

Important Circulars & Notifications

June'2016



Index



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1. Income tax

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Title	Category	Description	Section/ Chapter/ Rule	Date
Clarifications on the Income Declaration Scheme, 2016	Circular (F.No. 142/8/2016-TPL)	<p>Vide Circular No. 24 dated 27.06.2016 and Circular No. 25 dated 30.06.2016, CBDT has considered certain queries and clarified the following points-</p> <ul style="list-style-type: none">▪ The declaration under the scheme shall be valid only when the complete payment of tax, surcharge and penalty is made on or before 30.11.2016.▪ The scheme is available to every person, whether resident or non-resident.▪ In case of amalgamation/conversion, the declaration is to be made in the name of the amalgamated company or the LLP, even if the declaration is related to the year prior to such amalgamation/conversion.▪ It is mandatory to furnish PAN in the Form of Declaration in order to claim the benefits and immunities under the Scheme <p style="text-align: right;">contd...</p>	Chapter IX of the Finance Act, 2016	27 th June & 30 th June, 2016



...contd. [Income Tax]

Title	Category	Description	Section/ Chapter/ Rule	Date
...contd. (Clarifications on the Income Declaration Scheme, 2016)	Circular (F.No. 142/8/201 6-TPL)	<ul style="list-style-type: none">▪ The Scheme provides immunity under the Income Tax Act, 1961, The Wealth-tax Act, 1957 and The Benami Transactions(Prohibition) Act▪ No information contained in the declaration shall be shared with any law enforcement agency or the Income Tax Department for any investigation in respect of a valid declaration.▪ Credit for tax deducted shall be allowed only in those cases where the related income is declared under the scheme & the credit for the tax has not already be claimed in the return of income file for any AY.▪ No enquiry in respect of source of income, payment of tax, surcharge & penalty if a valid declaration is made after making valuation as per the provisions of the Scheme.	Chapter IX of the Finance Act, 2016	30 th June, 2016

Title	Category	Description	Section/ Chapter/ Rule	Date
<p>Clarifications regarding Amendment in Section 206C of The Income Tax Act,1961</p>	<p>Circular (F.No. 370142/17 /2016-TPL)</p>	<p>Vide Circular No. 22 & 23 dated 08.06.2016 and 24.06.2016 respectively, CBDT has considered certain queries and clarified the following points regarding the amendment in Section 206C :</p> <ul style="list-style-type: none"> ▪ TCS @1% shall be collected by the seller from the purchaser on sale of motor vehicle of the value exceeding 10,00,000.This shall be applicable on all transactions of retail sales but not on sale by manufacturers to distributors/dealers. ▪ This is applicable on sale of all the motor vehicles of the value exceeding 10,00,000 and not only to the Luxury cars. ▪ Government, institutions notified under United Nations(Privileges and Immunities) Act 1947, & Embassies, Consulates, High Commission, Legation, Commission and trade representation of a foreign state shall not be liable to levy of TCS@1% <p style="text-align: right;">contd...</p>	<p>Section 206C</p>	<p>08th & 24th June, 2016</p>



...contd. [Income Tax]

Title	Category	Description	Section/ Chapter/ Rule	Date
...contd. (Clarifications regarding Amendment in section 206C of The Income Tax Act, 1961)	Circular (F.No. 370142/17 /2016-TPL)	<ul style="list-style-type: none">▪ TCS@1% shall be applicable on each sale & not to aggregate value of sale made during the year.▪ As per Sub-Section (1F) of the Section 206C, the provisions of TCS on sale of motor vehicle exceeding 10,00,000 is not dependent on mode of payment i.e., any sale of motor vehicle, whether in cash or not, exceeding 10,00,000 would attract TCS@1%.▪ As per Sub-Section (1D) of the Section 206C. no TCS shall be levied if the cash receipt does not exceed 2,00,000 even if the total sale consideration exceeds 2,00,000.▪ Under Section 206C(1D), the tax is required to be collected at source only on the cash component of the sales consideration and not on the whole of the sales consideration. <p>[Read More]</p>	Section 206C	08th & 24th June, 2016

Title	Category	Description	Section/ Chapter/ Rule	Date
<p>Explanation 2 to Section 37(1) applies only to the expenditure referred to in Section 135 of the Companies Act, 2013</p>	<p>Case Law</p>	<p>ACIT vs. Jindal Power Limited (ITAT Raipur)</p> <p>Facts:</p> <ul style="list-style-type: none"> ▪ Assessee incurred expenditure on corporate social responsibility voluntarily which do not fall u/s 135 of the Companies Act, 2013. ▪ The fundamental objection of AO was that the expenses incurred voluntarily on CSR are not admissible deduction in computation of business income and that the Explanation 2 to section 37(1) is applicable for such expenditure. <p>Held:</p> <ul style="list-style-type: none"> ▪ It was held that the Explanation 2 to section 37(1) inserted w.e.f. 01.04.2015 is not retrospective. ▪ Since the expenses were not incurred under any statutory obligation, thus the disabling provisions of Explanation 2 to Section 37(1) does not apply on the facts of the case. ▪ Hence, the voluntary expenditure on Corporate Social Responsibility shall be allowable as business expenditure. <p>[Read More]</p>	<p>Section 37(1)</p>	<p>23th June, 2016</p>



2. Service Tax

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Title	Category	Description	Section/ Chapter/ Rule	Date
CBEC notifies tax exemption on legal services provided by senior advocates	Notification	<ul style="list-style-type: none">▪ CBEC, vide notification no. 32/2016, has amended the notification no. 25/2012-Service Tax, dated 20th June, 2012 and substitutes clause (c) of entry 6.▪ The notification exempts the legal services provided by senior advocates to a business entity with a turnover up to rupees ten lakh in the preceding financial year.▪ It further exempts the legal services provided by a senior advocate to any person other than a business entity. <p>[Read More]</p>	Notification No. 25/2012 – Service Tax dated 20 th June, 2012	06 th June, 2016



...contd. [Service Tax]

Title	Category	Description	Section/ Chapter/ Rule	Date
Business entity liable to service tax on service provided by senior advocates.	Notification	<ul style="list-style-type: none">▪ CBEC, vide notification no. 33/2016 dated 06.06.2016, has amended the the Service Tax Rules, 1994.▪ These rules to be called the Service Tax (Fourth Amendment) Rules, 2016.▪ The notification specifies the business entity as the person liable to service tax in respect of the services provided by senior advocates. <p>[Read More]</p>	Service Tax Rules, 1994	06 th June, 2016

Title	Category	Description	Section/ Chapter/ Rule	Date
<p>Krishi Kalyan Cess on services provided on or before 31.05.2016</p>	<p>Notification</p>	<ul style="list-style-type: none"> ▪ The Central Government vide notification no. 35/2016 dated 23.06.2016 seeks to exempt certain services from the whole of Krishi Kalyan Cess. ▪ It has been clarified that the Central Government, being satisfied that it is necessary in the public interest to do so, hereby exempts all those taxable services with respect to which the invoice has been issued on or before 31st May, 2016. ▪ The exemption can be availed only if the provision of service has been completed on or before 31st May 2016. <p>[Read More]</p>	<p>Section 161 of the Finance Act, 2016</p>	<p>23th June, 2016</p>



3. Others

Title	Category	Description	Section/ Rule	Date
Draft Model GST Law(June 2016)	GST Law	<ul style="list-style-type: none">▪ The Finance Ministry has released the "Model GST Law" on 14th June 2016.▪ The draft outlines the structure of the Goods and Service Tax regime.▪ It provides the framework for levy and collection of CGST- Central Goods and Services Tax and SGST-State Goods and Services Tax.▪ It also contains the draft of "Integrated GST Bill, 2016"▪ IGST is the tax levied on the inter stat transactions under the Integrated Goods and Service Tax Bill, 2016.▪ The draft sets out provisions on taxing event, place of supply, credit availability and valuation, various administrative and procedural aspects, registration, filing of returns and other related aspects of GST. <p>[Read More]</p>	GST Law	14 th June, 2016

Title	Category	Description	Section/ Rule	Date
<p>1% Lesser Interest on Premature closure of PPF Account</p>	<p>Notification</p>	<ul style="list-style-type: none"> ▪ The Scheme may be called Public Provident Fund (Amendment) Scheme, 2016. ▪ The scheme allows premature closure of account of a subscriber, provided that such account has completed 5 years, on any of the following grounds- <ul style="list-style-type: none"> • If the amount is required for the treatment of serious ailments or, • If the amount is required for higher education ▪ On such closure, the amount shall be eligible for 1% lesser interest than the interest rates so applicable. <p>[Read More]</p>	<p>Public Provident Fund</p>	<p>18th June, 2016</p>



4. Interesting facts

- The name 'Google' was an accident. A spelling mistake made by the original founders who thought they were going for 'Googol'.
- Google has been acquiring, on an average, more than one company per week since 2010.
- Last year, when Amazon's site went down for 49 minutes the company missed sales of nearly \$5.7 million.
- Steve Jobs never wrote a single line of programming code.
- If Bill Gates were a country, he would be the 63rd richest country on Earth.
- Apple has twice as much cash as the US Treasury.
- Apple is pretty secretive. The company is said to have created fake projects for employees and management to work on. If the news leaks, you can hit the road. They'll know exactly who spilled the beans.

5. About us



Served more than
70 clients in past
10years



Strong team of
100+ energetic
people



State of the art
office of **6,250 sqft**



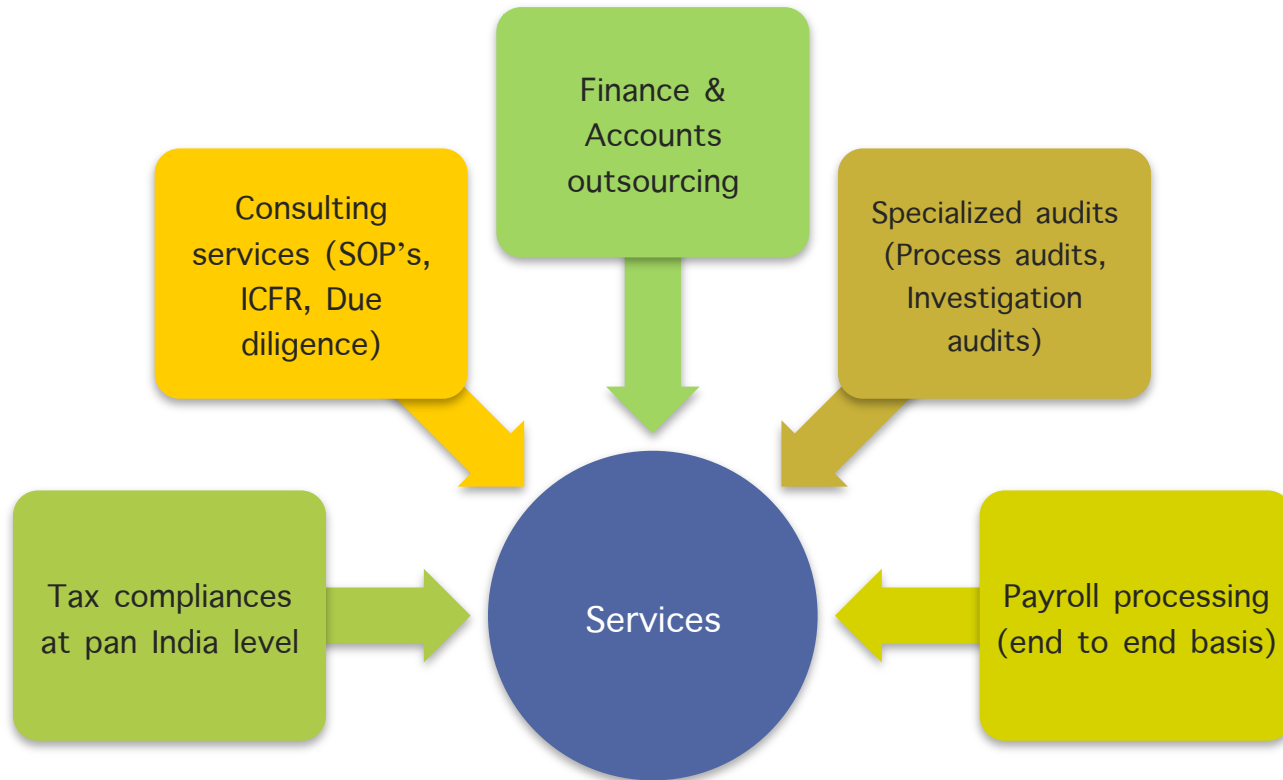
Impressive client
retention
period : **>7 years**



Client's turnover :
INR 50 cr
to Rs.1,500 cr



99.87% adherence
to SLA's





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