

Important Circulars & Notifications

June'2015

Index



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1. Income Tax	3-4
2. Service Tax	5-6
3. Others	7-8
4. Interesting facts	9
5. About us	10
6. Contact us	11





1. Income tax

Title	Category	Description	Section/ Rule	Date
Condonation of delay in filing claim for Income Tax refund and carry forward of losses	Circular	Circular No. 09/2015 <ul style="list-style-type: none">• CBDT has recently issued a circular prescribing the procedure to condone the delay while claiming income tax refund and carry forward of losses.• A tax payer can make a request to condone the delay in filing of return within six years from the end of the assessment year for which such application/claim has been filed.• Generally, an assessee is entitled to get an interest on the amount of refund but in this case assessee will not be entitled to any interest on the amount of refund. [Read More]		9 th June 2015
Loans and advances given for the business transaction between the parties does not fall within the definition of deemed dividend	Case law	Ishwar Chand Jindal VS ACIT (ITAT Delhi) <p>Fact : In the given case, assessee is having shares in the given company. When a search & seizure operations was carried out, Assessing officer observed that certain amounts were transacted between the company and assessee. Assessing officer classified these amounts as loans and advances and treated the same as deemed dividend .</p> <p>Held : The tribunal held that transactions are made for purchasing and selling of goods in normal course of business and therefore, can not be treated as deemed dividend. The law does not prohibit business transactions between related concerns if these are made in the ordinary course of business.</p> [Read More]	Section 2(22)(e)	29 th May 2015



....Contd. (Income tax)

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4

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Title	Category	Description	Section/ Rule	Date
Loss from trading in derivative business can be set off against normal business profits	Case law	ITO VS Emperor International Ltd. (ITAT Delhi) Fact : In the given case, assessee was dealing in shares and securities in derivative market and incurred losses from dealing in derivatives (shares futures). In addition to this business, he was also doing delivery based sales/purchase of shares, earning commission on sale of flats & in these businesses, assessee had shown profit. Now, assessee set-off its derivative loss against the income of its normal business in its income tax return. However, the assessing officer treated the loss of derivative business as speculative in nature and disallowed the same for set-off. Held : The tribunal held that explanation to clause (d) of section 43(5) of the act provides that such transactions in respect of trading in derivative would not be deemed to be speculative transactions. Therefore, loss of derivative business can be set-off against the profit of normal business. [Read More]	Section 43	27 th May 2015
CIT(A) to issue its order within 15 days from the date of last hearing	Instruction	Instruction [F.No.279/Misc/53/2003-ITJ] •CBDT has instructed that appellate orders by Commissioner of Income Tax (Appeals) should be issued within 15 days from the date of the last hearing. • Any lapse on this account shall be viewed adversely by CBDT. • This shall also be applicable to orders passed by the CIT/CCIT under Sections 80G, 263 and 264 [Read More]	Section 251	19 th June 2015



2. Service tax

5

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Title	Category	Description	Section/ Rule	Date
CBEC's clarification on rate of service tax on restaurant services	Circular	Circular No. 184/3/2015-ST <ul style="list-style-type: none">• Certain doubts have been raised in regard to abatement on value of services provided in relation to serving food or beverages by a restaurant, eating joint or a mess, having the facility of air-conditioning or central air-heating.• CBEC has clarified that as per existing regulation, service portion in an activity wherein food or any other article of human consumption or any drink is supplied, 40% of the total amount shall be subject to service tax.• No change has been made by Finance Act, 2015 in this abatement.• However due to change in effective rate of service tax from 12.36% to 14%, the rate of service tax on the abated value got automatically increased from 4.9% to 5.6% (14% of 40%) from 1st June 2015. [Read More]		3 rd June 2015
Refund admissible even when services were not notified on the date of export but were duly notified on the date of claiming refund	Case law	Fazlani Exports Pvt. Ltd. VS Commissioner of service tax Fact : Assessee was engaged in the export of goods outside india for which it availed various services viz. Terminal handling service, GTA services etc. Assessee filed refund claims towards service tax paid on such services but the same was rejected by the department on the ground that certain services were not notified on the date of export and were notified later. Held : The CESTAT held that the important thing is that the service should be in existence on the date of refund claim irrespective of the period of export. Therefore, the claim of assessee is genuine and refund shall be allowed. [Read More]	Section 83	19 th June 2015



....Contd. (Service tax)

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6

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Title	Category	Description	Section/ Rule	Date
Penalty can not be levied when the entire amount of tax and interest thereon was paid before the issuance of show cause notice	Case law	Bellary city cable VS Commissioner of central excise customs & service tax Fact : In the given case, appellant (an individual proprietor) was providing services related to multi system operator but he did not pay any service tax on this service. When officials of service tax department visited his office premise, he submitted that he was not aware of the applicability of service tax on this service. Subsequently, he deposited the service tax liability along with interest before the issue of show cause notice by the service tax department. However, service tax department went on levying the penalty under Sections 76,77 and 78 of the Finance Act 1994. Held : The Hon'ble CESTAT held that the appellant had no intention to evade service tax and accordingly, penalties imposed under various sections of Finance Act, 1994 were waived. [Read More]	Section 76,77,78 of the Finance act 1994	

3. Others



Title	Category	Description	Section/ Rule	Date
Online payment of EPF has been made mandatory w.e.f. May 2015	Notification	MOL&E Notification No. G.S.R 360(E) <ul style="list-style-type: none">• Employee provident fund department has informed to all employers that it is mandatory for all establishments contributing equal to Rs. One lakh or more have to make the payment of EPF through online mode only.• Establishment contributing less than Rs. One lakh may deposit EPF contribution through offline mode (draft,cheque) till September 2015.• However from September 2015, all establishments (without any minimum limit) shall be required to deposit EPF through online mode only. <p style="text-align: right;">[Read More]</p>		24 th June 2015
Extension of time limit for filing of notices related to the cost auditor and filing of cost audit report	Circular	Circular No. 08/2015 <ul style="list-style-type: none">• The time limit for filing form CRA-2 has been extended and additional fee on account of any delay beyond the prescribed period of 30 days from the date of board meeting is waived for all such filings till 30th June,2015.• Similarly, the late fee for delayed filing of form CRA-4 in respect of cost audit report is also waived for all such filings till 31st August,2015.• The revised e-form CRA-2 and CRA-4 has been notified and is available on the MCA21 system for filing. <p style="text-align: right;">[Read More]</p>		12 th June 2015

....Contd. (Others)



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8

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Title	Category	Description	Section/Rule	Date
Clarification on repayment of deposit accepted by the companies before the commencement of The Companies Act, 2013	Circular	Circular No. 09/2015 <ul style="list-style-type: none">• The Ministry of corporate affairs has issued this clarification regarding repayment of the deposit accepted by the company from its investors before commencement of The Companies Act, 2013.• MCA has clarified that investors can file complaints for failure, if company fails to repay deposit within specified period of time i.e. 1 year from the date of commencement of The Companies Act, 2013.• Further, the company can also file application with the Company Law Board seeking extension of time in making repayment of deposits accepted by it.• In case of any violation, company will be punishable with prescribed fine. <p style="text-align: right;">[Read More]</p>	Section 74 of The Companies Act, 2013	18 th June 2015



4. Interesting facts

- During 2011, U.S. debt surpassed 100 percent of GDP for the first time ever.
- Apple was started in a bedroom in Cupertino, California in 1976.
- Ronald Wayne was the third cofounder of Apple, along with Steve Wozniak and Steve Jobs. In 1976, he sold back his 10% share of the company for \$800 to existing founders. Today, his 10% would have been worth of \$35 billion.
- In 1787, U.S. citizens were eligible to vote only if they were taxpayers.
- Over 1 million accountants are hired each year in America to help with taxes.
- India's "Go Air" airline only hires female flight attendants because they are lighter, so they save up to US \$500,000 per year in fuel.
- If you divide up the national debt equally among all U.S. taxpayers, each taxpayer would owe approximately \$1,34,685.
- One building in the Cayman Islands is the official location of 18,857 corporations.
- In 2013, AT&T paid out a total of \$9.69 billion in dividends, roughly \$26.5 million per day.
- The first stock exchange can be traced back to Antwerp, Belgium in 1460.



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 **75 people.**
- We are comfortable working on any ERP platforms i.e. SAP, Oracle, Navision, Baan, PeopleSoft, Xero, Tally.



6. Contact us

11

Index

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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”*