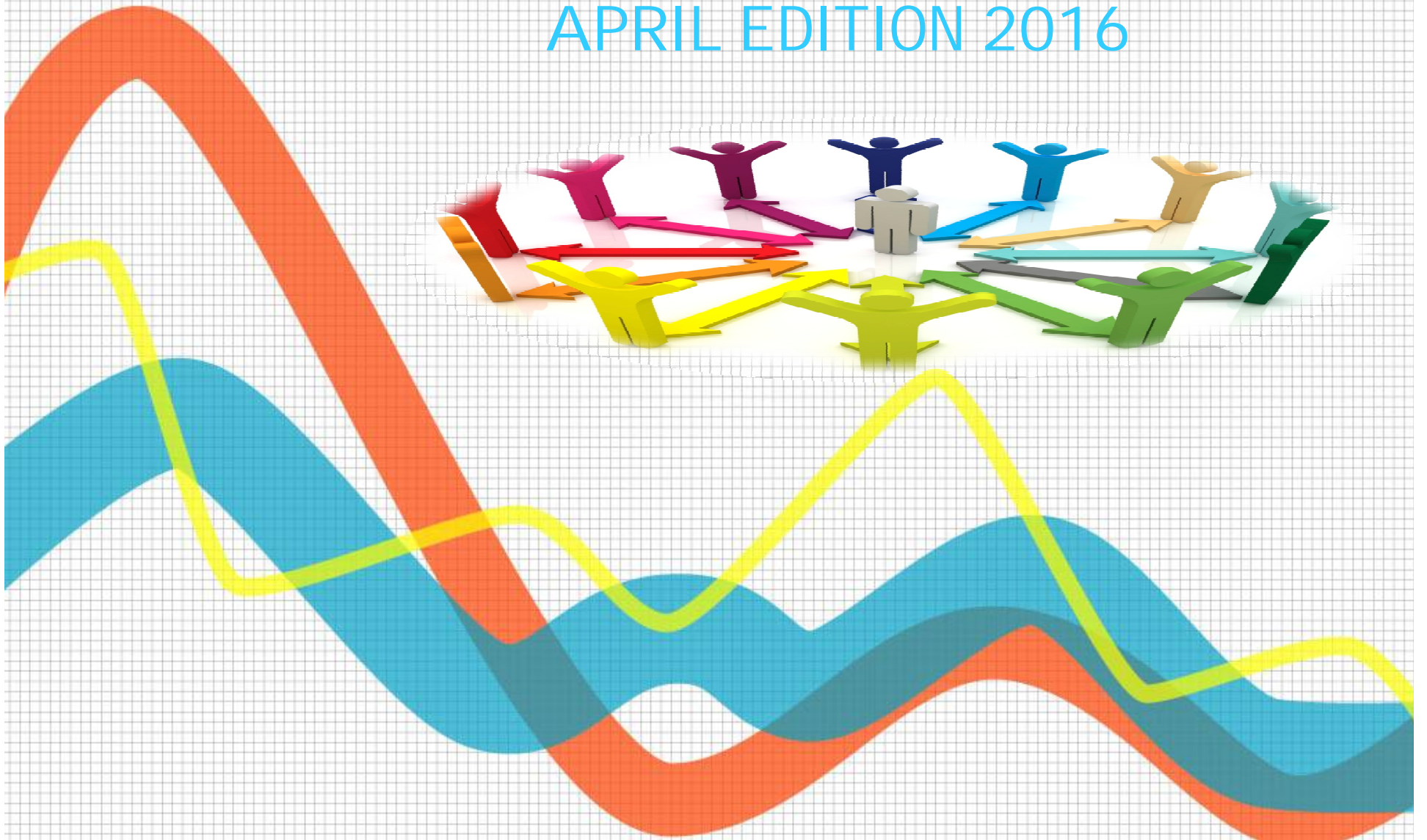


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Sebi hikes FPI Investment limit for Government Debt

To boost inflows of foreign funds into Indian capital markets, regulator Sebi raised the FPI investment limit in central government securities to Rs 1,40,000 crore from April 4. It will be further increased to Rs 1,44,000 crore from July 5. The Securities and Exchange Board of India (Sebi) said there will be a separate limit for investment by all Foreign Portfolio Investors (FPIs) in the state development loans (SDLs).

Portfolio investors can't acquire shares of depository otherwise than through secondary market

SEBI has amended the SEBI (Depositories and Participants) Regulation, 1996. Amendment has been made to regulation 7 of said regulation providing that no foreign portfolio investor shall acquire shares of the depository otherwise than through secondary market.



Corporate News Round Up

Government permits up to 49% foreign investment under automatic route in pension sector

Government has relaxed FI norms by permitting investment up to 49% in pension sector through automatic route with a view to attracting more overseas inflows.

For more detail refer-

http://dipp.nic.in/English/acts_rules/Press_Notes/pn2_2016.pdf



RBI hikes FDI limit in insurance sector to 49% under automatic route

Seeking to attract more foreign investment, the government has relaxed FDI norms for insurance sector by permitting overseas companies to buy 49 per cent stake in domestic insurers without prior approval. Earlier, only up to 26% FDI was permitted through the automatic approval route.

For more detail refer-

<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/NTF366A1D5F2A343C04A4381DD26AFF9A3921B.PDF>

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RBI makes liquidity monitoring rules easier for banks

Reserve Bank of India made life a bit easier for banks by softening rules on liquidity measurement and risk management. It said that banks do not need to consider retail deposits with maturity beyond a month for liquidity coverage ratio (LCR) calculation, giving more flexibility in their daily operations.



The Real Estate (Regulation And Development) Act, 2016:

The Real Estate (Regulation and Development) Act, 2016 has received Presidential assent. The Act is seen as a significant move towards ensuring consumer protection and standardising business practices and transactions in the real estate.

For more detail refer-

<http://egazette.nic.in/WriteReadData/2016/168720.pdf>

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Aadhaar, net banking-based I-T e-filing appeal system activated

Tax Dept issues refunds of over Rs 1.17 lakh cr



Tax News Round Up

No recovery from assessee where tax has been deducted but not deposited by deductor

CBDT aims at detailed enquiry of taxpayers who made investment in penny stock



Tax News Round Up

CBDT processes 6.53L online Tax dept to send notices to 5.8 mn
rectification requests in ITR individuals



Tax News Round Up

CBDT directs AOs to examine cases where agriculture income of more than Rs. 1 crore has been shown in ITR by assesseees

CBDT advises taxpayers to show interest income in return even if Form 15H/15H has been filed



Tax News Round Up

Seven years rigorous imprisonment with fine of Rs.1.5 lakh to the Income Tax officer in a bribery case



Tax News Round Up

Filing new income tax return forms could prove challenging: Experts



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CBDT notifies New Rule 8AA to determine period of holding of convertible debentures or bonds (Notification no. 18/2016 dated 17 March 2016)



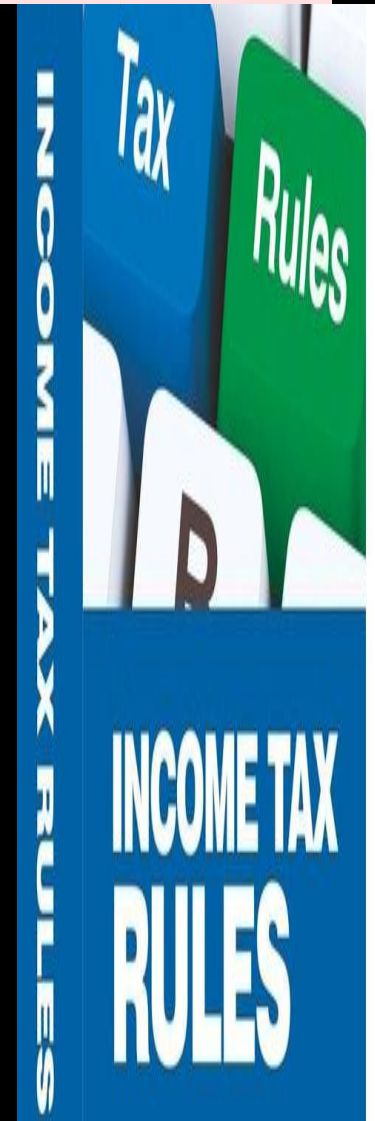
Notifications, Circulars & Press Releases

Due date for filing revised return of assets and liabilities by public servants extended to 31/07/2016 (Notification No. GSR 414(E) [F.NO.407/12/2014-AVD-IV(B)], Dated 11-4-2016)



Notifications, Circulars & Press Releases

Investment in Gold bonds notified as valid mode of investment by a trust under sec. 11(5) [Notification No. 21/2016 Dated 23rd March, 2016]



Notifications, Circulars & Press Releases

The format of ST 3 return has been amended to provide for disclosure of Swachh Bharat Cess in the return



Notifications, Circulars & Press Releases

Now Companies can keep open offer period below 15 days for buy-back of shares



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Commissioner of Income-tax, Delhi-II v. Jyotsna Holdings (P.) Ltd.
[2016] 68 taxmann.com 26 (SC), Dated- MARCH 8, 2016

Where amount refundable to assessee was not immediately refunded but adjusted against demand for earlier assessment year, interest on said refund was to be allowed

Facts:-

Supreme Court held that:-

Trio Elevators Company (India) Ltd. v. Assistant Commissioner of Income-tax, Circle-8, Ahmedabad , [2016] 67 taxmann.com 348 (Ahmedabad - Trib.), Dated MARCH 8, 2016

Admissibility of depreciation on trademark is not contingent upon its registration in name of assessee inasmuch as description of intangible asset in Part B of depreciation schedule describes same merely as 'know-how, patents, copyrights, trademarks, licences, franchises or any other business or commercial rights of similar nature'

Facts:-

Held by ITAT :-

Indian Aluminium Company Limited Vs. CIT

I.T.A. No. 278 of 2007, [High Court of Calcutta] Dated 18.03.16,

Whether the expenditure incurred on the development of software can be said to be of capital nature and disallowed u/s 32 merely on the basis of its enduring nature -Held No

Brief Facts:

Held by High Court that :-

M/s Juhi Alloys Pvt. Ltd. Vs. CIT, I.T.A. No. 368/Lkw/2015, Date of Order: 24.02.2016,
ITAT - Lucknow

The provisions of Section 263 of the Income Tax Act, 1961 can be invoked only in the cases of lack of enquiry by the Assessing Officer and not in the case of inadequate enquiry by the Assessing Officer.

Brief Facts:

Held by ITAT that :-

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Bar Association v. Union of India

[2016] 68 taxmann.com 157(High Court of Calcutta) Dated March 31, 2016

Prima facie, budget notifications nos. 9/2016-ST, 18/2016-ST and 19/2016-ST imposing service tax on legal services provided by 'senior advocates' under forward charge may unreasonably prejudice Senior Advocates; hence, said notifications and consequent levy of service tax on senior advocates was stayed.

Facts:

- Vide Budget notifications, Central Government levied service tax on legal services provided by senior advocates under normal/forward charge (not under reverse charge).
- Bar Association challenged constitutional validity of said levy on ground that advocates who plead on original side on instructions of solicitors and advocates in Supreme Court do not act, and there is no contract, express or implied, between said pleading advocates and lay clients for payment of former's fees.

High Court held that:

S.L. Lumax Ltd.v. Commissioner of Central Excise, Chennai-IV Commissionerate*
[2016] 68 taxmann.com 156 (High Court of Madras) Dated FEBRUARY 5, 2016

Credit on capital goods can't be denied if depreciation under Income-tax Act is reversed by filing revised return

Facts:

- Assessee took credit of additional customs duty paid on imported capital goods, however, assessee claimed depreciation on said additional duty under income-tax for assessment years 1998-99, 1999-00 and 2000-01.
- Assessee filed revised returns for assessment years 1999-00 and 2000-01 deleting depreciation claim on duty amount, but, its request for rectification for assessment year 1998-99 was rejected.
- Department denied credit on ground that depreciation had been claimed on duty amount.

High Court held that:

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Chief Controlling Revenue Authority, Pune v. Reliance Industries Ltd. Mumbai
[2016] 68 taxmann.com 140 (Bombay) Dated March 31, 2016

The order of High Court which sanctions Scheme passed under section 394 will be instrument chargeable to stamp duty.

Brief of the case:

Where Registered Offices of Transferee company and Transferor company were situated in two different States, requiring such orders sanctioning Scheme to be passed under section 394 by two different High Courts, then order of which High Court be instrument chargeable to stamp duty.

Held that:

- A scheme of amalgamation settled by two companies by itself cannot and does not result in transferring property.
- However, an instrument which effects transfer is order of Court issued under section 394(1) that sanctions Scheme and it is therefore, this Order alone on which stamp duty is chargeable.
- Provisions of section 391 read with section 394 require obtaining of an order sanctioning Amalgamation Scheme by both Transferor, as also, Transferee Company.
- Where Registered Offices of Transferee company and Transferor company were situated in two different States, requiring such orders sanctioning Scheme to be passed under section 394 by two different High Courts, then order of High Court which sanctions Scheme passed under section 394 will be instrument chargeable to stamp duty and it would be obligatory upon Transferor and Transferee to pay stamp duty on such instrument.



For any suggestions & Queries

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