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POC CONNECT

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Corporate News Round Up

Tax News Round Up

Direct Tax
Case Laws

Corporate
Case Laws

Notifications,
Circulars &
Press
Releases

Corporate News Round Up

Sebi eases norms for fund managers

The Sebi has amended the Portfolio Managers Regulations, 1993, for registration of fund managers providing their services to overseas funds. The changes were made with an aim to develop and promote fund management industry in India. According to a statement issued by the regulator, Section 9A of the Income Tax Act, 1961 was brought to facilitate a 'safe harbour' to overseas funds availing fund management services from India-based managers.

Sebi issues guidance note for evaluation of companies' boards

To provide more clarity for stakeholders, Sebi came out with a detailed guidance note for evaluation of boards of listed companies including the role of independent directors. The guidance note has been prepared to "guide listed entities by elaborating various aspects of board evaluation that may help them to improve the evaluation process, derive the best possible benefit and achieve the objective of the entire process".

For more detail refer:-

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1483607537807.pdf

Corporate News Round Up

Sebi relaxes rules for angel funds to boost start-up funding

To give a fillip to start-up funding, markets regulator Sebi has relaxed its rules for investment by angel funds, including allowing them to invest in up to five-year-old entities. Besides, the lock-in requirement has been reduced from three years to one year for angel funds and their minimum investment threshold has been slashed from Rs 50 lakh to Rs 25 lakh. Angel funds are allowed to invest in overseas venture capital undertakings up to 25 per cent of their investible corpus in line with other AIFs.

Sebi bids for enhanced NCDs disclosure; Risk-o-Meter

To help retail investors take an informed decision, markets regulator Sebi proposed enhanced disclosure for public issuance of non-convertible bonds, including by way of a 'Risk-o-Meter' to better explain low to high-risk credit ratings given to such bonds. The watchdog also proposed restrictions on investment amount in case of retail investor and allocation to such investors in base issue size.

For more detail refer:-

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1483532603493.pdf

Corporate News Round Up

NRI, Indians abroad can deposit old bank notes of up to Rs 25,000 till June 30

Resident Indian citizens who were abroad from November 9 to December 30 can avail this facility up to March 31, 2017 and NRI citizens, who were abroad during this period, can exchange their defunct notes up to June 30, 2017

For more detail refer:-

<https://rbi.org.in/scripts/FAQView.aspx?Id=>

122

RBI extends loan repayment window to 90 days

In further relief to people hit by demonetisation, the Reserve Bank of India (RBI) gave borrowers another 30 days over and above 60 days for repayment of housing, car, farm and other loans worth up to Rs1 crore. "On a review, it has been decided to provide 30 days, in addition to the 60 days provided (on 21 November).

Corporate News Round Up

PAN number must for excise, service taxpayers for GST registration

The tax department has made it mandatory for central excise duty and service taxpayers to obtain a valid PAN number before they can be migrated to the new goods and services tax (GST) set-up. Despite the political impasse putting a question mark on the planned rollout of the new tax regime from April 1, the Central Board of Excise and Customs (CBEC) continues to do the groundwork with April 1 as the target date.



Corporate News Round Up

Tax News Round Up

Direct Tax
Case Laws

Corporate
Case Laws

Notifications,
Circulars &
Press
Releases

Tax News Round Up

General Anti-Avoidance Tax Rule to kick in from April 2017

Tax anti-avoidance rule GAAR will kick in from April 1, 2017. In its 2016 year-end review, the CBDT, listed its major achievements. "Major achievements of CBDT in the current financial year 2016-17 so far include, among others, Enactment of The Benami Transactions (Prohibition) Amendment Act, 2016, Implementation of The Direct Tax Dispute Resolution Scheme, 2016 and of GAAR from Assessment Year 2018-19.

Govt's direct tax kitty swells to Rs 5.57 lakh cr in Apr-Dec period

Government's direct tax kitty has swollen to Rs 5.57 lakh crore between April 1 and December 19 this year, thereby achieving 65% of budget estimates. The mop up from indirect tax, which comprises customs, excise and service tax, in April-November period jumped 26.2% to Rs 7.53 lakh crore. Belying fears of slowdown in industrial activity post demonetisation, the indirect tax collection in November alone grew 23.1% to Rs 67,358 crore.

Tax News Round Up

Post demonetisation I-T dept detects Rs 4,172 crore of undisclosed income

Over Rs 4,172 crore of un-disclosed income has been detected while new notes worth Rs 105 crore have been seized by the Income Tax department as part of its country-wide operations against black money hoarders post the demonetisation of two high value currencies by the government. Further, the department has taken 983 search operations, and issues 5,027 notices on charges of tax evasion and hawala-like dealings.

Tax News Round Up

CBDT extends deadline for tax settlement scheme till January 31

Giving companies like Vodafone and Cairn Energy one more month to accept its offer to settle retro tax disputes, the government has extended till January 31 its one-time tax dispute resolution scheme. The Direct Tax Dispute Resolution Scheme, announced by Finance Minister Arun Jaitley in the budget for 2016-17, seeks not just to settle disputes in retrospective taxes, but end nearly 2.6 lakh pending tax cases where Rs 5.16 lakh crore are locked in.

For more detail refer:-

<http://www.incometaxindia.gov.in/Lists/Press%20Releases/Attachments/577/Direct-Tax-Dispute-Resolution-Scheme-2016-Extended-31-Jan-2017-30-12-2016.pdf>

Corporate News Round Up

Tax News Round Up

Direct Tax
Case Laws

Corporate
Case Laws

Notifications,
Circulars &
Press
Releases

Notifications, Circulars & Press Releases

CBDT GUIDELINES FOR TDS ON SALARY A Y 2017-18

Income Tax Deptt./ CBDT has issued Circular No. 1/2017 dt. 2 Jan. 2017 containing instructions about the applicable provisions and rates for TDS on payment of Salary u/s 192 of the Income Tax during the Financial Year 2016-17 corresponding to Assessment Year 2017-18. Also this CBDT circular on salary tds for FY 2016-17 explains many other related provisions relating to Salary Income as contained in the Income Tax Act and/ or Income Tax Rules framed there-under.

For more detail refer-

<http://www.incometaxindia.gov.in/communications/circular/tds%202017.pdf>

Notifications, Circulars & Press Releases (Private and Confidential)

CBDT further amends Income Tax Rules 114B, 114C, 114D and 114E to seek detailed information in AIR to check money laundering transactions post-demonetization

CBDT vide Notification No. 2/2017 dtd. 06th January 2017 further amended Income Tax Rules 114B, 114C, 114D and 114E to seek detailed information in AIR to check money laundering transactions post-demonetization, including mandatory PAN/ Form 60 for withdrawals from bank account after 28 Feb. 2017, information on cash deposits during 1 Apr. 2016 to 8 Nov. 2016 where the same exceeded specified limits during 9 Nov. 2016 to 30 Dec. 2016, etc.

For more detail refer-

http://incometaxindiaefiling.gov.in/eFiling/Portal/StaticPDF_News/notification_2_2017.pdf

Notifications, Circulars & Press Releases

CBDT Clarifications/ FAQs (Part 1 & 2) on Direct Tax Dispute Resolution Scheme(DTDRS), 2016

The CBDT has issued Circular No. 42/2016 dt. 23 Dec. 2016 (Part-2) for clarifications, by way of 8 FAQs, based on queries received from stakeholders on certain provisions/ procedures under the Direct Tax Dispute Resolution Scheme 2016. Earlier also CBDT had issued Circular No. 33/2016 dt. 12 Sept. 2016 (14 FAQs – Part 1) for clarifications of the issues raised by stakeholders.

For more detail refer-

http://www.incometaxindia.gov.in/communications/circular/circular42_2016.pdf

Notifications, Circulars & Press Releases

MCA's 29 FAQs/ Clarifications on SPICe (29 Dec. 2016)

MCA has prepared a set of 29 FAQs/ Clarification, based on feedback received from stakeholders, which explains about the new company incorporation using 'Simplified Proforma for Incorporating Company Electronically (SPICe)' Form INC-32 introduced for speedy and timely company registration/ incorporation process.



Corporate News Round Up

Tax News Round Up

Direct Tax
Case Laws

Corporate
Case Laws

Notifications,
Circulars &
Press
Releases

Padam Lal Dua v. Income-tax Officer, Ward-1(3), Faridabad

[2016] 76 taxmann.com 354 (Delhi - Trib.), Dated- DECEMBER 23, 2016

Where assessee due to his wife's illness was prevented by sufficient cause from producing evidences in support of its claim, First Appellate Authority could not have outrightly rejected appeal

Facts:

- The assessee filed return of income which was picked up for scrutiny where it was required to explain the deposits in the assessee's saving account maintained with ING Vyasa Bank Ltd.
- Since no explanation was afforded, addition of the said deposits was made by the Assessing Officer in the hands of the assessee.
- On appeal, the assessee relied upon the written submissions and the evidences filed. However, since as per record, no application seeking admission of fresh evidences under rule 46A was filed, the evidences were considered as not admissible by the Commissioner(Appeals) and the additions were sustained.
- On Appeal to ITAT:-

Held that:

Since in the facts of the instant case due to his wife's illness the assessee was prevented by sufficient cause from producing the evidences in support of its claim, the impugned order is set aside and the issue is restored back to the Commissioner(Appeals) with a direction to permit the assessee to produce the evidences in support of its claim.

Advances/loans received by HUF from a closely-held co. is taxable as deemed dividend u/s 2(22)(e) if Karta, who is shareholder in lending company has substantial interest in the HUF even if HUF is not registered and/or shareholder

Issue:

- The appellant/assessee, in the instant appeal, has raised following question of law for determination:-

Whether in view of the settled principle that HUF cannot be a registered shareholder in a company and hence could not have been both registered and beneficial shareholder, loan/advances received by HUF could be deemed as dividend within the meaning of Section 2(22)(e) of the Income Tax Act, 1961 especially in view of the term "concern" as defined in the Section itself?

SC held that:

Even if HUF is not a registered shareholder of a closely-held co, as per the provisions of Section 2(22)(e) of the Act, once the payment is received by the HUF and shareholder (karta) is a member of the said HUF and he has substantial interest in the HUF (ie entitled to 20% or more of its income), the loan/advance made by the company to the HUF shall constitute deemed dividend in HUF's hands within the meaning of clause (e) of Section 2(22) of the Act. This is the effect of Explanation 3 to section 2(22)(e).

Issue:

- The present appeal under Section 260-A of the Income Tax Act, 1961 is at the instance of the Revenue to challenge therein the order of the Income Tax Appellate Tribunal, Amritsar Bench, Amritsar, through which, the Tribunal set aside the order of the Commissioner of Income Tax which had rejected the claim of the respondent-assessee to renew the exemption granted to it under section 80G of the Act.

High Court held that:

- In case of assessee institution enjoying exemption under section 80G, if substantial surplus is generated, but same is found to have been ploughed back for building infrastructure/assets, which in turn are used for educational/charitable purposes, institution would not lose its charitable character and, thus, assessee's claim for renewal of exemption cannot be denied on mere fact of earning huge surplus.
- Registration of assessee-institution under section 12A and grant of exemption to it under section 10(23C)(vi), by itself would not entitle assessee to enjoy exemption under section 80G.

Corporate News Round Up

Tax News Round Up

Direct Tax
Case Laws

Corporate
Case Laws

Notifications,
Circulars &
Press
Releases

Where debt was not disputed on any substantial and bona fide grounds, winding up of borrower company for its inability to pay its debt will not be contrary to public interest.

Issue:

- The respondent-company 'SMIPL' agreed to purchase HR coils from the petitioner-company 'SAIL'. The Respondent-company was required to make full payment against the aggregate due of the invoice, which it did vide a cheque favouring the Respondent-company.
- The aforesaid cheque towards sale consideration of the goods purchased was however dishonoured for the reason 'Exceed Arrangement'. The respondent-company was required to make full payment along with interest to SAIL. However, that was not done despite repeated entreaties by the Petitioner-company.
- In the said circumstances, legal notice was issued to Respondent company and its directors requiring it to make payment of the amount under the dishonoured cheque. Further notice under sections 433, 434 and 439 was served to the respondent-company. The Respondent company failed to pay the outstanding due to the petitioner company, hence, the petitioner company seek winding up of respondent-company.

Held that:

Since debt was not disputed on any substantial and bona fide grounds, winding up of respondent-company for inability to pay its debt will not be contrary to public interest; hence, it was to be wound up - Held, yes [Para 11]



Thank You

Contact us



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