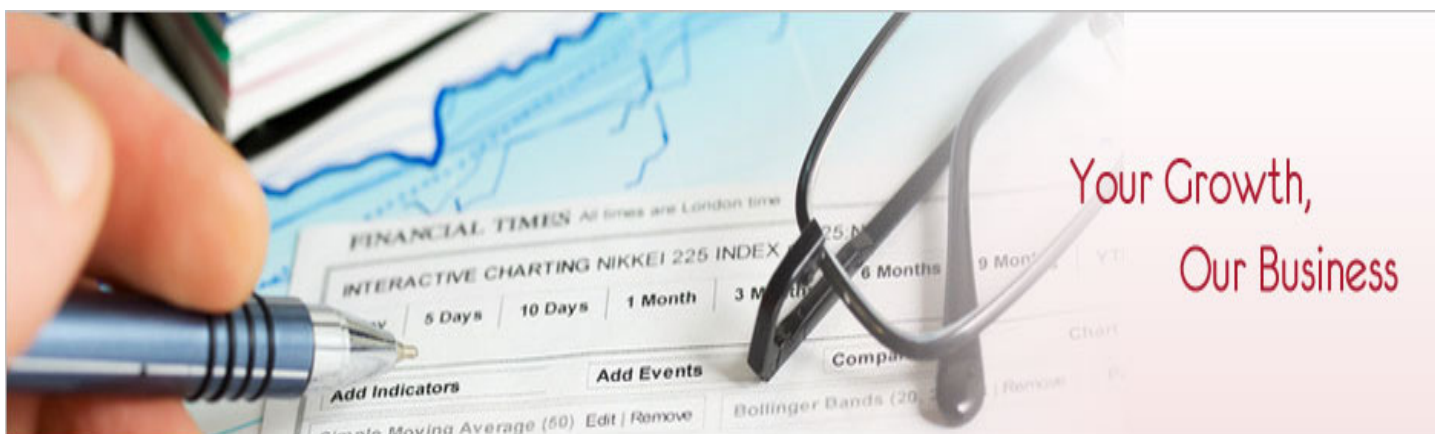
With the approval of Pr. DGIT (Systems), the department has set out a procedure to address the grievances filed by various taxpayers on the Aayakar Sampark Kendra of IT Department. The nature of grievances received at ASK is broadly as below:-

- PAN Correction/De-duplication
- TAN Correction/De-duplication
- Pending Refunds
- Refund Adjustment against Demand
- e-filing Rectification / Intimation u/s 143/154
- Payment of taxes under OLTAS etc

In order to provide quick resolution of grievance, the Aayakar Sampark Kendra would forward the email to concerned CIT (Admn. & CO) for onward transmission to respective Jurisdictional Pr. CCIT/CCIT/Pr. CIT/CIT/Assessing Officer for necessary action. The taxpayer may also be informed so that he may do further correspondence with the concerned officer.

Taxation of Income from Off-shore Rupee Denominated Bonds

CBDT has clarified that interest income from the Rupee Off-shore bonds in case of non-resident investors would be taxable at the rate of 5%. Further any Capital gains, arising in case of appreciation of rupee between the date of Issue and the date of redemption against the foreign currency in which the investment is made; would be exempted from capital gains tax.



Service Tax

Exemption from Payment of Service Tax to Agent of Money Transfer Service Operators

With the introduction of Negative List regime in Service Tax, any service provided by an Indian bank or other entity acting as an agent to **Money Transfer Service Operator**, in relation to remittance of foreign currency from outside India to India, were liable to service tax but Service Tax on these services was not being paid due to misinterpretation of the provisions.

Now it has been declared that service tax payable but not paid for the period from 1st July 2012 till the date of this notification (i.e. 13th October 2015) shall not be required to be paid.

Amendment in Mega Exemption Notification

Exemption from Service Tax has been given to a Business facilitator or a business correspondent or an agent thereof for providing their services to a banking company specifically with respect to basic saving bank deposit account opened under PJDY.

Meaning of Basic saving bank deposit account is an account opened under the guidance issued by reserve bank of India.

Mere transfer of title in immovable property is exempted from Service Tax

CBEC has clarified that Sale of immovable property (Flats/ Dwelling), after receiving of occupancy certificate but before issue of completion certificate from BMC (Municipal Corporation of Greater Mumbai) where the entire consideration is received after issue of occupancy certificate, is a Mere Transfer of title in such property, is not a Service; hence is not taxable.

Launch of Prosecution Guidelines under Central Excise & Service Tax

CBEC has launched the guidelines for prosecution under central excise act 1944 and finance act, 1994. Some important processes clarified through this circular are as follows:

- Authority to sanction such prosecution.
- Power to the department for publication of name of persons convicted
- Laying down the procedure for withdrawal of sanction order of prosecution
- Laying down the procedure of withdrawal of complaint already filed for prosecution

Further, the limit for arrest or/and prosecution has been raised to cases where Evasion of Excise Duty or Service Tax is **equal to or more than One Crore**.



Company Law

Extension of Due Date of filing of Form AOC 4, AOC 4 XBRL & MGT 7

MCA has extended the Due Date of filing of Forms AOC 4, AOC 4 XBRL & MGT 7 by giving relaxation from payment of additional fee if these forms are filed by 30th November 2015.

Amendment of LLP Rules

MCA has withdrawn the requirement of filing of Form 14 on conversion of a company into LLP. However, a firm is still required to file this Form 14 on its conversion to LLP within fifteen days of the date of registration of the Limited Liability Partnership.

SEBI

Uniform Format for Listing Agreement for all types of Securities

SEBI has notified a Uniform format for Listing Agreement for all types of Securities. A listed entity which has previously entered into agreement(s) with a recognised Stock Exchange(s) to list its securities shall execute a fresh listing agreement with such. Stock Exchange within six months of the date of notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) i.e. September 2, 2015.

D - VAT

Due Date of Online filling of D-VAT Return Extended

Online filling of D-VAT Return of 2nd Quarter extended from October, 2015 to November 16, 2015.

Due Date of Online filling of Form - 9 Extended

Online filling of form Form - 9 (Filing of Reconciliation Return for the F.Y 2014-15) the extended from October 30, 2015 to December 15, 2015.

Due Date of Online filling of DP - 1 Extended

Online filling of form DP-1 (Dealer Profile) extended from October 30, 2015 to November 23, 2015.

RBI

Gold Monetization Scheme, 2015

“Gold Monetization Scheme (GMS)” issued by central government which modifies the existing ‘Gold Deposit Scheme’ (GDS) and ‘Gold Metal Loan Scheme (GML), and is intended to mobilize gold held by households and institutions of the country and facilitate its use for productive purposes

The deposit of gold made under the GMS for **Short Term Bank Deposit (STBD)** is 1-3 years, **Medium and Long Term Government Deposit (MLTGD)** for a medium term period of 5-7 years or a long term period of 12-15 years or for such period as may be decided from time to time by the Central Government. This scheme will replace the existing Gold Deposit Scheme, 1999.



Annual Return on Foreign Liabilities and Assets (FLA Return) – Reporting by Limited Liability Partnerships

In order to capture the statistics relating to Foreign Direct Investments (FDI), both inward and outward, by Limited Liabilities Partnerships (LLPs) in India, it has been decided that henceforth, all LLPs that have received FDI and/or made FDI abroad (i.e. overseas investment) in the previous year(s) as well as in the current year, shall submit the FLA return to the Reserve Bank of India by July 15 every year.

Lunawat Update

Presentations

During September 2015, our partner CA. Rajesh Saluja gave following presentations:

- “Finance for Non-Finance Executive” at VCEN Ltd, Bangalore.
- “Finance for Non-Finance Executive” at VCEN Ltd, Mumbai.
- “Finance for Non-Finance Executive” at VCEN Ltd, Gurgaon.
- “Finance for Non-Finance Executive” at VCEN Ltd, Kolkata.
- “Finance for Non-Finance Executive” at Asian Paints, Greater Noida
- “Finance for Non-Finance Executive” at Hero Motocorp Ltd, Dharuhera.



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- Trainings
- Valuations
- XBRL
- Trade Marks

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