

Important Circulars & Notifications

November'2015

Index



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1. Income tax

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Title	Category	Description	Section/ Rule	Date
Extension of due date for deposit of TDS & TCS for Tamil Nadu state	Order	<ul style="list-style-type: none">▪ Due date of deposit of TDS & TDS is extended for Tamil Nadu state i.e. if the deductor is located in Tamil Nadu state.▪ The deductor can deposit the amount till 20th December, 2015	Section 119	5 th December, 2015
Explanatory notes to the provision of "FINANCE ACT, 2015"	Circular	<ul style="list-style-type: none">▪ CBDT has issued explanatory notes to the provisions of the Finance Act, 2015.▪ The Finance Act, 2015 has already received the ascent of the President on 14th May, 2015.▪ This Circular explains the substance of the provisions / amendments of the Income Tax Act relating to Direct Taxes. [Read more]	No. 19 /2015	27 th November, 2015

....Contd. [Income tax]



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Title	Category	Description	Section/ Rule	Date
If the identity and other details of the share applicants are available, the share application money cannot be treated as undisclosed income in the hands of the Company	Case Law	<p>CIT vs. Vrindavan Farms (P) Ltd (Delhi High Court)</p> <p>If the identity and other details of the share applicants are available, the share application money cannot be treated as undisclosed income in the hands of the Company. The addition, if any, should be in the hands of the applicants if their credit worthiness cannot be proved.</p> <p>Facts:</p> <ul style="list-style-type: none">▪ Assessee discharged its initial onus of showing the genuineness and creditworthiness of the share applicants by producing sufficient documentation.▪ The Assessing Officer completed the assessment by adding the income in the hands of assessee by doubting the credit worthiness of share holders. <p>Held:</p> <ul style="list-style-type: none">▪ The Court has observed that no addition can be made in the hands of the Assessee.▪ It will be open to the Income Tax Authorities to move against the share applicants in accordance with law, but not the company. <p>[Read more]</p>	Section 68	16 th November, 2015

....Contd. [Income tax]



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Title	Category	Description	Section/ Rule	Date
Depreciation continues to be allowed on the block of assets even if the business is discontinued.	Case Law	<p>CIT vs. Sonic Biochem Extractions Pvt. Ltd (Bombay High Court)</p> <p>Facts:</p> <ul style="list-style-type: none"> ▪ The company had claimed the depreciation in respect of machinery, which was part of block of assets. ▪ The machinery had not been used during the assessment year as the assessee had discontinued its business. ▪ The Assessing Officer (AO) disallowed the claim of depreciation and CIT (A) upheld the decision of AO. ▪ ITAT allowed the claim of depreciation. <p>Held:</p> <ul style="list-style-type: none"> ▪ The Depreciation is allowed on the block of assets. ▪ Only block of asset is to be considered, not the individual asset ,once individual asset is added in block it loses its identity for the purpose of depreciation. ▪ It is immaterial whether that individual machinery is actually put to use or not. 	Section 32 & 43(6)	17 th November, 2015

2. Service Tax



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Title	Category	Description	Section/ Rule	Date
"Swachh Bharat Cess" (SBC)	Notification	<ul style="list-style-type: none"> Abatement for Swachh Bharat Cess will be equal to abatements available for determination of service tax liability. It has also been clarified that the value of taxable services for calculation of Swachh Bharat Cess would be the value computed in terms of the Valuation Rules [Read more] 	No. 23/2015	12 th November, 2015
	Notification	<ul style="list-style-type: none"> Reverse charge mechanism for collection of service tax also made applicable to collection of Swachh Bharat Cess. [Read more] 	No. 24/2015	12 th November, 2015
	Notification	<ul style="list-style-type: none"> Persons providing services of air travel agents, life insurers, purchasing or selling foreign exchange, or a distributor or selling agent of lottery, for which the service tax rules provide for an alternate mechanism to compute service tax liability, can compute and pay Swachh Bharat Cess as under: Amount payable as service tax \times 0.5/14 [Read more] 	No. 25/2015	12 th November, 2015

....Contd. [Service tax]



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Title	Category	Description	Section/ Rule	Date
FAQs on "Swachh Bharat Cess" (SBC)	FAQs	<ul style="list-style-type: none"> ▪ For clear understanding of "SBC" , FAQs and their answers have been issued by CBEC. Through these FAQs, the assessee can easily understand all aspects of "SBC". ▪ Please refer following link for the FAQs: http://www.cbec.gov.in/resources//htdocs-cbec/press-release/faq-sbc.pdf 		
CBEC formulates a scheme for speedy disbursal of pending refund claims of exporters of service under Rule 5 of the CENVAT Credit Rules, 2004	Circular	<ul style="list-style-type: none"> ▪ The key features of this scheme is as follows: <ul style="list-style-type: none"> ○ The Board has issued a circular directing payment of 80% of amount of CENVAT credit claimed as refund by service exporters on provisional basis, subject to submission of a certificate from Statutory Auditor/Chartered Accountant for corporate/ non-corporate assessee. ○ The scheme is applicable only for refund claims filed on or before 31st March, 2015. ○ The payment made to the assessee are purely provisional <p>[Read more]</p>	No. 187/6/2015- ST	10 th November, 2015

3. Others



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Title	Category	Description	Section/ Rule	Date
Conclusion of some important Labour law judgments	Labour Law	<ul style="list-style-type: none"> Provident Fund Act once applicable will continue to apply even if number of workers are reduced. Clubbing of two independent establishments for coverage under provident fund is not proper. 	Case Law	
Minimum wage rate were revised w.e.f. 1st Oct 2015 for various states like Delhi/ UP/ MP / Gujarat	Labour Law	<ul style="list-style-type: none"> The minimum wages rates in respect of unskilled, semiskilled and skilled categories in all scheduled employments except employment in 'Shops and establishments' and employment in 'Clubs' were changed with effect from 1st October, 2015. The minimum wage rate list can be accessed from the following link: http://www.labourlawreporter.com/latest-minimum-wages/ 	Notifications	
One step forward for digital India, Use of digital signature for submission of documents	Customs	<ul style="list-style-type: none"> All importers, exporters using services of Customs Brokers for formalities under Customs Act, 1962, shipping lines and air lines shall file customs documents using digital signatures mandatorily. w.e.f. 1st Jan' 2016. The importers/ exporters desirous of filing Bill of Entry or Shipping Bill on their own may however have the option of filing declarations/ documents without using digital signature. [Read more] 	Circular No. 26/2015	23 rd October, 2015

....Contd. [Others]



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Title	Category	Description	Section/ Rule	Date								
Relaxation of additional fees and extension of last date for Annual Filing	Companies Act	<ul style="list-style-type: none">Last date of filing of AOC-4, AOC-4 XBRL and MGT-7 E-Forms has been extended to 30th December 2015.No additional fees will be paid if filing of above forms is done till 30th December, 2015. [Read More]	Circular No. 15/2015	30 th November, 2015								
Revision in the rate of interest under Sec. 30 of the MVAT Act	MVAT	<ul style="list-style-type: none">Maharashtra sales tax has revised the rate of interest leviable on delay in deposit of tax.Earlier it was 1.25% per month or part thereof, chargeable at flat rate, now it will be as per the following table: <table><tr><th>Period of delay</th><th>Rate of Interest</th></tr><tr><td>Up to one month or part thereof</td><td><ul style="list-style-type: none">1.25%</td></tr><tr><td>Up to three month or part thereof</td><td><ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month up to 3 month.</td></tr><tr><td>More then three month or part thereof</td><td><ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month, up to 3 month&2% for delay beyond 3 months.[Read More]</td></tr></table>	Period of delay	Rate of Interest	Up to one month or part thereof	<ul style="list-style-type: none">1.25%	Up to three month or part thereof	<ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month up to 3 month.	More then three month or part thereof	<ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month, up to 3 month&2% for delay beyond 3 months. [Read More]	Circular No. 18T/ 2015	29 th October, 2015
Period of delay	Rate of Interest											
Up to one month or part thereof	<ul style="list-style-type: none">1.25%											
Up to three month or part thereof	<ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month up to 3 month.											
More then three month or part thereof	<ul style="list-style-type: none">1.25% for the first month &1.50% for delay beyond 1 month, up to 3 month&2% for delay beyond 3 months. [Read More]											

....Contd. [Others]



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Title	Category	Description	Section/ Rule	Date
Extension of last date for filling "CST- Form 9"	Circular DVAT	<ul style="list-style-type: none"> Due date for filing reconciliation return for FY 14 -15 in "CST Form 9" has been extended to 15 December, 2015. The return is to be filed by the dealers who have made interstate sale at concessional rates against statutory forms 'C' or stock transferred against 'F' forms or sold against forms 'H' to dealers (Other then Delhi) or claimed deduction from taxable turnover against E-I/ E-II forms or I/J forms etc. 	Circular No. 28 of 2015-16	30 th October, 2015
Preparedness for ICFR compliance	The Companies Act, 2013	<ul style="list-style-type: none"> It's a high time for companies to prepare themselves for the ICFR compliance readiness as it's mandatorily to be complied from the current Financial Year 2015-16. To know about ICFR implementaton approach, click here to access a detailed whitepaper on ICFR. 		



4. Interesting facts

- We Indians are young at heart and even by age: Half of India's population is below 25 years of age. By 2020 the average age of Indians is expected to be 29 years.
- India is one of the fastest growing economies in the world. It is estimated that by 2030 India will be the third largest economies with projected GDP (PPP) of \$13,716 bn.
- When hippos are upset, their sweat turns red.
- "Facebook Addiction Disorder" is a mental disorder identified by Psychologists
- Facebook, Skype and Twitter are all banned in China
- Common fact between the announcement of death of Bin Laden and Hitler- 1st May. Bin Laden's death was announced on 1st May 2011 and Hitler's death was announced on 1st May 1945.
- Hewlett-Packard's name was decided in a coin toss.

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 have a separate division for **ICFR** and **Ind AS** implementation.
- We are a strong and stable of team of more than **100+ 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

Noida-201301

Disclaimer

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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.

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