



ANIL AGRAWAL AND COMPANY

Chartered Accountants



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Tax [Direct & Indirect] News

Important Due Dates

- 06.12.2014 was last date for e-payment of Service Tax for November 2014.
- 07.12.2014 was last date to deposit TDS/TCS of November 2014
- 15th December, 2014 was last date for payment of Advance tax i.e. 75% by Companies and 60% by others
- 31-12-2014 is extended last date of CLSS 2014 for filing annual reports etc with 25% additional fee. No prosecution/ disqualification. [Circular 44 of 14-11-2014].
- 09-01-2015 is last date for e-filing Form 9 (Details of concessional interstate sales against forms C, F etc.) for 2013-14.
- 15-01-2015 is last date for e-filing of MVAT audit report e704 for 2013-2014. Submit paper documents by 27-01-2015
- Service tax: Last date for payment in cash of 2nd and final installment of declared VCES dues with interest (ST Amnesty Scheme) is 31.12.2014.

CBDT IT NOTIFICATION No.73/2014 Regarding Advance Ruling

Residents, who in relation to their tax liability arising out of one or more transactions valuing Rs. 100 crores or more in total, undertaken or proposed to be undertaken, shall be 'applicant' for purposes of seeking advance ruling; Union Budget 2014 had extended facility of seeking advance ruling class of resident taxpayers; CBDT further notifies application form for resident taxpayers seeking an advance ruling

Resident seeking Advance Ruling to apply in new Form 34DA. Fee for advance ruling specified from Rs.10000 to Rs.10 lacs. IT (12th Amendment) Rules, 2014 w.e.f. 28.11.2014

Service Tax 3rd Amendment Rules w.e.f. 05-12-2014

Department nominated CA and CMA can conduct Service tax audit. Records to be produced in time specified by auditor (15 days earlier).

CBDT NOTIFICATION No. 79 /2014 Dated 12.12.2014 Regarding Govt. Grant

CBDT inserted rule 2BBB (after rule 2BBA) “Percentage of Government Grant for considering university, hospital etc. as substantially financed by the Government for the purposes of clause (23C) of section 10” in the Income-tax Rules.

DVAT NOTIFICATION Regarding Appropriate Govt. Treasury

DVAT authorities have notified State Bank of Bikaner and Jaipur located in the national capital territory of Delhi as ‘Appropriate Government Treasury’ for collection of tax, interest, penalty or any other amount due under the Act or Central Sales Tax Act, 1956.

DVAT Special Drive For Speedy Disposal Of Objections Relating To Mismatch Of 2A and 2B For The Year 2012-2013

DVAT dealers get another chance to approach Ward Objection Hearing Authority on 8th, 9th and 10th January to settle objections relating to mismatch of 2A and 2B for 2012-2013.

CBDT NOTIFICATION No. 90 /2014 Dated 23.12.2014 Regarding Deduction U/S 80C

Government notifies ‘Reliance Retirement Fund’ as pension fund for deduction u/s. 80C of the Income Tax Act.

New Version Of NSDL File Validation Utility (FVU)

Use new TDS FVU 4.5. Sec 194LBA for TDS on payment by business trust and 194DA for TDS on life insurance payment incorporated W.e.f. 01-10-2014

Goods and Services Tax (“GST”) Bill Constitution (122nd Amendment) Bill, 2014

Finance minister Shri. Arun Jaitley tabled the GST constitutional amendment bill in Lok Sabha on Friday, December 19, 2014, calling it the “Single biggest tax reform since Independence” and said the government has made sure that no state will lose money and it will be a win-win tax reform for both the centre and the state governments.

Following are the salient features of this Bill:

- A new Article 279A is proposed for the creation of a Goods & Services Tax Council under the Chairmanship of the Union Finance Minister
- Centre will compensate States for loss of revenue arising on account of implementation of the GST for a period up to five years
- Central taxes like Central Excise Duty, Additional Excise Duties, Service Tax, Additional Customs Duty (CVD) and Special Additional Duty of Customs (SAD), etc. will be subsumed in GST.
- At the State level, taxes like VAT/Sales Tax, Central Sales Tax, Entertainment Tax, Octroi and Entry Tax, Purchase Tax and Luxury Tax, etc. would be subsumed in GST.
- All goods and services, except alcoholic liquor for human consumption, will be brought under the purview of GST.
- Both Centre and States will simultaneously levy GST across the value chain. Centre would levy and collect Central Goods and Services Tax (CGST), and States would levy and collect the State Goods and Services Tax (SGST) on all transactions within a State.
- GST rates will be uniform across the country. However, to give some fiscal autonomy to the States and Centre, there will be a provision of a narrow tax band over and above the floor rates of CGST and SGST.

Regulatory (ROC & RBI)

IRDA Circular No. 240/10/2014 Regarding Auditor Appointment

IRDA advises insurance brokers to appoint statutory auditors for maximum duration of 5 years. Insurance brokers to ensure while appointing auditor for 2015-2016 on wards that auditor can be retained for maximum 5 years

Declaration of Monetary Policy By RBI

RBI declared monetary policy as: Short-term lending (Repo) rate unchanged at 8 per cent. Cash reserve ratio (CRR) unchanged at 4 per cent. Statutory Liquidity Ratio retained at 22 per cent to unlock banking funds etc.

RBI FDI Policy Regarding Railways

RBI has reviewed the policy for Foreign Direct Investment (FDI) for railways sector and has now permitted 100% FDI in railway infrastructure sector under automatic route subject to conditions.

MCA NOTIFICATION Regarding Form MR - 2 & Form 1 (LLP)

Versions of Form MR - 2 & Form 1 (LLP) are modified w.e.f 16th December, 2014. Only new version of the e Forms will be acceptable. Stakeholders are requested to plan accordingly and ensure that you have downloaded the latest version for filing and uploading the latest version only. Form-wise date of last version change is available at on the website of MCA

MCA NOTIFICATION Dated 14.10.2014

Rule 6 of Company accounts not applicable to consolidated financial statement of intermediate 100% subsidiary (except whose immediate parent is foreign company).

Latest Judicial Pronouncements (International tax)

ON ALP

Assistant Commissioner of Income-tax, Circle-3, Noida v. LG Electronics India (P.) Ltd. [2014] 52 taxmann.com 240 (Delhi - Trib.)

Held that Separate transactions such as sales and royalty payments under the combined umbrella of TNMM on an entity level is not permissible as it may result in "cross-subsidization", i.e., a probable addition on account of transfer pricing adjustment arising from one international transaction may be usurped by the income from the other international transaction giving higher income on transacted value. As the international transaction of royalty payment is a separate transaction and not closely linked with the other transactions (import of raw materials, import of service spares, export of finished goods, export of service spares, commission, design and development fee) with which the assessee has merged it, such merger for the purposes of the determination of its ALP on entity level under TNMM cannot be allowed.

ON CAPITAL GAIN

Assistant Commissioner of Income-tax, Circle-3(3), Mumbai v. Vodafone India Services (P.) Ltd. [2014] 52 taxmann.com 241 (Mumbai - Trib.)

Held that as per the definition of international transaction as contemplated u/s 92B r.w.s 92F(v), it does not necessarily require a transfer or assignment of a property or creating any right or interest in the property but even an arrangement, understanding and action in concert, whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings or not, if the said understanding shall have a bearing on the profits, income, losses or asset of the enterprises, the same would fall within the realm of international transaction

Change of prospective nominee for holding shares in group companies to be acquired by holding company under call option by rewriting Framework Agreement between holding company and other shareholders is not "transfer". It does not amount to assignment, transfer or creating any right of call options in favour of prospective nominee.

ON TP

Assistant Commissioner of Income-tax, Circle -11(1), New Delhi v. EXL Service.Com (India) (P.) Ltd. [2014] 52 taxmann.com 352 (Delhi - Trib.)

Held that no Transfer Pricing adjustment can be made under Transactional Net Margin Method (TNMM) for a simplicitor higher/lower amount of depreciation in itself or as a percentage of total operating expenses nor does an otherwise comparable company ceases to be so because of these factors. Adjustment called for when there is a difference in rates of depreciation on similar types of assets under similar method of charging depreciation

ON AE

Assistant Commissioner of Income-tax, Circle -18(1), New Delhi v. Wrigley India (P.) Ltd. [2015] 53 taxmann.com 16 (Delhi - Trib.)

Sales to an overseas AE without any cost being incurred on marketing and sales promotion are not comparable with sales to domestic independent enterprises with full responsibilities for marketing and sales promotion - Held, Yes - When profitability in two business situations are expected to be different due to significant differences in their FAR profiles, such transactions cease to be comparable transactions - Held, Yes

About Us

We are a partnership CA firm of repute in New Delhi established in year 2003 with extensive cross functional experience of dealing with both multinational and domestic entities. We provide specialized services relating to International and domestic Taxation, Regulatory (ROC and RBI) and Assurance. The firm has been founded by Mr. Anil Agrawal, FCA who is alumni of Ernst & Young and has more than 12 years of experience in the fields of International Taxation and Regulatory matters. Our client comprises of Subsidiaries of foreign cos, Joint Ventures, Indian Corporates, LLPs, Firms, NGOs & HNI's.

We have dedicated team of Chartered Accountants, Company Secretary, Semi qualified and adequate support staff who are competent people with sharp insight and unique skill set. Our Current area of operation is NCR region comprising of Delhi, Gurgaon, Manesar and Noida. Our present multinational clientele includes clients from Turkey, USA, Australia, Dubai, Japan and Netherland.

OUR SPECIALIZATION SERVICE

Income Tax Assessment & Litigation

Transfer Pricing Audit/Assessment & Documentation

International & Domestic Tax Advisory & Compliance

Assurance/ Auditing Service

Expatriate Tax/ NRI Tax Advisory & Compliance

OUR OTHER SERVICES

- **Outsourcing of Accounting & Payroll**
- **DVAT/CST Advisory & Compliance**
- **Service Tax Advisory & Compliance**
- **Valuation Services**
- **FEMA/RBI regulations advisory & compliance**
- **Company law Advisory & Compliance**



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