

Lunawat Bulletin

Market Watch

Sensex

30.11.2014 : 28693.99

31.10.2014 : 27865.83

Nifty

30.11.2014 : 8588.25

31.10.2014 : 8322.20

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Lunawat & Co.
Chartered Accountants
www.lunawat.com

RBI may keep policy rate unchanged on Tuesday

Reserve Bank may keep policy rate unchanged in its upcoming monetary policy review on Tuesday even as the Finance Minister and industry clamored for the rate cut to prop the economy after GDP growth slipped to 5.3 percent in the second quarter of current fiscal.

At the same time, inflation has hit multi-year low making a case for the rate cut.

"The fact of matter is that all the parameters are indicating that there will be further fall in inflation. Between November and January with the base effect it might go up a little bit. But by March it will be well below whatever the glide path that is indicated by the RBI," SBI Chairperson Arundhati Bhattacharya said.

"RBI Governor has indicated that he will be data driven ... maybe by the end of the fiscal (there will be a cut in the interest rate by RBI)," she added.

"Although parameters are conducive for the rate cut but there is hardly any appetite for loan in the market. Rate reduction by 0.25 percent is not going to generate significant demand in the market," he said. "Therefore, I think the RBI Governor would maintain status on December 2," said by Executive Director Deepak Narang United Bank of India

Finance Minister Arun Jaitley has also pitched for a cut in interest rate saying it will have positive impact on home and auto loans.

India's economic growth likely to be 5.6% in FY15: Citi

Driven by reforms momentum and decline in inflation, India is expected to see a growth rate of 5.6 percent in 2014-15 even as the GDP expansion slowed in the second quarter, says a Citigroup report.

According to the global financial services major, the reform momentum post the assembly polls, improving liquidity conditions paint a bullish picture of the Indian economy.

For the second quarter of this fiscal year, GDP growth slowed to 5.3 percent, from 5.7 percent in the previous April-June quarter.

The growth figure for the first half of this fiscal year stands at 5.5 percent significantly higher than 4.9 percent in the same period last year.

"The reform momentum post the assembly polls, improving liquidity conditions and project clearances prompt us to retain our full-year growth estimate of 5.6 percent in the current financial year as against 4.7 percent last year," the report said.

The decline in GDP growth rate in the second quarter was mainly on account of subdued performance of agriculture and manufacturing sec-

" Success is not counted by how high you have climbed but by how many people you brought with you"

-WIL ROSE

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Compliance Due Dates

Due Date	Related to	Particulars
06.12.2014 (Saturday)	Service Tax	Deposit Service Tax for payments received by Companies from 01.11.2014 to 30.11.2014 deposit compulsory through electronic mode .
07.12.2014 (Sunday)	TDS/TCS (Income Tax)	<ul style="list-style-type: none"> • Deposit TDS for payments of Salary, Interest, Commission, Rent, Professional, etc. during month of November 2014. • Deposit TCS for collections made under section 206C during the month of November 2014 • Deliver copy of Form 15G/15H to CCIT/CIT for forms received in month of November 2014.
15.12.2014 (Monday)	EPF	Deposit PF under Employees Provident Fund & Misc. Provision Act, 1952 deducted for the month of November 2014 (Cheque to be cleared by 20th)
15.12.2014 (Monday)	DVAT	Deposit DVAT TDS for the month of November 2014
15.12.2014 (Monday)	Income Tax (Advance Tax)	Payment of Advance Income Tax : Companies(75%) & Others (60%)
21.12.2014 (Sunday)	ESI	Deposit ESI under Employees State Insurance Act, 1948 deducted for the month of November 2014.
21.12.2014 (Sunday)	DVAT	Deposit DVAT and CST for the month ended November 2014.
22.12.2014 (Monday)	DVAT	Issue DVAT TDS Certificates for the Tax deducted during November 2014 in Form DVAT 43 .
31.12.2014 (Wednesday)	Company Law	The Company Law Settlement Scheme, 2014 is ending on 31.12.2014 . To save 75% on additional fees for delayed annual forms of earlier years this can be used.

LIST OF HOLIDAYS

DATE	DAY	HOLIDAY
25.12.2014	Thursday	Christmas

Income Tax



Extension in limit of investment in Bank Deposit Scheme, 2006

CBDT has extended the limit of investments in term deposits from “one lakh rupees” to “one lakh fifty thousands rupees” for the deduction under Section 80C

Clarification by the assessee in respect of an application to the Commission for pending cases

It has been clarified by the department that an assessee may make an application to the Commission at any stage of the proceedings in case pending before any Income-tax Authorities. After 31st May, 2007, an assessee can make an application to the Commission only during the pendency of the proceedings before the Assessing Officer. It is further clarified that

- (a) since intimation under section 143(1) is not an assessment order, there will be no bar in filing an application for settlement subsequent to receipt of an intimation under section 143(1). It is not material whether time-limit for issue of notice under section 143(2) has expired or not;
- (b) the assessment shall be deemed to have been completed on the date on which the assessment order is passed.”

“ Valuable advice can sometimes come from an unexpected source, and chance events can sometimes open new doors. ”

- NARAYANA MURTHY

Don't stop
when you are tired.
STOP
when you are
DONE!

Amendment in Income Tax Rules, 1962

⇒ **RULE 2**

- **Rule 2C:-** The following proviso shall be inserted for any income received by any person on behalf of any fund or trust for charitable purpose, or on behalf of any trust or institution for religious purpose that on or after the specified date which the CBDT may notify in official gazette, the prescribed authority shall be the Principal Commissioner or Commissioner, to whom the application shall be made as provided in sub-rule (2).
- **Rule 2CA:-** The following proviso shall be inserted for any income received by any person on behalf of educational institution for educational purpose and not for the purpose of profit, and on behalf of any hospital for the reception and treatment of persons suffering from illness or mental defectives etc. that on or after the specified date which the CBDT may notify in official gazette, the prescribed authority shall be the Principal Commissioner or Commissioner, to whom the application shall be made as provided in sub-rule (2).

Also explanation to the meaning of "Chief Commissioner or Director General", "Principal Commissioner or Commissioner" and "specified date" is given.

⇒ **RULE 11AA**

The time limit for the approval of or rejection of institution or fund under Section 80G shall not exceed six months from the end of that month in which such application was received by the commissioner. However the time limit excludes the time taken by the applicant for non complying of such documents or information which the commissioner may deem fit to ask.

⇒ Few forms are substituted such as Form 10A, Form 56 and Form 56D.

Due Date of Furnishing of ITR and Tax Audit Report has been extended for the state of Jammu & Kashmir

Considering the devastating floods in the state of Jammu and Kashmir, CBDT has extended the due date for filing of Return of Income and Tax Audit Report has been extended from 30th November 2014 to 31st March, 2015.

Restructuring of Jurisdiction of various officials

CBDT has restructured the jurisdiction of CCIT (Investment), DGIT (Investment), Principal Commissioner, CIT (Central) & CIT (Investment).
The restructured jurisdiction shall be effective with effect from 15th November 2014.

Clarification regarding filing form for Appointment of Cost Auditor

Considering the delay in availability of Form CRA 2 on MCA website, it has been decided to extend the date of filing of the said form without any penalty /late fee upto 31st January 2015.

It is also noted that those companies which have already filed Form 23C for appointment of Cost Auditor for the FY 2014-15 need not file Form CRA-2 afresh for the same FY.

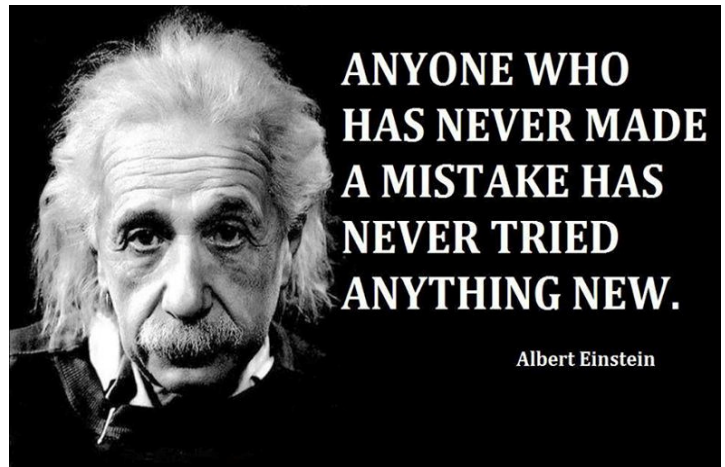
Corporate Laws



Changes in Fees on Application and Petitions

MCA has prescribed Fee for following Applications which are effective immediately:

Section 2 (41)	Allowing any period other than April to March as FY	5000.00
Section 58 & 59	Rectification to Register of Members	500.00
Section 73 (4)	Directing the company to pay the sum due	100.00
Section 74 (2)	Allow further time to repay the deposit	5000.00



Clarification regarding issue of FCCB & FCBS

For clarity on applicability of Chapter III of the Companies Act 2013 to the issue of Foreign Currency Convertible Bonds and Foreign Currency Bonds by Indian Companies exclusively to persons resident outside India, the matter was examined in the Ministry in consultation with Ministry of Finance & SEBI.

The issue of FCCBS and FCBS by companies is regulated by the Ministry of Finance's regulations contained in Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993 (Scheme) and Reserve Bank of India through its various directions/regulations. It is, accordingly, clarified that unless otherwise provided in the said Scheme or the directions/regulations issued by Reserve Bank of India, provisions of Chapter III of the Act shall not apply to an issue of a FCCB or FCB made exclusively to persons resident outside India in accordance with the above mentioned regulations.

" The past cannot be changed. The future is yet in your power "

- MARY PICKFORD

Company Law Settlement Scheme 2014 extended

MCA has, on consideration of requests received from various stakeholders, has decided to extend the Company Law Settlement Scheme (CLSS 2014) upto 31st December 2014.

" If opportunity doesn't knock, build a door"

- MILTON BERLE

Extension of time for Holding AGM for Companies registered in the State of Jammu & Kashmir

The State of Jammu and Kashmir faced unprecedented floods, particularly in the Kashmir valley in September 2014. Kashmir Chamber of Commerce and Industry and others have represented that due to the devastation caused by the floods, companies registered in the State could not convene AGMS for the financial year 2013-2014 within the stipulated time as required under the provisions of Companies Act, 2013.

In view of the exceptional circumstances, Registrar of Companies Jammu and Kashmir is advised to grant extension of time upto 31st December 2014 to those companies who could not hold their AGMS (other than first AGM) for the financial year 2013-14 within the stipulated time.

VAT



Filing of Reconciliation Return for the Year 2013-14

Filing of online return for the Financial Year 2013-14 prescribed under Rule 4 of CST Rules, 2005 has been extended to 09th January, 2015

The return is to be filed by those who have made an interstate sale at concessional rate against Form 'C' or Stock Transfer against Form 'F' or sold goods against Form 'H' (other than Delhi) and claimed deduction from taxable turnover against 'E-I/II' forms or 'I/J' Forms etc.

"Once we decide we have to do something, we can go miles ahead "

- NARENDRA MODI

Reserve Bank of India

Credit Policy

RBI has issued revised regulatory framework for Non Banking Financial Institutions for meeting the credit needs of the productive sectors of the economy.

Securities and Exchange Board of India



SECURITIES & EXCHANGE BOARD OF INDIA

Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014.

- FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI (Foreign Portfolio Investor) Regulations, 2014.
- FPI shall issue ODIs only to those subscribers which do not have opaque structure (s).
- Investment restrictions laid down under Regulation 21(7) of SEBI (Foreign Portfolio Investor) Regulations, 2014 are applicable to FPIs.
- FPIs which issue ODIs shall put in place necessary systems to ensure compliance with above provisions.
- Existing ODI positions may continue till the expiry of the ODI contract even if they are not in accordance with above provisions.

Lunawat Update

Presentations

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

- “*Specific Issues in Companies Act, 2013* ” at NIRC of ICSI.
- “*Conversion of Company into LLP and its Taxation* ” at South Delhi CA Study Circle.
- “*Specific Issues in Companies Act, 2013* ” at Pune Branch of WIRC of ICAI.
- “*Conversion of Company into LLP and its Taxation* ” at Shalimar Bagh CPE Study Circle of NIRC of ICAI.
- “*Conversion of Company into LLP and its Taxation* ” at Rewari Branch of NIRC of ICAI.

- “*Conversion of Company into LLP and its Taxation* ” at Vikas Marg of NIRC of ICAI.
- “*Conversion of Company into LLP and Its Taxation*” at Nehru Place CPE Study Circle of NIRC of ICAI.
- “*Overview of Companies Act 2013*” at Laxmi Nagar CPE Study Circle of NIRC of ICAI.

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

- *Training on Finance for Non-Finance Managers* at JSPL.
- *Training on Financial Planning* at Hero Motocorp, Daruhara.

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