

Lunawat Bulletin

Market Watch

Sensex

31.05.2016 : 26667.96

30.04.2016 : 25606.62

Nifty

31.05.2016 : 8160.10

30.04.2016 : 7849.80

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Swachh Bharat and Jan-Dhan Yojna most visible of 40 schemes started by NDA

In all, there are about 40 schemes being implemented since Modi took power in May 2014, including those from earlier governments. Nearly Rs 1,000 crore has been spent over the last two years by the NDA government to publicise these programmes. According to the study, It was only 6 or 7 schemes in all that are acknowledged as being implemented by about a quarter of respondents, which include Jan Dhan Yojana, Swachh Bharat, Atal Pension Scheme and Pradhan Mantri Gramin Sadak, Swachh Bharat and Jan Dhan grabbed more eyeballs across clusters, regardless of party in power across states. In terms of visibility, of the five idea-based schemes, Digital India and Make in India fared better than Smart City or Startup India or even Bullet Train.

"Those schemes which involved local civil society, engaged individuals across age groups and the ones which are visible on the ground have caught attention of people across the country,"

the study said, adding that schemes which have employment and game-changing potential also made the cut.

As per the study, there are others that made little headway, including the finance scheme to minorities, Pradhan Mantri Krishi Sinchayee Yojana, the pension scheme to the physically challenged, Marubhumi Vikas Yojana, Soil Health Card, Baal Vikas Yojana and Namami Gange, among others.

The other interesting finding was that some of the Yojanas failed to go the distance despite the Pradhan Mantri title prefixed to them. Eight out of about 40 schemes are with the nomenclature starting Pradhan Mantri, but except Gramin Sadak and Rozgar Yojana, most others go barely acknowledged. The study, which has a sample size of 4,000, tried to find out the extent of the awareness of the schemes and their implementation.

Interest subsidy scheme to help exporters face global headwind

Commerce Minister Nirmala Sitharaman said the interest subsidy scheme announced by the government last year would boost exports, which are in the negative zone since December 2014. Till March 31, every amount given to the RBI has been completely utilised and the scheme was well received by exporters. The Finance Ministry is also releasing the next tranche of the amount so that exporters benefit on time. The scheme launched in November last year will help exporters "face the troubled waters"

Concerned over continuous decline in exports, the government in November 2015 announced 3 per cent interest subsidy scheme for exporters who had a financial implication of about Rs 2,700 crore. Declining for the 17th straight month in April, exports dipped by 6.74 per cent to USD 20.5 billion due to sharp fall in shipments of petroleum and engineering products. "Advanced countries will have to withdraw every subsidy that they were providing and therefore India's farmers now stand a better chance competing internationally and enjoy a level playing field"

Compliance Due Dates

Due Date	Related to	Particulars
05.06.2016 (Sunday)	<i>Service Tax</i>	Deposit Service Tax for the month ended May 2016 for Corporate Assessee. For assesses requiring to deposit through e-payments, last date is 06.06.2016.
07.06.2016 (Tuesday)	<i>TDS/TCS (Income Tax)</i>	<ul style="list-style-type: none"> • Deposit TDS/TCS for deductions/collections made during the month of May 2016. • Deliver copy of Form 15G/15H to CCIT/CIT for forms received in month of May 2016.
15.06.2016 (Wednesday)	<i>EPF</i>	Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of May 2016.
15.06.2016 (Wednesday)	<i>DVAT/CST</i>	Deposit tax deducted at source under DVAT Act for the month of May 2016
15.06.2016 (Wednesday)	<i>ADVANCE TAX (Income Tax)</i>	Deposit First installment of Advance Tax of 15% for the F.Y. 2016-17 (All Assessee except those covered under section 44AD) in Challan No. ITNS-280
21.06.2016 (Tuesday)	<i>ESI</i>	Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of May 2016.
21.06.2016 (Tuesday)	<i>DVAT</i>	Deposit DVAT and CST for the month ended May 2016.
22.06.2016 (Wednesday)	<i>DVAT</i>	Issue TDS certificate under DVAT Act for tax deducted and deposited for the month of May 2016 in Form DVAT-43.
22.06.2016 (Wednesday)	<i>TDS/TCS</i>	Due Date for issue of TDS certificate for tax deducted u/s 194-IA in the month of May 2016
30.06.2016 (Thursday)	<i>STT</i>	Furnish return of securities transactions (STT) for the financial year 2015-2016
30.06.2016 (Thursday)	<i>TDS (Income Tax)</i>	Quarterly return of non-deduction of tax at source by a banking company from interest on time deposit in respect of the quarter ending March 31, 2016
30.06.2016 (Thursday)	<i>Income Tax</i>	<ul style="list-style-type: none"> • Report by an approved institution / public sector company u/s 35AC(4)/(5) for year ending 31st March 2016 in Form 58C or 58D • Annual Statement of income distributed by a business trust to unitholders pertaining to FY 2015-16 in Form 64B • Annual Statement of income distributed by an investment fund to unitholders pertaining to FY 2015-16 in Form 64C
30.06.2016 (Thursday)	<i>LLP</i>	File Annual Return in Form 11 for financial year ending 31st March 2016 as per the extended date.

Income Tax

CBDT clarifies on allowability of Additional Depreciation u/s 32(1)(ia) of the Income-tax Act, 1961

CBDT has clarified that business of printing or printing and publishing amounts manufacture or production of an article or thing and is accordingly eligible for additional depreciation u/s 32(1) (ia) of the Act by applying the rationale of the ruling of Hon'ble Kerala High Court in case of Mathrubhoomi Printing & Publishing Co. and Hon'ble Delhi High Court in case of Delhi Press Patra Prakashan Ltd.

CBDT issues direction regarding consistency in taxability of income/loss arising from transfer of unlisted shares

The CBDT has clarified that the income arising from transfer of unlisted shares would be considered under the head 'Capital Gain', irrespective of period of holding, with a view to avoid disputes/litigation and to maintain uniform approach.

CBDT relaxes the condition to furnish UID in case of furnishing Form 15G/H

CBDT relaxes the condition of furnishing of Unique Identification Number allotted by the deductor for the quarter ending 31.12.2015 and 31.03.2016 in the quarterly statement of deduction of tax in accordance with sub-rule (5) of Rule 29C.

CBDT issues direction on manner of determination of FMV in case of indirect transfers covered by S. 9(1)

The CBDT has issued a press release in which it has given details of the manner of determination of fair market value and reporting requirement for Indian concerns covered by the indirect transfer provisions of section 9(1) of the Income-tax Act, 1961.

Income Declaration Scheme 2016

- The Income Declaration Scheme, 2016 provides an opportunity to persons who have not paid full taxes in the past to come forward and declare the undisclosed income and pay tax, surcharge and penalty totalling in all the 45% of such undisclosed income declared.
- CBDT has notified Income Declaration Scheme Rules 2016 which is effective from 1st June, 2016 and would end on 30th September 2016.
- Payment of tax, surcharge and interest is to be made by 30th November 2016.
- Asset is to be valued at higher of cost or fair market value as on 1.6.2016
- Information in respect of the declaration made shall remain confidential.
- There would be no wealth-tax on the declared assets.

CBDT issues certain clarifications on implementation on FATCA & CRS

CBDT has issued clarifications on the following issues for Implementation on FATCA & CRS:

- Obtaining Self Certification
- Tax Identification Number (TIN)
- Account Balance/ Value
- Procedure for Furnishing the report



CBDT extends due date for filing E-Appeals before CIT(A)

The CBDT has issued a circular stating that in order to mitigate any inconvenience caused to the taxpayers on account of the new requirement of mandatory e-filing appeals; it has been decided to extend the time limit for filing of such e-appeals. E-appeals which were due to be filed by 15.05.2016 can be filed up to 15.06.2016. All e-appeals filed within this extended period would be treated as appeals filed in time.

CBDT clarification on cancellation of registration u/s 12AA of the Income Tax Act, 1961 of Charitable Trust

The CBDT has clarified that it shall not be mandatory to cancel the registration already granted u/s 11 to a charitable institution merely on the ground that the cut-off specified in the proviso to section 2(15) of the Act is exceeded in a particular year without there being any change in the nature of activities of the institution. If in any particular year, the specified cut-off is exceeded, the tax exemption would be denied to the institution in that year and cancellation of registration would not be mandatory unless such cancellation becomes necessary on the ground (s) prescribed under the Act. The CBDT has also advised field authorities that in view of the adverse consequences of Xii-B, the registration of a charitable institution granted u/s 12AA should not be cancelled just because the proviso to section 2(15) comes into play. The process for cancellation of registration is to be initiated strictly in accordance with section 12 (3) and 12AA (4) after carefully examining the applicability of these provisions.

Direct Tax Dispute Resolution Scheme

- CBDT notifies Direct Tax Dispute Resolution Scheme Rules 2016 to commence from 1st June, 2016.
- It would end on 31st December, 2016 and would be the last date to make a declaration to the designated authority in respect of tax arrears or speci-

Equalization Levy from 1st June 2016

- CBDT notifies Equalization Levy Rules 2016 which is effective from 1st June, 2016.
- Tax @ 6% to be deducted on payment to non-residents not having PE in India for on-line advertising or digital marketing.

Others

- CBDT omitted clause (iii) of Rule 29B to allow persons to has been subjected to penalty u/s 271 (1) to apply for NIL TDS Certificates u/s 195(3).
- CBDT extended digital reporting of Form 60 in Form 61 for quarter ended 31st March, 2016 to 31st October, 2016 .
- CBDT has issued a press release towards Protocol for amendment of the Convention, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains, between India and Mauritius (“India Mauritius DTAA”).
- CBDT clarifies that condition for claiming bad debts u/s 36(1)(vii) read with section 36(2) is when amounts are written off in books of accounts of the assessee.
- CBDT grants another opportunity to send ITR Verification for the AY 2009-10 to AY 2014-15 through EVC or ITR-V (Speed Post) by 31st August, 2016.



RBI

RBI notifies new norms for receipt and payment in terms of Forex

The Reserve Bank of India makes Regulations in respect of Manner of Receipt and Payment in respect of Foreign exchange and certain specified cases.

Companies Act / LLP



MCA clarifies that CSR activities shall not contravene laws of land

MCA clarifies that while undertaking CSR activities under the provision of Companies Act, 2013 shall not contravene any other prevailing laws of the land including Cigarettes and other Tobacco Products Act.

MCA extends due date to filing forms for companies & LLPs without additional fee

MCA relaxes additional Fee and extends Last date for filing various e-forms under Companies Act to 10th July 2016 and Form 11 under LLP Act to 30th June 2016

Others

- MCA notifies Section 435 to 438 & 2(29) related to Special Courts of the Companies Act 2013.
- MCA revises Forms GNL 1 (Applications to ROC) and GNL 4 (Addendum for rectification of defects) for filing an application and addendum with the Registrar of the Company.
- MCA amends CSR Rules to allow the companies to undertake CSR activities through Section 8

SEBI

SEBI issues circular for Revised Formats Substantial Takeovers Regulations

SEBI has prescribed the format for report to be furnished to stock exchanges in respect of acquisitions under the prescribed Regulations of SEBI.

DVAT

Delhi Govt. reduces VAT rate on e-rickshaws, marble, footwear, sweets and garments

Delhi Govt. reduces VAT rate to 5% on e-rickshaws, marble, footwear, sweets and garments by amending Schedules III & IV of DVAT Act.

Service Tax

Krishi Kalyan Cess made applicable w.e.f. 1st June 2016

A new type of tax which was introduced in the Budget 2016, has been made applicable with effect from 1st June 2016. This Cess will be calculated on value of taxable services (in case of abatement, abated value) @ 0.5% and this cess shall not be leviable on services exempt from tax. This cess makes service tax rate now to be 15% w.e.f. 1st June 2016.

Krishi Kalyan Cess (Minor Code):- 507

CBEC issues clarification on levy of Service Tax on the services provided by Government business entities

CBEC clarifies that Services provided by Government or a local authority to a business entity with a turnover up to rupees ten lakh in the preceding financial year is exempt under service tax except for following services:

- Services by the Department of Posts provided to a person other than Government;
- Services in relation to an aircraft or a vessel
- Transport of goods or passengers
- Services by way of renting of immovable property

Lunawat Update

Presentations

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

- “Corporate Financial Statements from Banker's Perspective” at Indian Institute of Banking and Finance, Delhi.
- “PAN Quoting & AIR Reporting” at The Professional Forum, Delhi
- “Practical aspects of Audit under Income Tax Act & Companies Act including CARO 2016” at Shalimar Bagh CPE Study Circle of NIRC of ICAI .
- “Important Income Tax amendments in Finance Act 2016” at South Delhi CA Study Circle.

• “IT amendments in Finance Act 2016” at Vikas Marg CA Study Circle of NIRC of ICAI

• “Amendments in Finance Act 2016” at Allahabad Branch of CIRC of ICAI .

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

• “Finance for Non – Finance Executioners” at Possiblers, Delhi.

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