



# ANIL AGRAWAL AND COMPANY

Chartered Accountants

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**Direct and Indirect Tax****New Tax Return filing forms notified**

CBDT notifies corporate tax return form ('ITR 6') for AY 2014-15; Limited changes made in substituted ITR 6 for AY 2014-15 vis-à-vis earlier ITR 6 for AY 2013-14; Tax return to provide details of buy-back tax, deemed income u/s 43CA; Details of transactions made with person located in notified jurisdiction u/s 94A of the Act to be reported; Changes also made in respect of share sale related disclosures for non-residents. CIN and DIN number is mandatory in new form 6 while filing the ITR. It means now it will be possible for department to cross check the information filed by companies in Annual Return and ITR.

**CBDT Circulars and Notifications**

Mandatory e-filing of audit report in form 56F (for newly established units in SEZ) and 3CE (non resident receiving royalty etc) [Notification 28/2014 of 30-05-2014].

Mandatory e-filing of Audit Report in form 3CEA (Capital Gains Computation in Slump Sale) and 66(Tonnage Tax Scheme for Shipping Cos) [Notification 28 of 30-05-2014].

**Latest Transfer Pricing Judgments**

ITAT : Treats interest income non-operating, but allows "Rule 8D logic" in margin computation **Sumitomo Corporation India Pvt. Ltd. [TS-173-ITAT-2014(DEL)-TP]**

ITAT: IT support service charges TP adjustment without applying prescribed method unsustainable **Diebold Software Services Pvt. Ltd. [TS-174-ITAT-2014(Mum)-TP]**

ITAT: Re-determine ALP using TNMM over CPM; Directs fresh TP study within 3 months **Reliasys Technologies (India) Pvt. Ltd. [TS-175-ITAT-2014(Mum)-TP]**

**Direct and Indirect Tax****Latest in Judiciary****Nortel Networks India International Inc. [TS-355-ITAT-2014(DEL)]**

Indian PE entered into contract with Reliance Infocom ('Indian buyer') to supply telecommunication hardware, and immediately after its signing, assigned such contract to assessee without any consideration; Though hardware equipment supplied by assessee to Indian buyer (through purchase from Nortel Canada), its installation and commissioning was undertaken by India PE;

Holds entire 'business enterprise' activities of assessee was managed by India PE and only requisite supply was made from abroad; Thus, rules assessee a mere shadow company, who gets its work executed through India PE; Rejects assessee's contention that sales were completed overseas and installation was done under a separate contract, thereby having no PE in India. ITAT upholds CIT(A)'s order, activities carried by Indian subsidiary of assessee (a US based Nortel group company) constitute its PE in India in terms of Article 5 of Indo-US DTAA Further holds CIT(A) justified in attributing 50% of profit to PE : Delhi ITAT.

Service tax paid by Service provider, on being pointed out by department, can be treated as business expenditure [**Hon'ble High Court of Gujarat in the case of CIT vs. Kaypee Mechanical India (P) Ltd.**]

No application of section 2(22)(e), where shareholding of each partners of assessee-firm as well as of assessee-firm in closely held company is less than 10%, even though their cumulative shareholding is more than 10% [**CIT vs. Octave Apparels, Punjab & Haryana High Court**].

**Tax Return filing due date**

Due date for Income Tax Return filing by Individuals, proprietorship businesses and Salaried employees for FY 2013-14 is 31<sup>st</sup> July 2014

**Direct and Indirect Tax****Indirect Tax**

30.06.2014 is last date for payment of balance 50% service tax dues under VCES without interest. Assessee can pay by 31.12.2014 with interest w.e.f. 01-07-2014.

Composition Dealers to pay 1% of turnover or 1.5% of taxable turnover. Late filing fee for MVAT returns reduced from Rs.5000 to 2000, for delay up to 1 month.

**Latest in Judiciary**

Amount received from business houses for display of their advertisements and for participation of their teams in the matches was not covered under 'Event Management Service'. [Commissioner of Central Excise, Aurangabad v/s Lokmat Media Ltd. 2014 (6) TMI 31 - CESTAT Mumbai, Honorable Mumbai CESTAT].

Service tax law imposes tax on recipient and service provider is merely a collecting agency. Hence, recipient must reimburse tax to provider where service tax is demanded from provider, even if same is not contemplated in agreement [High Court Of Allahabad in the case of Bhagwati Security Services (Regd.) vs. Union of India].

In the case of Janakkumar C. Naik v. Commissioner of Central Excise, Daman, (2014) 45 taxmann.com 193 (Ahmedabad - CESTAT), the Ahmedabad CESTAT held that in the absence of application seeking condonation of delay, the Commissioner Appeal should inform the assessee to file an application for condonation of delay before dismissing the appeal on the ground of it being barred by limitation.

Fill Form 9 online for refund cases of 2012-2013 and 2013-2014. For refund due to exports, submit Export wise details of e-BRC. [DVAT public notice of 24-06-2014].

**Regulatory [ ROC & FEMA]****Circulars and Notifications**

MCA amends Companies (Acceptance of Deposits) Rules, 2014 to allow acceptance of deposits without deposit insurance contract till 31-03-2015. **[Notification of 06-06-2014]**.

Due date for filing DPT-4 has been extended to 30<sup>th</sup> August 2014

Clarification on Share Transfer Forms executed before 01.04.2014 and delegation of powers by board **under rule 6(2)(a) General Circular No. 19/2014-dated 12th June, 2014, MCA.**

Unlisted Companies (including private companies) with paid up share capital of 5 cores or more and all listed companies to have full time Company Secretary**[MCA Notification of 09-06-2014]**.

Clarification on rules relating to appointment and qualification of Independent Directors **[MCA General Circular 14/2014 of 09-06-2014]**.

Companies to accept Share Transfer Form 7B (instead of SH-4) signed before 01-04-2014 and submitted in time. Company can reject with reasons, if delayed. **[Circular 19 of 12-06-2014]**.

File Form MBP 14 within 30 days of First Board Meeting related to disclosure of interest by directors.

Revised Annual return of Foreign Assets and Liabilities of companies accepting FDI to be e-filed with RBI by 15.07.2014 **[RBI AP (DIR SERIES) Circular 145 of 18.06.2014]**.

At least one Director to be in India for 182 days in last calendar year. For 2014, must be resident for minimum 136 days from 01.04.2014 to 31.12.2014 **[circular number 25 of 26-06-2014]**.

Name, Designation, Address, Membership number or DIN of signatory are must on any document (Paper or Electronic) filed with the office of registrar of companies **[Rule 7 of Companies (Registration Offices and Fees) Rules, 2014]**.

## ABOUT US & WHERE WE ASSIST

We are a consulting and outsourcing CA firm engaged in providing consulting services to Indian and multinational clients. The firm has been founded by Mr. Anil Agrawal, FCA who is alumni of Ernst & Young and have more than 10 years of experience in the fields of Auditing, Taxation and Regulatory matters.

We have dedicated team of Chartered Accountants, Semi qualified and adequate support staff who are competent people with sharp insight and unique skill set.

Our Current area of operation are NCR region comprising of DELHI, GURGAON, MANESAR, NOIDA, GREATER NOIDA & FARIDABAD

### Accounting and Auditing (Assurance services)

Implementation of Indian GAAP & AS  
Conversion of financial statement from Indian GAAP to IFRS/ US GAAP  
Assurance services

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International Tax Interpretation and advisory  
Transfer pricing  
Indirect Tax Advisory  
NRI/Expatriate Tax

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FEMA and RBI regulations  
Advisory on Entry strategy and exit routes for foreign companies  
Liasioning with ROC/RBI  
Tax returns

### Transaction Advisory services

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Business Restructuring  
Financial/legal/Commercial Due Diligence  
Valuation Services  
Corporate Financing



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