

Important Circulars & Notifications

April'2015

Index



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1. Income tax

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| Title | Category | Description | Section/ Rule | Date |
|---|---------------|--|------------------------------|----------------------------|
| New bench of Supreme Court has been constituted to deal exclusively with income tax matters | Circular | Circular F No.279/Misc./45/2015-SO (ITJ) <ul style="list-style-type: none">• A bench has been constituted by the Hon'ble Supreme court to deal exclusively with tax matters on all working days which will be functional with effect from 9th March 2015.• Shri K.K. Mishra, Addl.DIT (L&R), New Delhi, [Phone No. 011-23378627 Mobile No. 9212721578] has been designated as nodal officer in the Directorate of Legal & Research to deal with all such cases and may be contacted for any clarifications or information. [Read More] | Section 261 | 10 th Mar. 2015 |
| Introduction of Undisclosed Foreign Income and Assets (Imposition of tax) bill, 2015 | Press Release | <ul style="list-style-type: none">• The Undisclosed Foreign Income and Assets (Imposition of tax) Bill, 2015 has been introduced in the Parliament.• If any person who is resident in India is having any undisclosed foreign income and assets, then it shall be taxed at the flat rate of 30% under this Act.• No exemption or deduction or set off of any carried forward losses will be allowed. [Read More] | | 20 th Mar. 2015 |
| Tax treatment of dividends issued by foreign companies | Circular No.4 | Circular No. 4/2015 <ul style="list-style-type: none">• It is clarified that dividend declared and paid by a Foreign company outside India in respect of shares which arises from the assets situated in India would not be deemed to be the income arising in India.• Such dividend would not be deemed to be income accruing or arising in India. [Read More] | Explanation 5 Sec.9(1)(i) | 26 th Mar.2015 |



....Contd. (Income tax)

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| Title | Category | Description | Section/ Rule | Date |
|---|--------------|--|------------------|-----------------------------|
| Increase in transport allowance exemption limit | Notification | Notification No. 39/2015 <ul style="list-style-type: none">• Transport allowance exemption limit for employees has been increased from ₹800 to ₹1600 per month.• In case the employee is blind or orthopaedically handicapped with disability of lower extremities, the limit has been increased from ₹1600 to ₹3200 per month.• This revised exemption limit shall be applicable from assessment year 2016-17. [Read More] | Rule 2BB | 13 th April 2015 |
| Mandatory e filing of income tax return | Notification | Notification No. 41/2015 <ul style="list-style-type: none">• As per CBDT notification, an Individual and HUF who have taxable income more than ₹ 5,00,000 in the financial year 2014-15 (A.Y 2015-16) is required to file income tax return through E Filing mode only.• So, income tax return can not be filed in paper form, if taxable income exceeds ₹ 5,00,000. [Read More] | Rule 12 | 15 th April 2015 |



2. Service tax

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| Title | Category | Description | Section/ Rule | Date |
|---|--------------|---|------------------|----------------------------|
| New exemptions effective from 1 st April 2015 | Notification | Notification No. 6/2015, Services eligible for exemption as per Union Budget 2015 are : 1.All Ambulance services provided to patients. 2.Services by operator of common effluent treatment plant by way of treatment of effluent. 3.Services by way of pre-conditioning, pre cooling, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables. 4.Services by way of admission to a Museum, National park, Wildlife sanctuary, Tiger reserve or Zoo. [Read More] | | 1 st March 2015 |
| Period of limitation will not apply, if service tax has been paid inadvertently | Case Law | Shravan Banarasilal Jejani VS Commissioner of Central Excise Fact : Shravan Banarsilal Jejani had purchased flats from builder and service tax on the same was erroneously paid by him but as per Circular no. 108/29/2009, there was no service tax liability on sale of residential flats. Hence, assessee claimed refund of service tax so deposited. But Revenue Authorities was in view that service tax paid was not refundable as the time period of refund claim has been lapsed. Held : The Hon'ble CESTAT held that period of limitation under section 11B of the Excise Act will not apply in case of service tax paid inadvertently. Therefore, assessee is entitled to get refund. [Read More] | Section 11B | |

3. Others



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| Title | Category | Description | Section/R ule | Date |
|---|---------------|--|---|-----------------------------|
| Reporting of CARO 2015 | Guidance Note | <ul style="list-style-type: none">• The Ministry of Corporate Affairs notified the Companies (Auditor's Report) Order 2015.• It notifies that 12 reporting clauses shall be given in paragraph 3 of CARO,2015 in place of 21 clauses earlier.• This is applicable from the Financial Year 2014-15. [Read More] | Section 143 of the Companies Act,2013 | 10 th April 2015 |
| Effective yield is allowable even if it exceeds bank rate | Circular | Circular No. 06/2015 <ul style="list-style-type: none">• It has been clarified by the MCA that if effective yield (effective rate of return) on tax free bonds is greater than the yield on prevailing bank rate, then there is no violation of sub section (7) of section 186 of the Companies Act, 2013. [Read More] | Section 186 (7) of the Companies Act,2013 | 09 th April 2015 |



4. Interesting facts

- The word "tax" is from the latin word "taxo", meaning "I estimate."
- Russian Emperor Peter the Great placed a tax on beards in 1705. He hoped that the tax would encourage men to have a clean-shaven look that was popular in Western Europe.
- The Budget was first introduced in India on 7th April, 1860 from East-India Company to British Crown.
- Albert Einstein once said "The hardest thing in the world to understand is the income tax".
- Out of Indian population of 123 crore, only 3.6 crore people file their Tax return.
- The Inflation Rate in Zimbabwe was an all time high of 2660522.20% in July 2008.
- In the United States, approximately 7% of households are Millionaires.
- In California "Dry Snuff" tobacco is taxed at 256% of its price if it is \$1.70 or more.
- As per Census 2011, Over half of India's population is below 25 years. By 2020 the average age of an Indian is expected to be 29 years.
- India's Foreign Exchange Reserve hit new record high of \$353.8 billion in the month of May 2015.

5. About us



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- Blue Consulting or 'BC' provides value added and high quality **Finance & Accounts Outsourcing Services** to **Companies in India**.
- Our services include **Taxation Compliances** on pan India level, **across 29 States and 7 Union territories**.
- We work as an extension of CFO's team and our services result in **increase of managerial bandwidth of CFO's**.
- We invest great deal of time and efforts in understanding our client's business which ensures that we **provide customized solutions** to their specific needs and requirements.
- We are a strong and stable of team of more than **75 people**.
- We are comfortable working on any ERP platforms i.e. SAP, Oracle, Navision, Baan, PeopleSoft, Xero, Tally.



6. Contact us

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Chandan Goyal

Chief Executive Officer

chandan.goyal@blueconsulting.co.in

+91 98104 10421

+91 120 4821753

A-18, 1st Floor

Sector-6

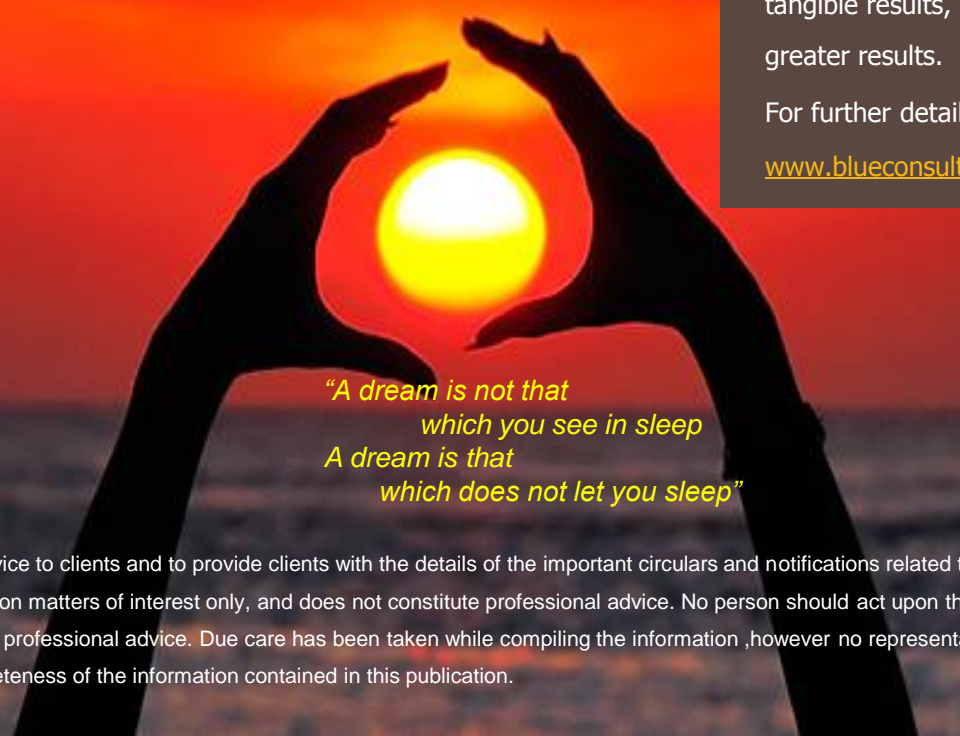
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Blue Consulting provides value added and high quality Finance & Accounts Outsourcing Services through its contemporary onsite and offsite service delivery model. Our goal is to be a trusted partner in your business by bringing value and serving as an integral part of your set up.

Blue Consulting, or BC, has its roots in a well established, four decade old chartered accountants firm. Utilizing forty years of industry experience and functional expertise, BC looks innovatively beyond standard solutions to develop new insights, drive tangible results, and empower clients to achieve greater results.

For further detail, please log on to:

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*"A dream is not that
which you see in sleep
A dream is that
which does not let you sleep"*

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