

# Lunawat Bulletin

## Market Watch

### Sensex

30.09.2016 : **27865.96**

31.08.2016 : **28452.17**

### Nifty

30.09.2016 : **8611.15**

31.08.2016 : **8786.20**

## Cabinet clears Saksham Project: Integrating the entire Indirect System

Project Saksham, a new Indirect Tax network of the Central Board of Excise and Customs (CBEC), has been approved by the Cabinet Committee on Economic Affairs (CCEA) on Wednesday. The total cost of the project is estimated to be Rs 2,256 crore, which will be incurred over seven years. This would help integrate CBEC IT systems with the Goods and Services Tax Network (GSTN). The project would facilitate extension of the Indian Customs Single Window Interface for Facilitating Trade (SWIFT) and other taxpayer initiatives under 'Digital India' and ease of doing business of the CBEC. The implementation strategy for the project will be to ensure readiness of CBEC's IT systems by April 1, 2017, when GST is to be introduced. The upgrade of the IT systems will be carried out while keeping the existing taxpayer services running. With the implementation of GST, the government expects the number of taxpayers under indirect tax laws to increase from the current 36 lakh to about 65 lakh. CBEC's IT systems need to integrate with the GSTN for processing of registration, payment and returns data sent by GSTN systems to CBEC, as well as act as a front-end for other modules like audit, appeal and investigation.

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## Oriental Bank of Commerce to raise Rs 500 crore via bonds

Public-sector lender Oriental Bank of Commerce will raise Rs 500 crore on private placement by issuing bonds. The bank intends to raise Tier 1 capital through private placement of Basel III compliant additional tier 1 bonds of Rs 10,00,000 each at par aggregating to Rs 500 crore,

## Anti-Dumping Duty Likely on certain Chinese Steel Products

The commerce ministry has recommended imposition of anti-dumping duty on imports of steel wire rods from China to protect the interest of domestic players from cheap in-bound shipments. In its preliminary findings, the directorate general of anti-dumping and allied duties (DGAD) has recommended the duty. DGAD has suggested that for certain Chinese companies, the duty should be the difference between the landed value of the steel products and \$499 per tonne while for others, it should be the gap between the landed value and \$538 per tonne.



## Compliance Due Dates

Due Date	Related to	Particulars
06.10.2016 (Thursday)	<b>Service Tax</b>	<b>Deposit Service Tax</b> for the month of September 2016 for Corporate Assessee & for the quarter ended 30.09.2016 for other Assesseees.
07.10.2016 (Friday)	<b>TDS/TCS (Income Tax)</b>	<b>Deposit TDS/TCS</b> for deductions/collections made during the month of September 2016.
15.10.2016 (Saturday)	<b>EPF</b>	<b>Deposit PF</b> under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of September 2016.
15.10.2016 (Saturday)	<b>DVAT/CST</b>	<b>Deposit TDS</b> under DVAT Act for the month of September 2016.
15.10.2016 (Saturday)	<b>TDS/TCS (Income Tax)</b>	<ul style="list-style-type: none"> <li>• <b>File TCS Returns</b> for Quarter ended September 2016 in <b>Form 27EQ</b>.</li> <li>• <b>Furnish Form 15G/15H</b> to online for quarter ended September 2016</li> <li>• <b>Furnish</b> quarterly statement u/s 37BB(7) by an authorized dealer in <b>Form 15CC</b> in respect of foreign remittances made during quarter ended 30.9.16.</li> </ul>
17.10.2016 (Monday)	<b>Income Tax</b>	<b>Income Tax Return Due Date</b> for Assesseees whose accounts are required to be audited extended from 30th September 2016.
21.10.2016 (Friday)	<b>ESI</b>	<b>Deposit ESI</b> under Employees State Insurance Act, 1948 deducted for the month of September 2016.
21.10.2016 (Friday)	<b>DVAT</b>	<b>Deposit DVAT and CST</b> for the month ended September 2016
25.10.2016 (Tuesday)	<b>Service Tax</b>	File <b>Half Yearly Service Tax Returns</b> for the half year ended September 2016
25.10.2016 (Tuesday)	<b>DVAT</b>	<b>File DVAT &amp; CST</b> quarterly return in electronic form for the quarter ended September 2016.
29.10.2016 (Saturday)	<b>Company Law</b>	<b>File Annual Financial Statements in Form AOC-4</b> for financial year ending 31st March 2016.
30.10.2016 (Sunday)	<b>LLP</b>	<b>File Statement of Accounts and Solvency in Form 8</b> for financial year ending 31st March 2016.
30.10.2016 (Sunday)	<b>TCS (Income Tax)</b>	<b>Issue Form 27D</b> Quarterly TCS certificate for the quarter ended 30th September 2016
31.10.2016 (Monday)	<b>DVAT</b>	File <b>Form DP-1</b> Online for all registered dealers
31.10.2016 (Monday)	<b>TDS Income Tax</b>	<ul style="list-style-type: none"> <li>• <b>File TDS Returns</b> for Quarter ended September 2016 in <b>Form 24Q/26Q/27Q</b></li> <li>• <b>File non-TDS return</b> by banking companies on interest paid in <b>Form 26QAA</b></li> <li>• <b>Upload Form 61</b> for obtaining Form 60 (No PAN) for half year ending September 2016 as well as extended time for quarter ending March 2016</li> <li>• <b>File annual audited accounts</b> for each approved program u/s 35(2AA)</li> </ul>

### LIST OF HOLIDAYS

DATE	DAY	HOLIDAY
02.10.2016	Sunday	Mahatma Gandhi Jayanti
11.10.2016	Tuesday	Dussehra
12.10.2016	Wednesday	Muharram
30.10.2016	Sunday	Deepawali



## Income Tax

## Income Tax updates

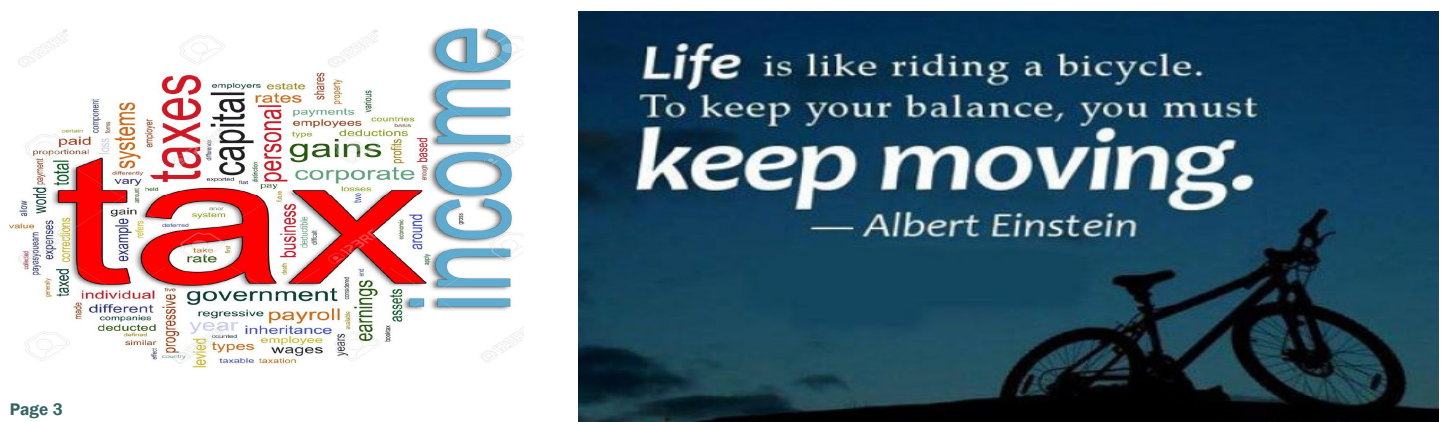
- Income Disclosure Scheme 2016 ends on 30th September 2016. No extension.
- CBDT has issued order to Pr. CIT to take lenient view on valid application for reducing or waiver of penalty u/s 273A in respect of an issue for the said assessment year which is identical to the issue on which a valid declaration is made under Income Disclosure Scheme 2016
- Due date for filing Income Tax Returns (whose due date was 30th September 2016) extended to 17th October 2016.
- CBDT notifies applicability of 10 Income Computation and Disclosure Standards (ICDS) mandatory w.e.f. AY 2017-18 for all assesses following mercantile system of accounting having income from business or profession or income from other sources, except individuals and HUFs who are not subject to audit under section 44AB (Tax Audit)
- Consequent to applicability of ICDS the tax audit report format Form 3CD has been amended w.e.f. 1st April 2017 to incorporate ICDS compliances.

**Ministry of finance to issue criteria based appreciation certificates to individual tax payers for A.Y. 2016-17 through e-mail**

The Honourable Finance Minister, Shri Arun Jaitley today handed over certificates of appreciation issued by CBDT honouring select tax payers for such contribution. CBDT will be sending out such certificates of appreciation to individual tax payers by e-mail in various categories on the basis of the level of taxes paid by them for the current Assessment Year 2016-17 where taxes have been paid in full and tax payers have no outstanding tax liabilities and where the return is efiled within the prescribed due date.

The categories for individual taxpayers and the number of certificates being issued in the first round are:

1. Platinum : Tax contributed Rs. 1 Crore and above
2. Gold : Tax contributed Rs. 50 Lakh to Rs. 1 Crore
3. Silver : Tax contributed Rs. 10 Lakh to Rs.50 Lakh
4. Bronze : Tax contributed Rs. 1 Lakh to Rs.10 Lakh





## Corporate Laws

### Relaxation of additional fees and extension of last date of filing AOC-4(XBRL), AOC-4 (CFS) and MFT -7 under Companies Act 2013

It has been decided to allow companies to file financial statements and Annual Returns on or before 29.10.2016 when the date of holding of the Annual General Meeting is on or after 01.04.2016, without the payment of additional filing fee.



### Forms are likely to be revised on MCA 21 Company Forms Download page w.e.f 30<sup>th</sup> September 2016

- Forms 23ACA - Filing Profit and Loss account and other documents with the Registrar
- Forms 23AC - Filing balance sheet and other documents with the Registrar 2.(a)
- Forms CHG-1 - Application for registration of creation, modification of charge (other than those related to debentures)
- Forms CHG-9 - Application for registration of creation or modification of charge for debentures or rectification of particulars filed in respect of creation or modification of charge for debentures
- Form CRA -2 -Form of intimation of appointment of cost auditor by the company to Central Government.

### Change in the limits of Managerial remuneration without the approval of Central Government

MCA has amended its Part II Section II of schedule V regarding remuneration payable by companies having no profit or inadequate profit without Central Government approval The New Limits are :

Where the effective capital is	Limits of yearly remuneration payable shall not exceed
< 5 crores	60 Lacs (Earlier 30 Lacs)
5 Cr < 100 cr	84 Lacs (Earlier 42 Lacs)
100 Cr < 250 Cr	120 Lacs (earlier 60 Lacs)
250 cr and above	120 Lacs + 0.01 % of the effective capital in excess of Rs. 250 Cr.

- The above limits shall be doubled if shareholders pass Special Resolution. Further the limits mentioned above shall be pro rated for a period less than one year.
- No Approval of Central Government is required if the managerial person is ;
- Is working in professional capacity and such person is not having interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures .
- Person is not having any direct or indirect interest or related to directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last 2 years before or on or after the date of appointment .
- Person Possesses graduate level qualification with expertise and specialized knowledge in the field in which company operates. (Employee of a company holding shares of the company not exceeding 0.5 % of its paid up capital will be deemed to be a person not having any interest in the capital of the company.



## Service Tax

### Service tax amendments and updates

- **No service tax to be paid for the service related to advancement of Yoga**  
Service related to advancement to yoga was added to mega exemption (25/2012) on 21<sup>st</sup> October, 2015 and for the period from July, 2012 to 20 Oct, 2015, central govt. exempt service tax for the said period.
- New limits have been specified for service tax or cenvat amount for issuing notice:-

Rank of officer	Amount of Service Tax or Cenvat issued in notice
Superintendent	Not exceeding Rupees 10 Lacs( other than cases of valuation or taxability of service and cases involve extend period of limitation
Assistant Commissioner or Deputy Commissioner	Not Exceeding rupees 50 Lacs (except where superintendents are empowered to adjudicate.
Joint Commissioner or Additional Commissioner	Rupees Fifty Lacs and above but not exceeding rupees 2 crore
Commissioner	Without Limit

- Service tax Return(ST-3) form have been revised.
- Central Govt. exempt taxable service provided by state government industrial development corporations/ Undertaking to industrial units by way of granting long term lease(30 years or more)and is leviable on one time upfront fees (called premium, salami, cost, price, development charges or any other name) payable for such lease.
- Entry No.-5 of mega exemption (25/2012) is substituted by  

“ Renting of precincts of religious place meant for general public, owned or managed by an entity registered as a charitable or trust registered under sec 12AA Of IT Act, 1961 or a trust or an institution registered under clause (23C) and body or an authority covered under clause (23BBA) of section 10 of income tax Act.
- CBEC prescribes guidelines for arrest for service tax and excise default exceeding Rs. 2 Crores for more than 6 months subject to other conditions.

## GST Updates

- GST threshold fixed at Rs 20 Lacs in GST council's meet.
- Rules say taxi aggregators such as Ola and Uber will have to register under GST regime and there will be no threshold exemption for them.
- It clarified that a company selling goods through its own website will not be considered as an ecommerce operator.
- If tax evaded is over Rs 2.5 crore, penalty could extend up to five years of jail with a fine, three years if tax evaded is Rs 50 lakh-Rs 2.5 crore and one year if it is between Rs 25-50 lakh. Evasion of tax exceeding Rs 2.5 crore would be considered cognisable and non-bailable.
- Various draft GST Rules issued by CBEC
- FM says that government is working on GST roll out date of 1st April 2017

(Based on the Model GST Law and the situation could change if there is change in the basic law )



## IT and Business

Today's businesses generate more data than ever before. Not coincidentally, IT has never been more critical to the success of a business. Saving your important data and regularly taking backup has become an essential task in the efficient and error free functioning of the business. Following are some of the DATA Storage Techniques:

### Hard disks and hard drives

Regularly save your data on an external hard drives ; this may have many benefits:

- Proper backup and safety of your data on an external drive.
- You can carry the data as per your requirement and can even have a safe custody of the external drive for safety of your data.

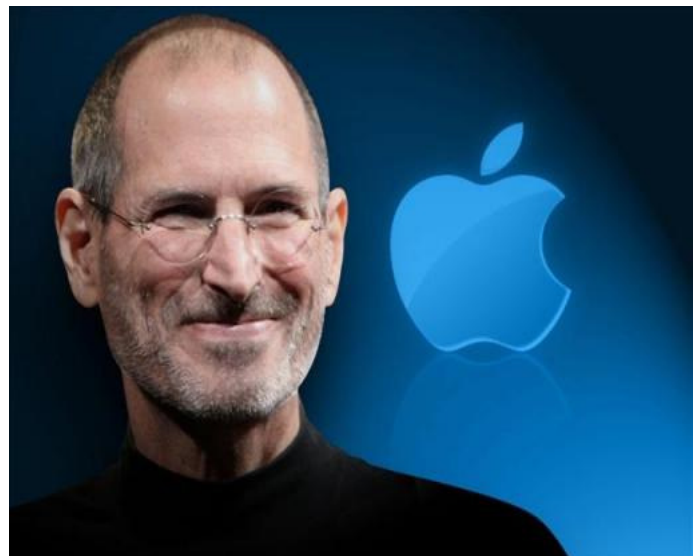
### Cloud Storage

- Cloud storage is a service where data is remotely maintained , managed and backed up.
- The service allows the users to store files online, so that they can access them from any location via the Internet.
- You can avoid emailing files to individuals and instead send a web link to recipients through your email.
- Cloud storage can be used as a back-up plan by businesses by providing a second copy of important files. These files are stored at a remote location and can be accessed through an internet connection.



## The Wisdom of Steve Jobs

- Innovation distinguishes between a leader and a follower.
- You can't just ask customers what they want and then try to give that to them . By the time You'll get it built , they'll want something new.
- The only way to do great work is to love what you do.
- Its not the customers job to know what they want.
- Your work is going to fill a large part of your life and the only way to be truly satisfied is to do what you believe is great work.
- Let's go invent tomorrow rather than worrying about what happened yesterday





## Lunawat Update

### Presentations

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

- “*Practical aspects of Finalization of Financial Statements & Audit including CARO and IFC*” at Chandigarh Branch of NIRC of ICAI
- “*Tax Audit*” at Young Members Empowerment Committee of ICAI and Noida Branch of CIRC of ICAI
- “*Practical aspects of Finalization of Financial Statements & Audit including CARO and IFC*” at Laxmi Nagar CPE Study Circle of NIRC of ICAI
- “*Critical issues on Tax Audit*” at District Centre Janakpuri CPE Study Circle of NIRC of ICAI
- “*Critical issues on Tax Audit*” at Ambala Branch of NIRC of ICAI

• “*Income Disclosure Scheme 2016*” at Ambala Branch of NIRC of ICAI

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

- “*Finance for Non Finance*” at Panasonic India Pvt Ltd, Gurgaon.
- “*Financial Statement Analysis*” at Yes Bank Ltd, Mumbai.
- “*Open Workshop on GST*” at Indore.
- “*Finance for Non Finance*” at Bharti Infratel Ltd. - Patna

### We may be contacted at:

#### Daryaganj, New Delhi

54, Daryaganj,  
New Delhi – 110 002  
Tel: +91 11 23270624  
+ 91 11 23279414  
Email: [dgoffice@lunawat.com](mailto:dgoffice@lunawat.com)

#### Paschim Vihar, New Delhi

A-2/132, Prateek Apartments,  
Paschim Vihar,  
New Delhi – 110 063  
Tel: + 91 11 25278405  
+ 91 11 25278406  
+ 91 11 45581263  
+ 91 11 45581264  
Email: [pvoffice@lunawat.com](mailto:pvoffice@lunawat.com)

#### Karampura, New Delhi

109, Magnum House-1,  
Karampura Complex,  
New Delhi-110 015  
Tel: + 91 11 41427356  
+ 91 11 42068101  
Email: [karampura@lunawat.com](mailto:karampura@lunawat.com)

#### Mumbai

Office No. 9, First Floor. Star Trade  
Centre, Chamunda Circle, Near Station,  
Borivali (W), Mumbai - 400 092  
Tel: + 91 22 28954451  
Email: [mumbai@lunawat.com](mailto:mumbai@lunawat.com)

#### Keshopur, New Delhi

WZ-339, 2nd Floor,  
Street No. 19,  
Santgarh, Keshopur,  
Outer Ring Road,  
New Delhi - 110 018  
Tel: +91 11 28333914  
Fax: + 91 11 28331602  
Email: [keshopur@lunawat.com](mailto:keshopur@lunawat.com)

#### We also have ASSOCIATES at :

Chennai, Kolkatta, Ludhiana, Pune,  
Chandigarh, Udaipur, Vadodara,  
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Editorial Team: CA. Vikas Yadav, Srishti Jain, Nitin Sachdeva, Diksha Aggarwal, Arushi Jain & Dishanka Khanna