



Brahmayya Bulletin

November 2015

Editorial

International Monetary Fund (IMF) in its “G-20: Global prospects and challenges” has said that the recent reform measures undertaken by the Indian government will help growth of the economic rate in 2016. As per the report, projected economic growth for the year 2016 will be 7.5%, higher than the projected growth rate of 7.3% for 2015. With increased positivity, the Government has been initiating multiple steps to enhance international tie ups. Bilateral relation between India and UK got shot in the arm as Indian PM Narendra Modi, on the first day of his UK visit, and British PM David Cameron announced deals worth £9 billion (equivalent to US\$13.7 billion) coupled with signing of landmark civil nuclear agreement. While Modi assured fast tracking UK investments in India, Cameron assured active participation of UK companies in “Make in India” initiative.

The Indian Government, in its drive for a cleaner India has launched the Swachh Bharath Cess as part of the Service Tax Laws. The Swachh Bharat Cess is collected in the Consolidated Fund of India and is proposed to be used for financing and promoting Swachh Bharat initiatives of the government. The department has issued FAQ’s clarifying certain anomalies in this regard.

In an important move, to promote early understanding of Transition to Indian Accounting Standard Framework of Financial Reporting, SEBI has prescribed alternative formats of presentation for listed entities. This transition is very important for stakeholders for effective understanding of the Financial statements.

While “progress” is considered as the prime goal for every country, certain anti-social elements continue to strive for its stoppage. This month witnessed a series of coordinated terror attacks in Paris killing over a 100 people. The entire world stands with France!

“With guns you can kill terrorists, with education you can kill terrorism.” - Malala Yousafzai

Policy Directive order Instruction Update Clarification
Ministry of Corporate Affairs Circular
Rule Enactment Notification Guideline
Framework Update Policy Instruction
Central Board of Direct Taxes
Order Notification Regulation Instruction
Notice Circular Update Notification
Central Board of Excise and Customs
Directive Order Notification Enactment
Pronouncement Announcement Framework Rule
Foreign Exchange Management Act
Instruction order Clarification Directive Interpretation
Institute of Chartered Accountants of India
Circular Order Clarification Directive Framework
Reserve Bank of India Notification
Announcement Framework Clarification
Notification Order Rule
Instruction Order
Framework Order
Update Circular

Ministry of Corporate Affairs (MCA)

General Circular No. 15/2015 - Dated 30th November, 2015

MCA, after receiving request from various stakeholders, relaxations of additional fees and extension of last date of in filling of Forms MGT-7 and AOC - 4, AOC - 4 XBRL, AOC - (CFS) is provided upto 30th December 2015 wherever additional fee is payable.

Central Board of Direct Taxes (CBDT)

Circular No. 18/2015 - Dated 2nd November, 2015

CBDT has clarified that the Investments made by Banks in Non-SLR investments are part of the business of banking and therefore the income arising from such investments is attributable to the business of banking falling under the head of "Profit and Gains from Business and Profession". Further clarified that in the context of co-operative society/banks claiming deduction under section 80P(2)(a)(i) of the Income Tax Act, 1961, the principle is equally applicable to all banks/commercial banks.

Central Board of Excise and Customs (CBEC) – Service Tax

Circular No.189/8/2015 ST - Dated 26th November, 2015

CBEC Omitted the Word "Seed" prefixed to "seed testing" in Negative List Clause (d) Service related to Agriculture or agriculture produce of section 66D of the Finance Act, 1994 so as to broaden the scope of coverage of the negative list entry and to cover any testing in agricultural operations in negative list, which are directly linked to production of agriculture produce and not to limit its scope only to seeds.

It is also clarified that all testing and ancillary activities to testing such as seed certification, technical inspection, technical testing, analysis, tagging of seeds, rendered during testing of seeds, are covered within the meaning of testing as mentioned in sub-clause (i) of clause (d) of Section 66D of the Finance Act, 1994. Testing cannot stand in isolation of certification and other ancillary activities. Testing cannot be random, somebody has to register for testing. If certificate is not received and seeds are not tagged, testing is irrelevant. Thus, all processes are a part of the composite process and cannot be separated from testing

Notification No. 21/2015 and 22/2015 - Dated 6th November, 2015

Chapter VI (Section 119) of the Finance Act 2015 contains provisions for levy and collection of Swachh Bharat Cess (SBC). SBC is applicable from 15th November, 2015. Exemption shall be allowed on all taxable services from payment of such amount of the Swachh Bharat Cess leviable under Section 119(2) of the Act, which is in excess of Swachh Bharat Cess calculated at the rate of 0.5% of the value of taxable services. Effectively, the rate of SBC would be 0.5% and new rate of service tax plus SBC would be 14.5%. The proceeds from this cess will be exclusively used for Swachh Bharat initiatives.

Notification No. 23/2015 and 24/2015 - Dated 12th November, 2015

Swachh Bharat cess is applicable also for services specified in Notification No.26/2012 dated 20 June, 2012, Cess would be levied on the abated value of taxable services determined in accordance with the Service Tax (Determination of Value) Rules, 2006.

and also payable on services covered under Section 68 reverse charge mechanism

Notification No. 25/ 2015 - Dated 12th November, 2015

CBEC also clarified that Swachh Bharat Cess would also be leviable on the Services provided by Air travel agent, Life insurer, Sale of foreign Currency and lottery ticket distributor. Notification also provide method of calculation of service tax liability towards the discharge of his liability for Swachh Bharat Cess instead of paying Swachh Bharat Cess at the rate specified This notification is applicable from 15 November, 2015.

Details of these Notifications in regard to SBC has been dealt with as a separate article as part of "Our News" section in our Website.

Central Board of Excise and Customs (CBEC) – Customs

Notification No.109/2015 - CUSTOMS (N.T.) dated 16 November, 2015

Government by notification amended the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995. It has been provided that w.e.f 23rd November 2015, no duty drawback shall be allowed on any goods covered under Chapter 72 - Iron and Steel and or heading 1006 or 2523 of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) in rule 3(1)(V) & rule 6(4).

Further rule 7(3) dealing with provisional grant of Drawback has been amended and rule 7(5) related to duty drawback has been omitted.

Foreign Exchange Management Act (FEMA)

Notification No. FEMA. 345/2015-RB - Dated 16th November, 2015

No person resident outside India shall make investment in India, in any form, in any company or partnership firm or proprietary concern or any entity, whether incorporated or not, which is engaged or proposes to engage in real estate business. This notification amends the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, to include an explanation to the term real estate business, with clarifies that "real estate business" shall not include development of townships, construction of residential /commercial premises, roads or bridges and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations 2014.

Notification No. FEMA. 355/2015-RB - Dated 16th November, 2015

This notification amends the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 to include allowability of A person resident outside India (other than an individual who is citizen of or any other entity which is registered / incorporated in Pakistan or Bangladesh), including an Registered Foreign Portfolio Investor (RFPI) or a non-resident Indian (NRI) to acquire, purchase, hold, sell or transfer units of an Investment Vehicle, in the manner and subject to the terms and conditions specified in a new Schedule 11 to principal regulations

Security Exchange Board of India (SEBI)

Circular - CIR/IMD/DF1/9/2015 - Dated 27th November 2015

SEBI has prescribed format for financial results for listed entities under regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which have listed their debt Securities and/or non-cumulative redeemable preference shares for companies other than banks and NBFCs as well as for Banks and NBFCs. Manufacturing, trading and service companies may furnish the half-yearly financial results in the alternative format prescribed under the said circular.

Circular - CIR/CFD/CMD/15/2015 - Dated 30th November, 2015

SEBI has prescribed format for financial result for listed entities, under regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for:

- Companies other than banks
- Banks.
- Manufacturing, trading and service companies

- which may furnish the half-yearly financial results in the alternative format prescribed under the said circular. If AS 17/ Indian Accounting standard (Ind AS) 108 mandated under Section 133 of the Companies Act, 2013 read with rules framed thereunder or issued by ICAI applicable to any company then it shall also submit quarterly and annual it shall also submit quarterly and annual.

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