

Important Circulars & Notifications

August & September'2015

Index



Blue Consulting Pvt. Ltd.

A Finance & Accounts Outsourcing Company

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1. Income tax

Title	Category	Description	Section/ Rule	Date
Extension of due date for e-filing of "Tax Audit Reports & Income Tax Returns"	Order	<ul style="list-style-type: none">▪ CBDT Extended the due date for e-filing of returns of income and audit report u/s 44AB of Income Tax Act,1961 from 30th Sept. 2015 to 31st Oct. 2015 for the Financial year 2014-15.	Section 119	1 st October, 2015
Foreign companies are not required to pay Minimum Alternate Tax (MAT)	Press release	<ul style="list-style-type: none">▪ The provisions of Section 115JB will not be applicable on following foreign companies (w.r.e.f. 1st April 2001):<ul style="list-style-type: none">➢ If the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment in India.➢ If the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under Section 592 of the Companies Act 1956 or Section 380 of the Companies Act 2013.	Section 115JB	24 th September, 2015
Guidelines for manual selection of scrutiny cases for F.Y.15-16	Instruction	<p>Instruction No. 8/2015</p> <ul style="list-style-type: none">• CBDT has laid down manual selection criterion for taking up of scrutiny cases for FY 2015-16. [Read More]		31 st August, 2015



....Contd. [Income tax]

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Title	Category	Description	Section/ Rule	Date
Landing & parking charges paid by the airline company will be attract TDS u/s 194C and not u/s 194I.	Case Law	CIT vs. Japan Airline co. Ltd. (Supreme Court) Facts: <ul style="list-style-type: none">• Whether landing / parking charges paid by the airline company to the Airport Authority of India were:<ul style="list-style-type: none">➤ in the nature of 'contract of work' or➤ in the nature of 'rent'.• There were two decisions of the two different High Courts on the same question. Held: <ul style="list-style-type: none">• If the payment is for variety of services and the use of land is minor, the payment cannot be treated as Rent.• Accordingly, TDS on these charges is to be deducted u/s 194C. <p style="text-align: right;">[Read More]</p>	Section 194I, Section 194C	4 th August, 2015

Title	Category	Description	Section/ Rule	Date
<p>If TDS is deducted in wrong section, then whole expenses are to be disallowed</p>	<p>Case Law</p>	<p>CIT vs. PVS Memorial Hospital Ltd(Kerala High Court)</p> <p>Facts:</p> <ul style="list-style-type: none"> ▪ The company was liable to deduct TDS u/s 194J but it actually deducted TDS u/s 194C. ▪ The Assessing officer disallowed the whole expenses under Section 40(a)(ia) on the ground that TDS was not deducted under the correct section. ▪ <i>CIT(A)</i>, upheld the decision of assessing officer. ▪ However, ITAT allowed the Expenses. <p>Held:</p> <ul style="list-style-type: none"> ▪ Kerala High Court upheld the decision of <i>CIT(A)</i> that deduction of tax under a wrong section will be disallowed. <p style="text-align: right;">[Read More]</p>	<p>Section 40(a)(ia)</p>	<p>20th July, 2015</p>



Title	Category	Description	Section/ Rule	Date
No notional interest on deemed loan to Associate Enterprises under Transfer Pricing.	Case Law	DCIT vs. First Blue Home Finance Ltd. (ITAT Delhi) Facts: <ul style="list-style-type: none">• The company is a 100% subsidiary of "BHW Holding AG"(AE).• The company received the share application money from AE for issue shares at Rs.10/-each.• However, the Transfer Pricing Officer (TPO) valued the said shares at Rs.11.98/- each.• TPO treated the differential amount as deemed loan, given to AE.• The Assessing officer (AO) added notional interest income in the taxable income of the company. Held: <ul style="list-style-type: none">• The differential amount cannot be regarded as a "deemed loan" given by the company.• Accordingly, notional interest can not be computed thereon. <p style="text-align: right;">[Read More]</p>	Section 56(2)(viib), 92 & 92B	4 th June, 2015



2. Service Tax

Title	Category	Description	Section/ Rule	Date
If input services were actually used in providing output taxable services, then CENVAT Credit can not be denied on the ground that address given in the invoice is of an unregistered premise.	CESTAT DELHI	<p>M/s. Allspheres Entertainment Pvt. Ltd. vs CCE, Meerut - 2015 (8) TMI 953</p> <p>Facts:</p> <ul style="list-style-type: none">• The company has its office in Nanital which is registered under service tax. It also has a temporary "Field Office" in Delhi.• The company is engaged in the business of event management services in Delhi.• It received various input services which were used to provide taxable output services and accordingly availed CENVAT credit on input services.• The department had denied the CENVAT credit on some input services on the sole ground that the invoices were issued to Delhi office, which was unregistered. <p>Held:</p> <ul style="list-style-type: none">• The defect in the invoice is a curable defect.• Accordingly, CENVAT credit was allowed. <p>[Read More]</p>	Rule 9 of Cenvat Credit Rules, 2004	August, 2015

3. Others



Title	Category	Description	Section/ Rule	Date
E-commerce industry soon to be in Labour Law Net	Draft Amendment Proposal	<ul style="list-style-type: none">Rajasthan Government has proposed an amendment in Rajasthan Shops and Commercial Establishments Act (RSCE) 1958 to bring E-commerce industry in the net of Labour Laws. Other states may soon follow in. <p>[Read More]</p>	Shop and Commercial Establishment Act	



4. Interesting facts

- There are an estimated 35 to 100 *trillions* cells in a human body.
- India's road network is long enough to loop around the earth over 117 times.
- Tracks of Indian railways are long enough to circle the earth almost 1.5 times.
- After defeating Germany 8-1 in the 1936 Berlin Olympics, Major The Dhyhan Chand (the wizard of hockey) was offered German Citizenship by Hitler, which he declined.
- The 1965-66 Budget contained the first disclosure scheme for black money.
- Havells is purely an Indian brand which was named after its first owner, Haveli Ram Gupta.
- A special polling station is set up since 2004 for a lone voter, Mahant Bharatdas Darshandas as he is the only voter from Banej (Gujarat's Gir Forest).
- In India, Textile manufacturing is the second largest source of employment after agriculture.
- Indian Railway is constructing the highest rail bridge over Chenab river in J&K, which is expected to be five times the height of Qutub Minar and will be taller than the Eiffel Tower.
- Operation Rahat "Floods in Uttarakhand and Himachal pradesh" (2013) was one of the biggest civilian rescue operation carried out in the world.



5. About us

- 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 **95 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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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”*

Disclaimer

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