

Lunawat Bulletin

Market Watch

Sensex

31.10.2014 : 27865.83

31.09.2014 : 26630.51

Nifty

31.10.2014 : 8322.20

30.09.2014 : 7964.80

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Lunawat & Co.
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Sensex ends at record high, seen on track to hit

Both S&P BSE Sensex and Nifty made fresh highs today, surging nearly 2 per cent each in trade on Friday. The 30-share index ended the day at 27,865.83, up 519.50 points, or 1.90 per cent. The Nifty shut shop at 8322.20, up 153 points, or 1.87 per cent. The Sensex hit its fresh lifetime high of 27,894.32 in intraday trade, while the 50-share Nifty index rose over 150 points to make its all-time high of 8,330.75. Strong macro environment, reform push by the new government and falling inflation have already boosted the Sensex by over 30 per cent so far in the year 2014. But analysts at Dalal Street see further upside in the index up to the levels of 30,000 by the December-end and over 35,000 in the next one year.

Analysts at top brokerage firms firmly believe that we are in a bull market and equities will remain the best asset class in the next couple of years, provided global markets remain stable.

The markets have been on an upward trajectory since the last few days on the back of renewed vigor shown by the government to initiate reforms, apart from lower crude prices, lower inflation, supportive global cues and decent earnings, say experts. Expectations are running high given the fact that macros have stabilised and growth has bottomed out. And with the rate cycle set to reverse and more reforms gets implemented, the Indian markets may well be on top of the list of FIIs despite global concerns .

GDP growth to be in 5.5-5.9% range: F M

Declining prices of crude oil and food will help lower inflation, Finance Minister Arun Jaitley said and expressed confidence that economic growth in the current fiscal will be in the 5.5-5.9 per cent range.

"The major priority of the government is to bring back growth momentum into country's economy. The Indian economy has potential for achieving and sustaining higher growth. For 2014-15, the minister expects that the growth could be in the range of 5.5-5.9 per cent. Jaitley outlined major priorities of the government as reviving and sustaining higher GDP growth, increasing savings, fiscal consolidation, keeping the Current Account Deficit at moderate level &

reviving investment cycle, among others. Decline in investments and the manufacturing sector output pulled down the economic growth in last two fiscals to below 5 per cent. Economy grew at 4.7 per cent in 2013-14. Jaitley said the recent decline in international oil prices as also domestic food items point towards lower inflation in the coming months.

WPI inflation moderated to 5-year low of 2.38 per cent mainly on account of decline in food prices. "The capital flows to finance Current Account Deficit is adequate and further moderation in CAD can be expected in 2014-15 due to lower oil prices," Jaitley said.

Forget all the reasons why it wont work and believe the one reason why it will.

Compliance Due Dates

| Due Date | Related to | Particulars |
|--------------------------|---------------------------------|---|
| 06.11.2014 (Thursday) | Service Tax | Deposit Service Tax for payments received by Companies from 01.10.2014 to 31.10.2014 compulsory through electronic mode . |
| 07.11.2014 (Friday) | TDS/TCS (Income Tax) | Deposit TDS for payments of Salary, Interest, Commission, Rent, Professional, etc. during month of October 2014. Deposit TCS for collections made under section 206C during the month of October 2014 Deliver copy of Form 15G/15H to CCIT/CIT for forms received in month of October 2014. |
| 10.11.2014 (Monday) | DVAT | File DVAT & CST quarterly return in electronic form for the quarter ended September 2014 . And also Furnish hard copy of return verification Form 56 for the quarter ended September 2014 . |
| 14.11.2014 (Friday) | Service Tax | File Service Tax Return in Form ST-3 for the period 01.04.2014 to 30.09.2014 |
| 15.11.2014 (Saturday) | Income Tax (TDS) | The Company Law Settlement Scheme, 2014 is ending on 15.11.2014 . To save 75% on additional fees for delayed annual forms of earlier years this can be used. |
| 15.11.2014 (Saturday) | EPF | Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of October 2014 (Cheque to be cleared by 20th) |
| 15.11.2014 (Saturday) | DVAT | Deposit DVAT TDS for the month of October 2014 |
| 21.11.2014 (Friday) | ESI | Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of October 2014. |
| 21.11.2014 (Friday) | DVAT | Deposit DVAT and CST for the month ended October 2014. |
| 22.11.2014 (Saturday) | DVAT | Issue DVAT TDS Certificates for the Tax deducted during October 2014 in Form DVAT 43 . |
| 30.11.2014 (Sunday) | Income Tax | <ul style="list-style-type: none"> • Obtain Audit report u/s 92E • Obtain Tax Audit Report • File I.T. Return by Companies (Tax Audit applicable) • File I.T. Return by Individuals, Firms, AOPs, BOIs (Audit applicable) • File wealth tax returns (Tax Audit applicable) • File I.T. Returns by assesses where Transfer Pricing provisions are applicable |

LIST OF HOLIDAYS

| DATE | DAY | HOLIDAY |
|------------|----------|-----------------------------------|
| 06.11.2014 | Thursday | Guru Nanak Birthday (Guruparv) |

Income Tax



Deduction u/s 10A/10AA on transfer of Technical manpower in case of Software Industry

- ⇒ It has been decided with the recommendations of Rangachary Committee, which was setup to review the taxation matters of IT Sector and Development sector that the assessee are eligible for deduction u/s 10A/10AA includes only those who has:
 - Transferred or Re-deployed upto 50% of the total technical manpower actually engaged in the development of IT enabled products from the existing unit(s) to a new unit located in SEZ in the first year of commencement of business.
 - Alternatively, if the assessee is able to demonstrate that the net addition of the new technical manpower in all units of the assessee is atleast equal to the number that represents 50% of the total technical manpower of the new SEZ during such previous year provided the other prescribed conditions are also satisfied.
- ⇒ The clarification for deduction u/s 10A/10AA shall be applicable only in case of assessee engaged in development of software or in providing IT Enabled Services in SEZ units.
- ⇒ The circular shall not apply to the assessment which have already been completed. Further, no appeal shall be filed by the department in cases where the issue is decided by an appellate authority in consonance with this circular.
- ⇒ **Previously**, the limit of transfer of the technical manpower from the existing unit to a new SEZ unit engaged in software and IT related products was upto 20% instead of 50%.

Extension of due date of furnishing of TDS/TCS Statements

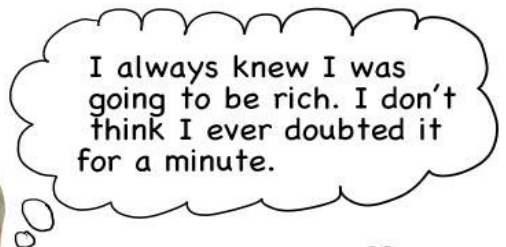
CBDT has extended the due date of furnishing of TDS/TCS statements with the department for the state of Andhra Pradesh, Jammu and Kashmir, Odisha & Telangana considering the natural calamities in such states.

- The date of filing of such statements are extended to 07th November, 2014 from 31st October, 2014 in case of Government deductors/collectors that are mapped to a valid Accounts Officers Identification Number (AIN).
- For other deductors, the date of furnishing such statements has been extended to 31st October, 2014 from 15th October, 2014.

Service Tax



CBEC has extended the due date of furnishing of Service Tax Returns under FORM ST-3 with the department for the period 01st April 2014 to 30th September 2014, from 25th October 2014 to 14th November, 2014 considering the natural calamities in certain parts of the country.



- Warren Buffett

Due date of CLSS Scheme has been extended

MCA has extended the due date of CLSS Scheme from 15th October, 2014 to 15th November, 2014

Clarifications on disqualification of director for non filing of Balance Sheet and Annual Returns

MCA has clarified that in case of companies who have filed their balance sheets and annual returns on or after 01st April 2014 but before the CLSS coming into force, the disqualification of directors shall apply only for prospective defaulters for the period of five years for non filing.

Securities and Exchange Board of India



Clarifications on Government Debt Investment Limits

⇒ SEBI has changed the investment limits in government securities available to all Foreign Portfolio Investors from USD 10 billion to USD 5 billion for Long Term Specified Government Securities and from 20 billion to 25 billion for Government Debt.

**" You don't always need a Plan,
Sometimes you just need to
Breathe, trust, let go
& see**

⇒ Long Term Specified Government Securities shall include investment in Sovereign Wealth Fund, Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks.

⇒ FPI's shall be permitted to invest in the USD 25 billion Government debt limit till the overall investment reaches 90% after which the auction mechanism would be initiated for allocation of the remaining limits.

⇒ In the event the overall FPI Investments exceeds 90% in either of the debt limit categories, the following procedure shall be followed:

- The depositories shall direct the DDP's to halt all FPI purchase in debt securities in that category.
- The depositories shall then inform NSE regarding unutilised debts limits for conduct of auction. Upon receipt of information from the depositories, NSE shall conduct of auction. Upon receipt of information from the depositories, NSE shall conduct an auction for the allocation of unutilised debt limits on the second working day.
- The auction would be held only if the free limit is greater than or equal to INR 100 Cr.

⇒ Once the limits have been auctioned, the FPIs will have the utilisation period of 15 days within which they have to make the investments. The limits not utilised within this period would come back to the pool of free limits.

⇒ Upon sale/redemption of debt securities, the FPI will have the reinvestment period 5 days. If the reinvestments is not made within 5 working days, then the limits shall come back to the pool of free limits.

⇒ The subsequent auction would be held 20 days after the previous auction, subject to the fulfilment of the condition mentioned at Point (C). The auction mechanism shall be discontinued and the limits shall be once again available for investment on tap when the debt limit utilisation falls below 85%

⇒ In order to provide operational flexibility to FPI's, it is clarified that there would be no other re-investment restrictions.

Dreams Is Not What You See In Sleep

It Is The Thing Which Does Not Let You Sleep.

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Lunawat Update

Presentations

During October 2014, our partner CA. Pramod Jain gave following presentations:

- “Importance of LLP after Companies Act 2013” at East Delhi CA CPE Study Circle of NIRC of ICAI.
- “New Tax Audit Report u/s 44AB & Guidance Note” at Patel Nagar & Dhakka CPE Study Circle of NIRC of ICAI.
- “Recent Issues in Companies Act 2013” at Patparganj CPE Study Circle of NIRC of ICAI.
- “Conversion of Company into LLP and Its Taxation” at Patparganj CPE Study Circle of NIRC of ICAI.

- “Critical Issues in Companies Act 2013” at Ranchi Branch of EIRC of ICAI.

- “Conversion of Company into LLP and Its Taxation” at Dwarka CPE Study Circle of NIRC of ICAI.

- “Specific Issues in Companies Act 2013” at Karnal Branch of NIRC of ICAI & Income Tax Bar Association, Faridabad.

During October 2014, our partner CA. Rajesh Saluja gave following presentations:

- Training on Finance for Non-Finance Managers at Syscom Corporation Ltd, Noida.
- Training on Retirement Planning at HPCL, Delhi.
- Training on Financial Planning at Hero Motocorp, Daruhara.

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