

Weekly Insight

Independence Day - 2016

In this issue,

WHAT's been NEW in:

Income Tax,

GST,

Customs & Excise Tax,

Miscellaneous

Corporate News.

Regulatory Updates

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Amendment of the Income-tax Rules! ([vide CBDT Notification dated 09.08.2016](#))

Seeking PAN details of trustees and others in case of registration of trusts – modifications of Form 10A under Rule 17A.

Notification No. 66/2016 [F. No.133/89/2015-TPL]/SO 2670(E)! ([vide CBDT Notification dated 09.08.2016](#))

In the said notification, in para 5, in clause (1), sub-clauses (c) and (d) are amended.

Centre clears tax hurdles to recast of public sector units!

To ensure that the process of reconstruction of public sector units does not lead to capital gains tax, the government has proposed changes to the existing income-tax law by broadening the definition of 'demerger'. A Bill to ensure the smooth splitting-up or reconstruction of such entities without leading to any incidence of capital gains tax was passed by the Lok Sabha on Wednesday. ([Click here to read the news](#))

Over 75 lakh taxpayers availed e-verification facility for filing income tax returns!

Over 75 lakh taxpayers availed the e-verification facility of their income tax returns filed till August 5 against around 33 lakh taxpayers last year till September 7, which will ensure faster processing of their returns. In all 226.98 lakh e-returns were filed in FY 2016-17 as compared to 70.97 lakh for the same period in FY 2015-16. The number is higher because last year the date of filing had been extended to September 7. By September 7, 2015 nearly 207 lakh returns had been filed, which yields 9.8% rise in e-filing this year. ([Click here to read the news](#))

PE interest in warehousing, logistics parks to get a boost with GST rollout!

Real estate private equity firms' interest in warehousing and logistics park space is expected to rise with the proposed rollout of Goods & Services Tax. ([Click here to read the news](#))

GST aftermath: Government mulls pruning tax exemption list!

About 200 items, including premium tea and coffee, ready-to-eat food and branded biscuits, could lose tax exemptions when the goods and services tax comes into effect. The Union government is planning to prune the list of excise duty exemptions from the current 300 to the states' list of 90 items that are exempted from value added tax. ([Click here to read the news](#))

GST may not lead to inflation if tax rate is about 18 per cent: CAIT!

The standard tax rate near 18 per cent under GST will prove to be an ideal one and in all probability, will not stoke significant inflation as assumed by many, the Confederation of All India Traders (CAIT) today said. ([Click here to read the news](#))

GST effect: FMCG, Auto Cos. in a fix over tax holiday offered by states!

Many companies, especially in the fast moving consumer goods (FMCG) and auto sectors, are reaching out to state and central governments seeking clarity on whether there could be a way to grandfather tax incentives by state governments because under the goods and services tax (GST) regime, the on-going tax holidays for investing in underdeveloped areas would mean little. ([Click here to read the news](#))



Central Board of Excise and Customs

Department of Revenue, Ministry of Finance, Government of India

Specification of the date on which clause (v) of rule 5 and rule 6 of Central Excise (Amendment) Rules, 2016 notified by Notification No. 8/2016- Central Excise (NT) dated 1st March, 2016, shall come into force! ([vide Excise Notification dated 11.08.2016](#))

17th August, 2016 has been specified as the said date.

Seeks to amend CENVAT Credit Rules, 2004! ([vide Excise Notification dated 10.08.2016](#))

So as to withdraw the facility to avail of CENVAT credit of duty paid on molasses generated in the sugar season 2015-16 (i.e. 1st October, 2015 to 30th September 2016) which is used for producing ethanol for supply to public sector OMCs for blending with petrol by omitting rule 6 (6) (ix) of the CENVAT Credit Rules, 2004.

Seeks to further amend notification No.12/2012-Central Excise, dated 17.03.2012! ([vide Excise Notification dated 10.08.2016](#))

So as to withdraw the excise duty exemption on ethanol produced from molasses generated in the sugar season 2015-16 (i.e. 1st October, 2015 to 30th September 2016), for supply to the public sector OMCs for blending with petrol.

Seeks to extend the levy of anti-dumping duty on imports of certain Rubber Chemicals, namely MBTS [Dibenzothiazole disulphide] originating in, or exported from, People's Republic of China! ([vide Customs Notification dated 08.08.2016](#))

Imposed vide notification No. 98/2011-Customs, dated 20th October, 2011, for a period of one year i.e. upto and inclusive of the 19th October, 2017.

Seeks to levy provisional anti-dumping duty on Hot-rolled products of alloy or non-alloy steel imported! ([vide Customs Notification dated 08.08.2016](#))

From China, Japan, Korea RP, Russia, Brazil and Indonesia.

Seeks to impose anti-dumping duty on the imports of Viscose Staple Fibre excluding Bamboo Fibre originating in or exported! ([vide Customs Notification dated 08.08.2016](#))

From People's Republic of China, and Indonesia for a period of five years.

Seeks to impose anti-dumping duty on the imports of PVC Flex Film! ([vide Customs Notification dated 08.08.2016](#))

Originating in or exported from the People's Republic of China for a period of five years.

Seeks to finalize the provisional assessments in respect of imports of PVC Flex Film, originating in or exported from ChinaPR by M/s Haining Tianfu Warp Knitting Co. Ltd., People's Republic of China (Producer) and M/s Manna, Korea RP (Exporter)! ([vide Customs Notification dated 08.08.2016](#))

At rate of anti-dumping duty imposed vide Notification No. 82/2011-Customs (ADD) dated 25th August, 2011 [and extended vide Notification No. 43/2015-Customs (ADD) dated 18th August, 2015].

Seeks to extend the levy of anti-dumping duty on imports of Sodium Nitrite, originating in, or exported from People's Republic of China! ([vide Customs Notification dated 08.08.2016](#))

Imposed vide notification No.46/2014-Customs(ADD), dated 8th December, 2014, for a period of one year i.e. upto and inclusive of the 16th August, 2017.

Corporate News

AOC-4 (XBRL) for filing Annual Financial Statements is being amended to include mandatory CSR / CARO related details and will be temporarily unavailable. The revised AOC-4 (XBRL) eForm along with updated C&I Taxonomy is likely to be available on MCA portal in September 2016!

Upon implementation of the revised eform, the updated C&I Taxonomy 2016 should be used for filing annual financial statements in respect of financial years commencing on or after 01.04.2014. Stakeholders are requested to refer General Circular 08, dated 29 July 2016 regarding waiver of Additional Fee and plan accordingly.

Annual filing forms for Companies Act, 1956 - 23AC, 23ACA, 23B, 20B, 21A are likely to be available on MCA21 portal by end-August 2016!

Stakeholders are requested to plan accordingly.

Win-win for investors? SEBI ups debt MFs' exposure cap in housing finance companies!

The Securities and Exchange Board of India (SEBI) on Wednesday increased the additional exposure limits provided for housing finance companies (HFCs) in financial services sector from 5% to 10%. However, sectoral exposure in debt-oriented mutual fund scheme continues to remain at 25% at sector level in the financial services sector. [\(Click here to read the news\)](#)

ET in the classroom: How SEBI is strengthening risk management in commexes!

Market regulator SEBI, along with commodity exchanges, is beefing up the risk management apparatus in the 13-year-old commodity futures market in the wake of the castor seed and more recently chana futures suspension. There are a number of measures like staggered delivery to tighten the screws on manipulators. Another one relates to initial margin. ET provides a brief primer. [\(Click here to read the news\)](#)

RBI soaking foreign inflows to curb impact on rupee!

India's central bank is trying to prevent the rupee from becoming too volatile by regularly buying dollars when there are inflows from foreign investors, Reserve Bank of India Governor Raghuram Rajan said on Wednesday. Rajan, in a television interview, also said the central bank would likely pay a record-high dividend to the government, which would be one-sixth higher than the 699 billion rupees (\$10.48 billion) pencilled into the annual budget unveiled in February. [\(Click here to read the news\)](#)

RBI monetary policy review: Raghuram Rajan sees rate cuts seeping into loan rates!

Outgoing Reserve Bank of India (RBI) governor Raghuram Rajan on Tuesday said the central bank expects further transmission of policy rate cuts into lending rates as balance sheets of banks are being cleaned up. Rajan said while the RBI would be happier if there was more transmission, he understands some of the difficulties the banks have. "However, substantial pass through will only happen when corporate credit demand picks up and as public sector banks, strengthened by clean balance sheets, compete for corporate business," Rajan said. [\(Click here to read the news\)](#)

Govt. approves FDI in regulated NBFCs via automatic route!

The Cabinet on Wednesday allowed foreign direct investment in more non-banking finance companies (NBFC) categories which was announced in Budget 2016, reports CNBC-TV18's Rituparna Bhuyan. It has enabled FDI in regulated NBFCs via the automatic route. It has also eliminated minimum capitalisation norms under NBFCs. The present regulations on Non-Banking Finance Companies (NBFCs) stipulate that FDI would be allowed on automatic route for only 18 specified NBFC activities after fulfilling prescribed minimum capitalisation norms mentioned therein. [\(Click here to read the news\)](#)

Feedback/Queries can be sent to info@cac.net.in

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