



DIRECT TAXES

Amendment to the Double Taxation Avoidance Agreement between India & Mauritius:

The Central Government vide notification no. 68/2016 dated 10th August 2016 has notified that the provisions of the Protocol (entered into force on 19th July 2016) amending the Double Taxation Avoidance Agreement (DTAA) entered into between India and Mauritius in 1982 has been given effect to in the Union of India, in accordance with Article 9 of the said Protocol.

Major amendments are provided below:

Sl. No.	Article No.	Post amendment	Prior to amendment
1	5 – Permanent Establishment	Provision of services, including consultancy services, provided by an enterprise through employees or other personnel engaged by the enterprise for such purpose, for a period or periods aggregating more than 90 days within any 12- month period shall be considered as PE	NA
2	11 - Interest	Interest shall be taxed at 7.5%	No percentage of taxation was prescribed
3	12-A - Fees for technical services	New article for taxation of fees for technical services has been introduced	No separate article for taxation of fees for technical services
4	13 - Capital Gains	New paragraphs 3A & 3B have been added. According to the amendment, gains from alienation of shares acquired on or after 1st April 2017 shall be taxed in the state of residence of the Company. The % of tax shall not exceed 50% if the gain is arising during the period 1st April, 2017 and ending on 31st March, 2019	NA
5	22 – Other Income	New paragraph 3 has been inserted. As per the new paragraph, items of income of a resident of a Contracting State not dealt with in the foregoing Articles of this Convention and arising in the other Contracting State may also be taxed in that other State.	NA
6	26 - Exchange of information	The old article has been completely replaced with a new article	NA
7	26A - Assistance in collection of taxes	New article has been inserted after article 26	NA
8	27A - Limitation of benefits	New article has been inserted after article	NA

Continued...

EDITOR'S NOTE

We are happy to share with you our fifth issue of the SV insight containing useful, valuable information and action points for the month. We do hope that you find the contents useful and informative.

We welcome suggestions from you for improving the scope and nature of content in order to make it more relevant and useful.

We thank all of you for the encouraging feedback.

CONTENTS

Page 1 - Direct Taxes

Page 2 - Clarifications - Direct Taxes

- Indirect Taxes & Clarifications
- Companies Act
- GST

Page 3 - DGFT

- Due Dates Calendar October 2016

Page 4 - Due Dates Calendar October 2016

(continued)

TAX DUE DATES FOR OCTOBER 2016

Monthly Compliances for the month

Sl. No	Particulars	Due Date
1	Service Tax Payment	05-Oct-2016 / 06-Oct-2016
2	Central Excise Payment	05-Oct-2016 / 06-Oct-2016
3	TDS / TCS Payment/Remittance	07-Oct-2016
4	Central Excise Monthly Return	10-Oct-2016
5	STPI Monthly Returns	10-Oct-2016
6	CST Payment	20-Oct-2016
7	VAT Monthly Payment (Form 100)	20-Oct-2016
8	PT Payment - Employees	20-Oct-2016
9	ESIC Payment	21-Oct-2016
10	PF Return	25-Oct-2016



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 we're promoting you
 from Accounts Receivable to
 Accounts Deceivable."



Continued from page 1.

Clarification on applicability of section 206C of the Income-tax Act, 1961:

The CBDT vide notification No. 75/2016 dated 19th August 2016 has clarified that (1) The provisions of sub- section (1D) of section 206C in relation to sale of any goods (other than bullion or jewellery) or providing any service shall not apply to the following class or classes of buyers, namely:

- I. Government;
- ii. Embassies, Consulates, High Commissions, Legation or Commission and trade representation, of a foreign State;
- iii. Institutions notified under United Nations (Privileges and Immunities) Act, 1947.

Exemption u/s 10(46) of the Income-tax Act, 1961:

The CBDT has exempted the income of the following institutions u/s 10(46) of the Income-tax Act, 1961 subject to certain conditions: a. National Skill Development Corporation, a body constituted by Central Government b. Tamilnadu Electricity Regulatory Commission, a body constituted by Government of Tamilnadu c. Uttarakhand Environment Protection and Pollution Control Board, a body constituted by Government of Uttarakhand d. Haryana State Pollution Control Board, a body constituted by Government of Haryana.

INDIRECT TAXES

Clarification on applicability of section 206C of the Income-tax Act, 1961:

Notification No. 32/2016-CE, dt. 26.08.2016:

The Central government seeks to further amend notification No.12/2012-Central Excise dated 17.03.2012 so as to levy Basic Excise Duty at a concessional rate of 2% on Aviation Turbine Fuel drawn by operators or cargo operators from the Regional Connectivity Scheme (RCS) airports for a period of 3 years.

Circular No. 199/09/2016-ST dated 22.08.2016

It has been clarified that exemption is available to following services provided to the Government, a local authority or a government authority by way of

- a) Construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation or alteration of pipeline, conduit or plant for (i) water supply (ii) water treatment, and
- b) Water supply

The phrase "water supply" is a general phrase. Basically it will involve providing users, access to a source of water. The source may be natural or artificial like tanks, wells, tube wells etc. providing users access to such a source will involve construction of source (if artificial) and the transmission of the water to user. It will involve activities like drilling, laying of pipes, valves gauges etc. fitting of motors, testing etc, so as to eventually result in the supply of water. Similarly, the word has to be understood and interpreted with reference to the context. A plant for water supply need not necessarily involve a huge assembly of machinery and apparatus, for the reasons explained earlier.

COMPANIES ACT

- Register of members: In the case of a company existing on the commencement of the Act, the particulars as available in the register of members maintained under the shall be transferred to the new register of members in Form No.MGT-1 and in case additional information, required as per provisions of the Act and these rules, is provided by the members, such information may also be added in the register as and when provided
- Every listed company shall file with the Registrar, a return in Form No. MGT.10, with respect to changes in the shareholding position of promoters and top ten shareholders of the company, in each case, representing increase or decrease by two per cent or more of the paid-up share capital of the company, within fifteen days of such change
- Remuneration payable by companies having no profit or inadequate profit without Central Government approval: Where in any financial year during the currency of tenure of a managerial person, a company has no profits or its profits are inadequate, the limits within which remuneration could be paid to the managerial person has been notified

GST

**The Government
has released draft
rules for the following**

- Invoice rules
- Payment rules
- Registration rules
- Return rules with formats
- Refund rules with formats



DGFT

- Duty drawback: Incorrect simultaneous issuance of dual benefit of Zero duty EPCG and SHIS to exporters under the FTP 2009-14 - option providing flexibility to return either benefit.
- Deemed export benefit: Clarification has been issued on refund of Terminal Excise Duty (TED) under Deemed Exports where Duty has been paid from CENVAT Credit and ab-initio waiver is not available.
- Clarification has been issued on supply of goods manufactured by EOUs without payment of Central Excise Duty against Advance Licence/Authorisation
- Trade notice has been issued on Issuance of Duty Credit Scrips under Incremental Export Incentivisation Scheme (IEIS) for Quarterly period (01.01.2013 to 31.03.2013) in pursuance of Trade Notice 04 dated 05.05.2016

Due Dates Calendar October 2016

S. NO	Event Date	Act	Applicable Form	Obligation
1	06-Oct-16	Service Tax	Challan No.GAR7	Epayment of Service Tax for month ending Sept for Cos & quarter ending Sept for others.
2	07-Oct-16	Income Tax	Form No.27C (TCS)	Submission of Forms received in Sep to IT Commissioner
3	07-Oct-16	Income Tax	Challan No.ITNS 281	Payment of TDS/TCS deducted/collected in Sep
4	10-Oct-16	Excise	ER1	Return for Non SSI assessees for Sep
5	10-Oct-16	Excise	ER2	Return for EOUs for Sep
6	10-Oct-16	Excise	ER3	Submission of return by SSI units for Sep quarter
7	10-Oct-16	Excise	ER6	Return by units paying duty > 1 crore (CENVAT + PLA) for Sep
8	15-Oct-16	Income Tax	Form 27EQ	TCS Returns by ALL Deductors.
9	15-Oct-16	Providend Fund	Electronic Challan cum Return (ECR)	EPayment of PF for Sep
10	15-Oct-16	Income Tax	Form 16B	Issue of TDS certificate in case of payment /credit made in Aug for purchase of property u/s 194IA.
11	17-Oct-16	Income Tax	Form 3CD, 3CA/3CB.	Efiling Tax Audit Report
12	17-Oct-16	Income Tax	Form No. ITR 3,4	Filing of I.T. Returns by Individuals ,HUFs
13	17-Oct-16	Income Tax	Form No ITR5	Filing of I.T. Return by Firms,AOPs, BOIs
14	17-Oct-16	Income Tax	Form No ITR6	Filing of I.T. Returns by Companies
15	17-Oct-16	Income Tax	Form No ITR7	Filing of I.T. Return for Trusts, Political party etc. (Audit applicable)

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	16	21-Oct-16	ESI	ESI Challan	Payment of ESI of Sep
	17	25-Oct-16	Service Tax	Return No.ST3	Filing of Half Yearly Service Tax return. (April to September)
	18	29-Oct-16	Companies Act	Form AOC-4 & MGT-7	Companies to file financial statement and Annual Return where due date for holding of AGM is on or after 01.04.2016 without payment of addition fees.
	19	30-Oct-16	Income Tax	Form 27D	Issue of Quarterly TCS Certificates by ALL Collectors
	20	30-Oct-16	Income Tax	Form No.26QB	Payment of TDS for Purchase of Property for Sep
	21	30-Oct-16	LLP Act	Form LLP-8	Statement of Account and Solvency
	22	31-Oct-16	Income Tax	Return No.24Q, 26Q, & 27Q	TDS returns for Sep Quarter by All deductors.

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