



INCOME TAX

Due date of furnishing Annual Form 16 (Salary Certificate) is extended from 31st May to 15th June of the financial year immediately following the financial year in which the income was paid and tax deducted.

TDS and filing of ITR in case both the parents of minor are dead :

CBDT has clarified that in cases of minors whose both the parents have deceased, TDS deductors/ Banks are clubbing the interest income accrued to the minor in the hand of grandparents and issuing TDS certificates to the grandparents, which is not in accordance with the law as the Income-tax Act envisages clubbing of minor's income with that of the parents only and not any other relative. Ideally in such type of situations, the income should be assessed in the hands of the minor and the income-tax returns be filed by the minor through his/ her guardian.

2. Under sub-rule (5) of Rule 31A of the Income Tax Rules, 1962, the Director General of Income-tax (Systems) is authorized to specify the procedures, formats and standards for the purposes of furnishing and verification of the statements or claim for refund in Form 26B and shall be responsible for the day-to-day administration in relation to furnishing and verification of the statements or claim for refund in Form 26B in the manner so specified.

3. In exercise of the powers delegated by the Central Board of Direct Taxes (Board) under sub-rule (5) of Rule 31A of the Income-tax Rules, 1962, the Principal Director General of Income-tax (Systems) hereby specifies that in case of minors where both the parents have deceased, TDS on the interest income accrued to the minor is required to be deducted and reported against PAN of the minor child unless a declaration is filed under sub-rule (2) of Rule 37BA of the I.T. Rules, 1962 to that effect.

UPDATES ON START UP COMPANIES

The Government of India had announced 'Startup India' initiative for creating a conducive environment for startups in India. The various Ministries of the Government of India have initiated a number of activities for such purpose.

The Government had received representations from various industries seeking changes in the definition of a startup. DIPP has now issued new notification to bring about changes in the definition of startup. The list of major changes is as follows:

(1) Enlarged definition of Startup:

Earlier an entity would be considered as Startup if it was working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

In order to grow the employment opportunities for youth, the DIPP has now enlarged the definition of startup. Now, entities having scalable business mode with a high potential of employment generation can also apply for registering as a Startup. This will allow registration of more startups and will definitely create more employment opportunities for the youth.

(2) Extending startup period from 5 years to 7 years:

Earlier an entity was considered as startup upto 5 years from the date of its incorporation.

EDITORS NOTE

Dear Readers, this 13th edition, Features Income Tax extension. Provident Fund utilisation. Corporate Law and amendment, List of services which is not included in GST and Quick Guide to GST in various areas.

As usual, expecting your your valuable suggestions for improving in order to make it more relevant and useful.

We thank all of you for the encouraging feedback.

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TAX DUE DATES - JUNE 2017

Monthly Compliances

Sl. No	Particulars	Due Date
1	Payment of Service Tax (Companies)	05-June-2017
2	Central Excise Payment	05-June-2017
3	TDS / TCS Payment/Remittance	07-June-2017
4	Central Excise Monthly Return	10-June-2017
5	PF Payment	15-June-2017
6	VAT Monthly Payment/Monthly Return	20-June-2017
7	ESIC Payment	21-June-2017
8	PF Return	25-June-2017

Half yearly Compliances

Sl. No	Particulars	Due Date
1	Advance Tax Payment (Corporate & Non Corporate)	15-June-2017

Investment & Financial Services



"All of my money is tied up in futures:
Next month's mortgage payment,
next week's car payment,
tomorrow's groceries..."



Accordingly, tax exemption under Section 80-IAC was allowed for any 3 consecutive years out of first 5 years of its incorporation as Start-up.

Now, the Finance Act, 2017 has extended the period for claiming tax deduction so that startups can claim tax exemption for three years out of first 7 years.

To align the provisions of the Income-Tax Act with the definition of startup the definition of latter one has been amended. Now entities would be considered as startups for first 7 years instead of 5 years.

However, in case of Startups engaged in the biotechnology sector, this period will be increased to 10 years. It may be noted such Startups cannot claim tax exemption after 7 years of their registration.

(3) Partnership firms not eligible for tax benefits:

Earlier tax holiday would be available for eligible startups registered as Private Limited Companies, Partnership Firms or Limited Liability Partnerships (LLP's). Now Govt. has denied benefit of tax holidays to Partnership firms.

(4) Restructuring process of recognition as a 'Startup'

Earlier entities were required to furnish many documents for registration as startup, like letter of funding by angel fund, recommendation letter, etc. The process of registration process as startup has been simplified. Now entities would be required to submit certification of

PF WITHDRAWAL TO FACILITATE HOUSING NEEDS : AMENDMENT BY GAZETTE NOTIFICATION

Now, EPF subscribers can withdraw 90% of PF savings for buying flat ,land.

They can now leverage up to 90% of their retirement savings parked in the Employees' Provident Fund (EPF) account to have a house of their own.

EPF members can make a one-time withdrawal or use their PF savings to make instalment payments for buying a flat or a tract of land to construct a house._

However, they need to find at least nine other EPF account holders who are also part of a cooperative society through which they intend to purchase a flat or land parcel. The society must be registered under any law.

The notification said that EPF members can withdraw their savings to “purchase a dwelling house or a flat, including a flat in a building owned jointly with others, outright or on hire-purchase basis, or for the construction of a dwelling house, including the acquisition of a suitable site for the purpose.”

Repayment of loans: Employees with at least three years' subscription to the EPF scheme will be allowed to withdraw their savings for housing purposes, including repayment of housing loans from their monthly contributions._

In addition to lump sum withdrawal of up to 90% of accumulations in provident fund accounts, members may opt for full or part repayment of loans out of monthly PF contribution also.

Further, the EPFO will make the payment for constructing flats or buying land directly to the cooperative society, housing agency or builders and not to the EPF subscribers.

In case the EPF subscriber fails to get the flat constructed due to some reasons, she will be liable to ensure that the withdrawn EPF savings is refunded into their provident fund account within 15 days “of such cancellation or non-allotment.

CORPORATE LAW

Company Law Updates on Acceptance of Deposits

Deposits: As per the Companies (Acceptance of Deposits) Amendment Rules, 2017, Domestic Venture Capital Funds and Infrastructure Investment Trusts included within the ambit of acceptance of deposits under the Companies Act, 2013. Further, the companies may accept deposits without deposit insurance contract till the 31st March, 2018 or till the availability of deposit insurance policies whichever is earlier.



Here is some list of services on which GST is not applicable:



S No.	SERVICES
1	SERVICES PROVIDED BY GOVT. EXCEPT
1a.	Provided By Department of post
1b.	In relation to Vessel or Aircraft, inside or outside the precincts
1c.	Transportation of passenger or goods
1d.	services other than 1a. to 1c. Provided to Business entity
2	Services by Reserve Bank of India
3	Services by a Foreign Diplomatic mission located in India
4	Services in relation to agriculture and rearing of Animal (except Rearing of horse)
5	Services Relation to toll charges
6	Transmission and Distribution of electricity by Electricity Board
7	Services of Renting of Residual Dwelling for Residual purpose
8a	Interest and discounts on extending deposits, Loans and advances (other than credit card)
8b	Inter se sale and purchase of foreign currency between Banks, Authorised dealers and between them respectively
9	Transportation of goods by road (other than GTA and Courier Agency) and inland waterways
10	Services provided to United Nations or specified International Organisation
11	Bio Medical Waste treatment and its disposal in a Clinical Establishment
12	Veterinary clinic in relation to birds and animals health care
13	Services provided by an Entity Registered under 12 AA of Income-tax Act 1961
14	Services related to Haj yatra and Mansarovar yatra etc.
15	Services provided by arbitral tribunal, Firm of Advocates and Senior Advocate to any person other than Business entity in case business entity with certain exceptions
16	Services by educational institution up to higher secondary other than preschool
17	Services provided by IIM except for PGDM, EDP, FPM
18	Service provided by recognised sports body to other recognised sports body
19	services of the artist in folk, classical etc.
20	Services of journalist, PTI, UNI
21	services of giving on hire GTA(for goods), 12 seater bus
22	Transport of passenger to northeast zone (by plane), in NON-A/C Vehicles
23	Services of life insurance to army, navy, Air-force
24	Services to non-profit organisations and to small B/E up to Rs. 5000.00
25	Services of organiser of foreign events

Continued...

**Here is some list of services on which GST is not applicable:**

S No.	SERVICES
26	slaughtering of animal's service
27	Services provided by person situated in Non-Tax Territory for Certain conditions
28	Services of Public Libraries
29	Services of ESIC
30	services relation to public conveniences relation to wash room
31	Services of Incubate with certain exceptions
32	Services of Transfer or Demerger
33	Services relating to Pension fund schemes
34	Service of municipality
35	Services provided by RBI
36	Services of tour operator to NRI for Foreign Tour
37	Services related to preconditioning, pre-cooling etc
38	Ticket of Museum, zoo, wildlife, national park or Tiger reserve.
39	Services by govt. to B/E with turnover up to 20 Lakh With certain exceptions
40	services of EPFO
41	Services of IRDA
42	Services of NCCCD
43	Services of SEBI
44	Services of govt. for Passport, Visa, D/L, Birth/Death Certificate
45	Services of govt. to govt
46	Services related to import by Aircraft
47	Services related to safety of human and from other risks
48	Services provided by Govt. to farmers for right to extract natural resources
49	Services in relation to fees and damages payable to Govt.
50	Services relating to Panchayat etc.
51	Services for right to use any natural resource after certain conditions
52	Services relating to TRAI
53	Services on payment of merchant overtime charges
54	Services by the bank for transaction up to Rs. 2000
55	Services of leasing of assets by Indian Railways
56	Services relating to PMAY
57	services of insurance relation to AABY/PMBY/PMJDY/PMJJBY etc.
58	Services relation to Indian rail(non A/c, Non 1st class)
59	Services of GTA related to Agriculture produce, single consignee 750 overall 1500
60	Services relating to rice and processed cotton(loading, unloading, packaging)
61	services provided by GSTN to state, central govt., union territories for application of GST



A quick guide to India GST rates in 2017:

The Goods and Services Tax (GST) has been one of the key things that has caught the attention of the market given its implications on earnings of companies. The government has kept a large number of items under 18% tax slab. The government categorised 1211 items under various tax slabs. Here is the complete updated list:

Gold and rough diamonds do not fall under the current rate slab ambit and will be taxed at 3% and 0.25% respectively.

NO TAX:

Goods : No tax will be imposed on items like Jute, Fresh meat, Fish, Chicken, Eggs, Milk, Butter milk, Curd, Natural honey, Fresh fruits, Vegetables, Flour, Besan, Bread, Prasad, Salt, Bindi. Sindoor, Stamps, Judicial papers, Printed books, Newspapers, Bangles, Handloom, etc.

Services: Hotels and lodges with tariff below Rs 1,000, Grand fathering service has been exempted under GST.

3% TAX:

Gold, Silver, Platinum, Gem stone jewellery and processed Diamond.

5% TAX:

Goods : Items such as Fish fillet, Apparel below Rs 1000, Packaged food items, Footwear below Rs 500, Cream, Skimmed milk powder, Branded paneer, Frozen vegetables, Coffee, Tea, Spices, Pizza bread, Rusk, Sabudana, Kerosene, Coal, Medicines, Stent, Lifeboats, etc.

Services: Transport services (Railways, air transport).

12% TAX:

Goods : Apparel above Rs 1000, Frozen meat products, Butter, Cheese, Ghee, Dry fruits in packaged form, Animal fat, Sausage, Fruit juices, Bhutia, Namkeen, Ayurvedic medicines, Tooth powder, Agarbatti, Colouring books, Picture books, Umbrella, Sewing machine, Cellphones, etc.

Services: Non-AC hotels, business class air ticket, fertilizers, Work Contracts will fall under 12 per cent GST tax slab.

18% TAX:

Goods : Most items are under this tax slab which include footwear costing more than Rs 500, Bidi Patta, Biscuits (All categories), Flavored refined sugar, Pasta, Cornflakes, Pastries & Cakes, Preserved vegetables, Jams, Sauces, Soups, Ice cream, Instant food mixes, Mineral water, Tissues, Envelopes, Tampons, Note books, Steel products, Printed circuits, Camera, Speakers and Monitors.

Services: AC hotels that serve Liquor, Telecom services, IT services, Branded garments and Financial services will attract 18 per cent tax under GST.

28% TAX:

Goods : Bidis, chewing gum, molasses, chocolate not containing cocoa, waffles and wafers coated with chocolate, pan masala, aerated water, paint, deodorants, shaving creams, after shave, hair shampoo, dye, sunscreen, wallpaper, ceramic tiles, water heater, dishwasher, weighing machine, washing machine, ATM, vending machines, vacuum cleaner, shavers, hair clippers, automobiles, motorcycles, aircraft for personal use, will attract 28 % tax - the highest under GST system.

Services: 5-star hotels, race club betting, cinema will attract tax 28 per cent tax slab under GST.

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