

# Lunawat Bulletin

## MARKET WATCH

Sensex

30.04.2016 : 25606.62

31.03.2016 : 25341.86

Nifty

30.04.2016 : 7849.80

31.03.2016 : 7738.40

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**Lunawat & Co.**  
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## 1 % Excise Duty on Gold to Stay– FM

Finance Minister Arun Jaitley today said that jewellers will have to pay one percent excise duty on gold, reiterating the government's stand despite widespread protest from the traders.

Mr Jaitley said the duty is applicable only to the big industry players and the government will ensure there is no harassment

He said the one percent excise duty is applicable only to jewellers with a turnover of Rs. 12 crore and will not be applicable to small traders.

"The gold traders will file return the way they do, by self -certification. There will be no physical checks for paying excise. Whatever the rate at which they are paying VAT (one percent), the same rate they have to pay excise duty."

Mr Jaitley clarified that gold being a luxury item cannot be kept outside the tax net as the duty is necessary to maintain goods and services tax (GST) rate of 18 percent.

"If we are going towards GST, the first step is to put taxation on luxury item. No political party can demand to keep the luxury item outside tax net, and also maintain 18 percent taxation. Because it can never be achieved,

Mr Jaitley also said that the last date of registration for gold jewellers has been extended from March 31, 2015, to June 30, 2016

"Customs duty cannot be raised further. Service tax is not applicable on gold. So, what remains as an option is excise,

## FM rolls back move to pay 8.7 % interest on EPF

Ministry of Finance headed by Arun Jaitley, has decided to rollback the cut in interest rate of Employee Provident Fund (EPF). The ministry has decided to increase the interest rate from 8.7 per cent to 8.8. The decision was taken after the Central Board of Trustees (CBT) of Employee Provident Fund Organization (EPFO) asserted pressure on Centre to rollback the drop in interest rate.

Several labour unions, including the RSS' affiliated Bharatiya Mazdoor Sangh had protested against the government for reduc-

ing the interest rate. The unions had vowed to launch a nationwide strike if the interest cut was not rolled back.

Finance Ministry had earlier claimed that the EPF earnings in 2015-16 was not sufficient to even pay the amount at an interest rate of 8.7 per cent. However, CBT contradicted the claims of the government saying, "The actual surplus amount for 2015-16 will in fact be even higher. A surplus corpus will remain even if the interest rate remains 8.8 per cent."

## Compliance Due Dates

Due Date	Related to	Particulars
05.05.2016 (Thursday)	<b>Service Tax</b>	<b>Deposit of Service Tax</b> for the month ended <b>April 2016</b> for <b>Corporate Assesseees</b> . For assesses requiring to deposit through e-payments, last date is 06.05.2016.
07.05.2016 (Saturday)	<b>TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>• <b>Deposit TDS/TCS</b> for deductions/collections made during the month of <b>April 2016</b>.</li> <li>• Deliver copy of <b>Form 15G/15H</b> to CCIT/CIT for forms received in month of <b>April 2016</b>.</li> </ul>
15.05.2016 (Sunday)	<b>EPF</b>	<b>Deposit PF</b> under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of <b>April 2016</b> .
15.05.2016 (Sunday)	<b>DVAT/CST</b>	<b>Deposit tax deducted at source</b> under DVAT Act for the month of <b>April 2016</b>
15.05.2016 (Sunday)	<b>TDS/TCS (Income Tax)</b>	<b>TDS / TCS Returns</b> for Quarter ended <b>March 2016</b>
16.05.2016 (Monday)	<b>DVAT/CST</b>	File <b>DVAT &amp; CST quarterly return</b> in electronic form for the quarter ended <b>March 2016</b> & File annexure 2A & 2B electronically. (Note:- The dealers whose Gross turnover during F.Y 2014-15 exceeds Fifty Lakhs, shall furnish their Return with DSC.)
21.05.2016 (Saturday)	<b>ESI</b>	<b>Deposit ESI</b> under Employees State Insurance Act, 1948 deducted for the month of April 2016.
21.05.2016 (Saturday)	<b>DVAT</b>	<b>Deposit DVAT and CST</b> for the month ended <b>April 2016</b> .
22.05.2016 (Sunday)	<b>DVAT</b>	<b>Issue TDS certificate</b> under DVAT Act for tax deducted and deposited for the month of <b>April 2016</b> in Form DVAT-43.
30.05.2016 (Monday)	<b>TDS/ TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>• <b>Issue TDS certificate</b> for tax deducted and deposited (other than Salary) for the quarter ended <b>March 2016</b> in Form 16A.</li> <li>• <b>Issue TCS certificate</b> for tax collected for the quarter ended <b>March 2016</b> in Form 27D.</li> <li>• <b>Submit Statement by non-resident</b> having a Liaison Office for FY 2015-16 in Form 49C</li> </ul>
30.05.2016 (Monday)	<b>LLP</b>	<ul style="list-style-type: none"> <li>• <b>Furnish Annual Return</b> for financial year 2015-16 in <b>Form 11</b></li> </ul>
31.05.2016 (Tuesday)	<b>TDS/ TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>• <b>Issue TDS certificate</b> for tax deducted at source to employees in respect of salary paid during the previous financial year in Form 16</li> <li>• <b>File Return of TDS</b> from contributions paid by the Trustees of an approved superannuation fund.</li> </ul>

### LIST OF HOLIDAY

DATE	DAY	HOLIDAY
21.05.2016	Saturday	Buddha Purnima

## Income Tax

### **CBDT clarifies that interest on refund u/s 244A of excess TDS deposited u/s 195 is to be paid**

CBDT has clarified that in accordance with the judgement of the Supreme Court in *UOI vs. Tata Chemical Limited* 363 ITR 658 it is settled that if resident deductor is entitled for the refund of tax deposited under Section 195 of the Act, then it has to be refunded with interest under section 244A of the Act, from the date of payment of such tax.

The CBDT has directed that no appeals may henceforth be filed on this ground by the officers of the department and appeals already filed on this issue may not be pressed.

### **CBDT clarifies regarding commencement of limitation for penalty proceedings u/s 271D / 271E**

CBDT has clarified in accordance with the judgement of the Kerala High Court in *Grihalaxmi Vision vs. ACIT* that the limitation for imposition of penalty under sections 271D and 271E of the Income tax Act, 1961 does not commence at the level of the Assessing Officer (below the rank of Joint Commissioner of Income Tax) but commences at the level of the Range authority i.e. the Joint Commissioner of Income Tax./Addl. Commissioner of Income Tax.

CBDT has advised Assessing Officers (below the rank of Joint Commissioner of Income) to make a reference to the Range Head regarding any violation of the provisions of section 269SS and section 269T of the Act, as the case may be, in the course of the assessment proceedings (or any other proceedings under the Act). It has directed that the Assessing Officer, (below the rank of Joint Commissioner of Income Tax) shall not issue the notice in this regard. The Range Head will issue the penalty notice and shall dispose/ complete the proceedings within the limitation prescribed u/s 275.



### **CBDT issues draft rules for grant of Foreign Tax Credit**

CBDT has issued a press release stating that the Income-tax Act, 1961 (the Act) provides that the Central Board of Direct Taxes may prescribe rules specifying the procedure for grant of relief or deduction of income-tax paid in any country or specified territory outside India, under section 90/ 90A/ 91 of the Act against the income-tax payable under the Act.

Accordingly, the CBDT has framed the draft rules for grant of Foreign Tax Credit. The CBDT has invited comments from stakeholders and general public by 02.05.2016 at the email address [dirtpl4@nic.in](mailto:dirtpl4@nic.in) or by post at Director (TPL-IV), Central Board of Direct Taxes, Room No. 147-F, North Block, New Delhi.

### **CBDT notifies income of Income of Sikkim State Electricity Regulatory Commission to be exempt u/s 10(46)**

CBDT notifies that the following specified income arising to Sikkim State Electricity Commission to be exempt u/s 10(46) of the Income Tax Act, 1961 for the financial year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 on fulfilment of specified conditions:

- Grant and Aid received from Government
- Amount received in the form of Petition Fees
- Amount received in the form of the license fess
- Interest earned on investment or deposits

## **CBDT notifies Income of West Bengal Pollution Control Board to be exempt u/s 10(46)**

CBDT has notified that the specified income arising to West Bengal Pollution Control Board to be exempt u/s 10(46) of the Income Tax Act, 1961 for the financial year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 on fulfilment of specified conditions.

## **CBDT launches E-filing vault facility for securing income tax e-filing account against fraudulent attempts**

In order to ensure that taxpayers are able to secure their E-filing account against any fraudulent attempts, the Income Tax Department has introduced a new facility called the “E-filing Vault”. In order to use this facility, taxpayers can log in to their E-filing Account and under their profile page select “E-filing Vault – higher security”. Taxpayers can then select to login with any one or multiple options of the higher security methods namely – Using Aadhaar, Log-in through Net-Banking or Login using DSC. Similarly, taxpayers can also select how their password can be reset. Once the taxpayer has selected reset password using any one or multiple above mentioned options.

## **Other Notifications**

- CBDT has notified procedure for registration and submission of statement as per clause (k) of sub section (1) of section 285BA of the Income Tax Act, 1961 read with rule 114G of the Income Tax Rules, 1962.
- Income Tax Department has issued instructions to how to e-file statement of form 15G/15H. It includes registration process, filing process, filing status and list of validations.
- Income Tax Department has issued instructions to how to e-file online form 15CA and 15CB.
- TDS / TCS Statement to be filed online at [www.incometaxindiaefiling.gov.in](http://www.incometaxindiaefiling.gov.in) . No need to go to TIN Facilitation Center.

## **CBDT report regarding computation of section 115JB book profit for the Ind AS Compliant Companies**

CBDT has constituted a Committee to inter alia suggest the framework for computation of book profit for the purposes of levy of Minimum Alternate Tax (MAT) under section 115JB of the Income-tax Act, 1961 (‘ the Act’) for Indian Accounting Standards (Ind AS) compliant companies in the year of adoption and thereafter. After a detailed discussion of the provisions of section 115JB of the Act, Ind AS and relevant sections of the Companies Act, 2013, the Committee has suggested a framework for computation of books profit of Ind AS compliant companies.

## **Corporate Laws**



## **MCA Notifications**

- MCA exempts Housing Financing Companies apart from Banking, insurance, power &, NBFC from filing XBRL financial statements
- MCA amends schedule III to provide Instructions and Format for financial statements prepared in compliance with Ind AS
- MCA relaxes additional Fee & Extends Last Date for filing various e form to be filed between 25th to 30th April, 2016. To be filed by 10th May 2016



## RBI



### Ministry of Finance simplified the procedure for Establishment of Branch Office (BO) in India by Foreign entities

- Ministry of Finance decided that except for a few sectors viz. Defence, Telecom, Private Security, Information and Broadcasting and Non-government organization and except a few countries, the power to grant approvals for establishment of Branch Office (BO)/ Liaison Office (LO)/Project Offices (PO) in India by foreign entities, would be delegated to the Authorised Dealers Category-I Banks. Further, anyone who has been awarded a contract for a project by a Government authority/PSU would be automatically given approval to open a bank account.
- Earlier these entities used to seek the approval of Reserve Bank of India (RBI) before setting-up their BO/ LO/PO office in India. While Reserve Bank of India (RBI) gives permission in those cases where 100% FDI is allowed under automatic route.
- The foreign entities can set-up their BO/LO/PO in India without registering themselves as companies/trusts etc. under Indian Laws.

### RBI eases compliance reporting norms for banks

"On a review of the implementation status of these recommendations in various banks, it has now been decided that henceforth, the compliance to the Jilani committee recommendations need not be reported to the Audit Committee of Board," RBI said in a notification.

The Central Bank, however, advised banks to ensure that the compliance to these recommendations are complete and sustained.

## Service Tax

### CBEC issues clarification on levy of service tax on services provide by Government to business entity

As per Point of Taxation (Third Amendment) Rules, 2016, services provided by the Government or local authority to any business entity, the point of taxation shall be the earlier of the dates on which, -

- any payment, part or full, in respect of such service becomes due, as specified in the invoice, bill, challan or any other document demanding such payment; or
- payment for such services is made.

### CBEC amends Service tax determination of Value Rule

The value of any Taxable Services does not include interest on delayed payment. The aforesaid clause does not apply to interest on delayed payment of services provided by Government or a local authority to a business entity.

## Sales Tax/VAT



### Amendment of Forms

- In case of sale to unregistered Dealers, details of PAN are required to furnish .
- In respect of Sales made to Govt. Department, unique ID allocated to Govt. Department is required to be mention.
- Detail regarding Sales to Embassies should be reported as Invoice wise.
- New Column related to Item code with its description has been inserted in Form 16, 17, 30 and 31.

## Lunawat Update

### Presentations

During April 2016, our partner **CA. Pramod Jain** gave the following presentations:

- “Share Capital & Deposits under Companies Act 2013” at Pune Branch of WIRC of ICAI .
- “Practical aspects of Audit under IT & Cos. Act including CARO 2016” at Mayur Vihar CPE Study Circle.
- “Practical aspects of Audit under IT & Companies Act ” at Pusa Road CPE Study Circle of NIRC of ICAI.
- “Practical aspects of Audit under IT & Companies Act ” at Patel Nagar CPE Study Circle of NIRC of ICAI.
- “Company Law Amendments, Other Audit Issues & Take over of a Pvt. Company” at South Delhi CA Study Circle of NIRC of ICAI

- “PAN quoting and AIR Reporting “ at WDSC of NIRC of ICAI.
- “Practical aspects of Audit under IT & Companies Act including CARO 2016 & IFC” at District Center Janakpuri Study Circle of NIRC of ICAI
- “LLP Agreement & LLP Taxation” at TNKPSC of NIRC of ICAI

During April 2016, our partner **CA. Rajesh Saluja** gave the following presentations:

- “Latest Updates on DVAT” at WDSC of NIRC of ICAI
- 2 day Training Program for “Finance for Non-Finance” at JCB, Ballabgarh, Haryana.
- “Financial Planning” at HMCL, Dharuhera, Haryana.

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