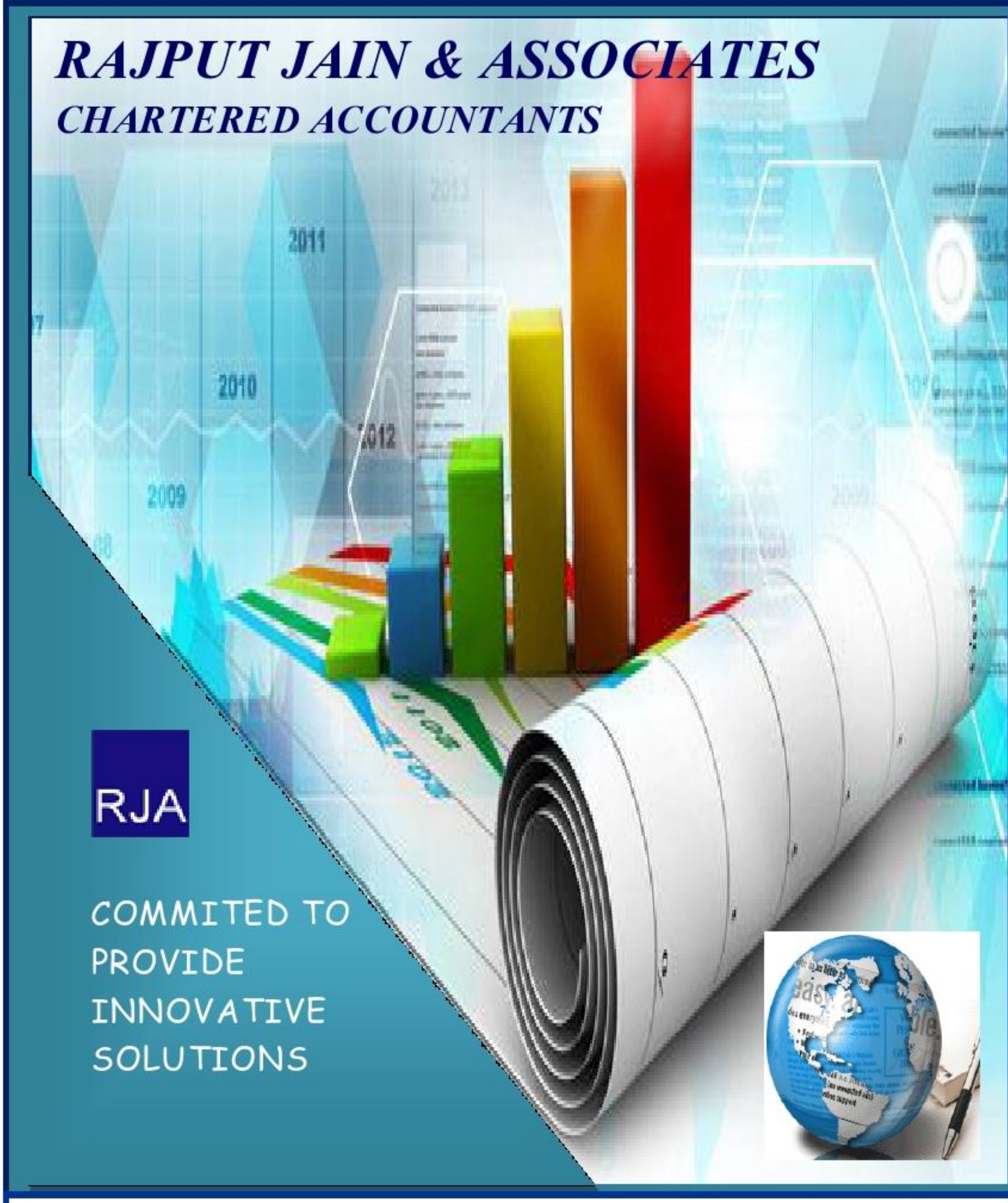
Tax & Corporate law Bulletin



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November 2015

From the Editor's Desk...

Dear Reader,

Greetings for the season,

I would like to extend my warm greetings in this upcoming winter season for Diwali celebrations. Some of the latest up-comings of the October month are as: Rebate of Excise Duty on goods cleared from DTA to SEZ, Updates on Trade Credit Policy, RBI Circular on provisioning pertaining to Fraud Accounts, Launch of e-lala portal by Gov. of India and many more…

We eagerly await your feedback on the bulletin.

Yours truly,

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DIRECT TAX

- **Claim of medical expenditure under section 80DDB simplified:**

The CBDT by Notification No.78/2015 dated 12th October 2015 has amended sub-rules (2) and (3) of rule 11DD relating to claim of deduction under section 80DDB. The amendment now seeks only production of prescription in respect of diseases or ailments and dispenses with the requirement of obtaining certificate from a specialist working in Government hospital. Consequently, Form 10-I stands omitted. However, when the patient receives treatment in a Government hospital, the prescription is to be issued by any specialist working full-time in that hospital and who has post-graduate degree in general or internal medicine or any equivalent degree, which is recognized by the Medial Council of India.

- **Validation of all e-returns filed after 01 April 2015:**

The CBDT in Order (F.No.225/141/2015-ITA.II] dated 6th October 2015 has expanded the scope of validation of e-returns filed on or after 1st April 2015. In the original notification No.41/2015 dated 15th April 2015 it introduced Electronic Verification Code (EVC) as one of the modes for validation of e-returns for the assessment year 2015-16 only. The CBDT in its subsequent order dated 20th July 2015 permitted validation of such e-returns through EVC in respect of returns of assessment years 2013-14 and 2014-15 e-filed during the period from 1st April 2014 to 31st March 2015. Now, in the latest order the CBDT directed that e-returns filed:

- on or after 1st April 2015 electronically (without digital signature) pertaining to assessment year 2014-15; or
- E-returns filed in response to various statutory notices issued under the Act; or
- E-returns filed as a consequence of condonation of delay under section 119 are also eligible for validation through EVC.

- **Declarations received and amount declared under the compliance window under the Black Money Act- Press Release, dated 1st October 2015**

The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (the Act) has been enacted to deal with the menace of black money stashed abroad. The Act also provided for a compliance window for a limited period to persons who have undisclosed foreign assets which they had not disclosed for the purposes of Income-tax so far. The compliance window opened on 1st July, 2015 and was open till 30th of September 2015.

638 number of declarations have been received under the compliance window declaring undisclosed foreign assets amounting to 3770 crore. These figures are however, subject to final reconciliation.

Tax at the rate of 30 percent and penalty at the rate of 30 percent is to be paid by 31st December 2015.

- **Validation of tax returns through Electronic Verification Code- Order, dated 6 October 2015**

The CBDT vide Notification No. 41/2015 dated 15 April 2015 in cases of categories of 'persons' specified therein, had introduced Electronic Verification Code ('EVC') as one of the modes for validation of return of income pertaining to Assessment year 2015-16 which are filed electronically on or after 01 April 2015.

CBDT had further permitted validation of such returns of income through EVC in case of returns of income pertaining to Assessment year 2013-14 and 2014-15 filed electronically (without digital signature certificate) between 01.04.2014 to 31 March 2015, vide its subsequent order dated 20 July 2015 for the convenience of the taxpayers. This order was applicable to those cases which were covered by Notification No. 1/2015 dated 10 July 2015 issued by the Pr. DGIT (Systems), CBDT wherein time-limit for submission of ITR-V to the CPC Bengaluru was extended till 31 October 2015.

To further facilitate the process of validation of tax-returns, the CBDT, in exercise of the powers conferred under section 119(1) of the Income-tax Act, 1961 has through this order directed that returns of income which are filed on or after 01.04.2015 electronically (without digital signature certificate) pertaining to Assessment year 2014-15 or returns filed in response to various statutory notices as prescribed under the Act or returns filed as a consequence of condonation of delay under section 119 of the Act can also be validated through EVC.

- **E-facility to view tax and computation sheet for demand raised by AO**

The facility to view tax and computation sheet for demand raised by AO is made available to the assessee in the e-Filing portal. This facility enables assessees to view tax and computation sheet for demand raised by AO in the e-filing portal. The assessee can now verify his return with the computation sheet and see the variance and reply accordingly to the department. Assessee needs to request for resend of intimation in the portal where demand is raised by CPC or contact jurisdictional Assessing Officer where demand is raised manually outside the system.
The detailed procedure is as under:

a) Visit e-filing portal at incometaxindia efiling.gov.in
b) Login account details
c) Select e-filing response to outstanding tax demand.
d) Click on download button next to demand amount to download the details in pdf format.

RECENT JUDGEMENTS

- **Section 32/ 43(6): Even assets installed in a discontinued business are eligible for depreciation as part of 'block of assets'**

The assessee claimed depreciation in respect of its machinery valued at Rs.16.96 lacs which was used in its business of refining edible oil. The machinery had not been used during the assessment year as the respondent has discontinued its business of refining edible oil. The above depreciation was claimed on the block of assets on the written down value including the refining edible oil machinery. The Assessing Officer disallowed the claim of depreciation on the ground that one of the twin requirements of ownership and user under Section 32(1)(ii) of the Act viz. user was not satisfied. On appeal the Commissioner of Income Tax (Appeals) held that in the absence of the Machinery being put to use and the business of Refining edible oil having been discontinued, the assessee is not entitled to depreciation. On further appeal, the Tribunal held that the refining machinery was a part of the block of assets of plant and machinery. In such a case depreciation is granted to the entire block of assets whether or not an individual item therein has been used during the subject assessment year.

HELD

Once the concept of block of assets was brought into effect from assessment year 1989-90 onwards then the aggregate of written down value of all the assets in the block at the beginning of the previous year along with additions made to the assets in the subject Assessment Year depreciation is allowable. The individual asset loses its identity for purposes of depreciation and the user test is to be satisfied at the time the purchased Machinery becomes a part of the block of assets for the first time

- **Transfer Pricing: (i) If the AO & CIT make a mechanical reference to the TPO without applying mind to the TP report & other data filed by the assessee, the reference is invalid, (ii) A transfer pricing adjustment cannot be made if the assessee's income is exempt u/s 10A or 80HHE or (iii) if the AE is assessed at a rate of tax higher that tax rate in India**

Issue

Under section 92C or 92CA of the Act, it is the statutory duty of the AO to decide independently, whether the determination of arm's length price by the assessee should be accepted, or whether or not after applying the provisions of section 92CA, the transfer pricing adjustment should be made. This is a statutory safeguard for the assessee.

It was contended that similarly, it is only after proper application of mind to all the facts and holding a prima facie belief that the AO can make reference to the TPO, or that the CIT can grant approval to such a reference. This, again, is a statutory safeguard for the taxpayer. It was submitted that CBDT Instruction No. 3 of 2003, dated 20 June 2003 detracts the AO and the CIT from the above obligation in complete violation of the statutory provisions of the principles of natural justice.

It has been submitted that in the present case, in compliance of the said CBDT Instruction No.3 of 2003, the AO did not himself examine the issue of transfer pricing and with the approval of the CIT, made a reference to the TPO u/s 92CA(1) of the Act. The AO and the CIT did not apply their minds to the Transfer Pricing Report, or to any other material or information or document.

The TPO made an adjustment which was incorporated by the AO in the assessment order. On their part, the AO and the CIT did not discharge necessary judicial functions conferred upon them u/s 92C or 92CA of the Act and that Transfer Pricing adjustment cannot be made in a case where the assessee enjoys benefit u/s 10A or section 80HHE of the Act, or where the tax rate in the country of the Associated Enterprise is higher than the Indian rate and where, accordingly, establishment of tax avoidance or manipulation of prices or establishment of shifting of profits is not possible.

Held

- In Vodafone India Services P. Ltd. vs. Union of India 361 ITR 531 (Bom.) the Bombay High Court has held that CBDT Instruction No.3 dated 20 May 2003 is contrary to the decision being taken therein and it is not binding on the AO. It was held that this Instruction departs from the provisions of law. It was held that the decision in Sony India P. Ltd. vs. Central Board of Direct Taxes 288 ITR 52 (Delhi), is not applicable after the amendment of 2007 (paras 35 to 37 of the judgment are relevant in this regard);

- The AO abrogated his obligation under a wrong assumption that CBDT Instruction No.3 of 2003 dated 20.05.2003 mandated him to go ahead without making any reference to the TPO. The AO did not examine the question, whether he should himself accept the transfer pricing report of the assessee or whether he should himself determine the arm's length price;

- The AO erred in not himself examining the issue of Transfer Pricing and with the approval of the CIT, made a reference to the TPO u/s 92CA (1) of the Act; that the AO as well as the CIT failed to apply their mind to the TP Report filed by the assessee, or to any other material or information or document furnished. The TPO made an adjustment which was incorporated by the AO in the assessment order. Thereby, the AO as well as the CIT did not discharge necessary respective judicial functions conferred on them under sections 92C and 92CA of the Act;

- Further, the assessee is also correct in contending that no TP adjustment can be made in a case like the present one, where the assessee enjoys u/s 10A or 80HHE of the Act, or where the tax rate in the country of the Associated Enterprises is higher than the rate of tax in India and where the establishment of tax avoidance or manipulation of prices or establishment of shifting of profits is not possible.

INDIRECT TAX

SERVICE TAX

➢ **Composite service such as packing/unpacking, loading/unloading etc., while provided during the course of transportation of goods to be classified as GTA service – Circular No 186/5/2015 dated 05th October, 2015**

A Goods Transport Agency has been defined to mean any person who provides service to a person in relation to transport of goods by road and issues consignment note, by whatever name called.

Wherever the service is provided as a composite service which may include various ancillary services such as loading/ unloading, packing/repacking, transshipment, temporary storage etc., which are provided in the course of transportation, these services are not provided as independent activities but are the means for successful provision of principle service, namely the transportation service.

A composite service, even if it consists of more than one service, should be treated as single service based on the main principle service

Thus, if above ancillary services are provided in the course of transportation of goods by road and the charges for such services are included in the invoice issued by the GTA, such services would form part of GTA service and, therefore, the abatement of 70%, presently available to GTA service, would also be available to those services.

CENTRAL EXCISE

➢ **Clarification regarding binding nature of circular and instructions – F.No. 96/90/2015-CX.1 dated 21st September, 2015**

It is clarified by the board that wherever board circulars are contrary to the judgments of Hon'ble Supreme Court the circular become inferior in law and should not be followed. Reference of such circulars should be made so that further action of rescinding these circulars can be expeditiously taken up. Board may also initiate such action suo-moto. Above direction would also apply to the judgments of Hon'ble High Court where Board has decided that no appeal would be filed on merit. However where appeal has been filed by revenue against the High Court order, pending adjudication should be transferred to the Call-Book and such appeals should be kept alive.

INTERNATIONAL TAXATION

- **DTAA between India and UK - Double taxation relief when tax rate is determined under DTAA, then tax rate prescribed thereon shall have to be followed strictly without any additional taxes thereon in form of surcharge or education cess.**

The assessee-company was tax resident of United Kingdom. It filed return of income declaring certain income and subjecting the same to tax at the rate of 15 per cent in terms of DTAA between India and U.K. as against the regular tax rate applicable to a foreign company at the rate of 40 per cent. While filing the return, the assessee did not calculate surcharge and education cess on the tax rate of 15 per cent as according to it article 2 of the DTAA defines Indian tax as income tax including any surcharge thereon.

The assessment was completed under section 143(1) accepting the income returned and ignoring the DTAA rates, the tax was determined to be payable at the rate of 40 per cent being the rate applicable to foreign company. Thereafter, surcharge and education cess was also applied on the said rate.

On appeal, the Commissioner (Appeals) held that the assessee had received the income in the nature of fees for technical services and in terms of articles 13(2)(a) and 13(4)(c) of the India UK DTAA, the tax rate applicable would be 15 per cent. The Commissioner (Appeals) also held that the surcharge and education cess was not to be levied on the tax rate prescribed under DTAA at 15 per cent on fees for technical services.

Held

- The article 2 of the India UK Treaty provides that Income-tax includes any surcharge thereon and it further provides that this Convention shall also apply to any identical or substantially similar taxes which are imposed by either contracting state after the date of signature of this Convention in addition to or in place of the taxes of the contracting state referred to in paragraph 1 of this article. Hence, by this, it can safely be concluded that the levy of education cess, though introduced by the Finance Act, 2004 which is much after the date of signing of this Convention, would also be made applicable while determining the tax rates under the Convention.

- It is well-settled that the education cess is nothing but an additional surcharge. When article 2 states that surcharge is included in Income-tax, the tax rate of 15 per cent for fee for technical services as prescribed in article 13 shall have to be deemed to include surcharge and since cess is nothing but an additional surcharge, the tax prescribed under DTAA at the rate of 15 per cent in the instant case shall be deemed to include surcharge and education cess.

- Hence, when the tax rate is determined under the DTAA, then the tax rate prescribed thereon shall have to be followed strictly without any additional taxes thereon in the form of surcharge or education cess. Hence, surcharge and education cess is not leviable when the tax rate is prescribed under the DTAA.

FEMA

➢ Trade Credit Policy - Rupee (INR) Denominated trade credit

RBI vide A.P. (DIR Series) Circular No. 13 dated September 10, 2015 has reviewed the AD Category-I banks is invited to Schedule III to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 notified vide Notification No. FEMA 3/2000-RB dated May 03, 2000 read with Regulation 6(3) of the said Regulations regarding raising of trade credit (buyers' credit / suppliers' credit) from overseas supplier, bank and financial institution for import of capital and non-capital goods into India.

With a view to providing greater flexibility for structuring of trade credit arrangements, it has been decided that the resident importer can raise trade credit in Rupees (INR) within the following framework after entering into a loan agreement with the overseas lender:

- Trade credit can be raised for import of all items (except gold) permissible under the extant Foreign Trade Policy
- Trade credit period for import of non-capital goods can be upto one year from the date of shipment or upto the operating cycle whichever is lower
- Trade credit period for import of capital goods can be upto five years from the date of shipment
- No roll-over / extension can be permitted by the AD Category-I bank beyond the permissible period
- AD Category - I banks can permit trade credit upto USD 20 mn equivalent per import transaction
- AD Category - I banks are permitted to give guarantee, Letter of Undertaking or Letter of Comfort in respect of trade credit for a maximum period of three years from the date of shipment
- The all-in-cost of such Rupee (INR) denominated trade credit should be commensurate with prevailing market conditions
- All other guidelines for trade credit will be applicable for such Rupee (INR) denominated trade credits

Moreover Overseas lenders of Rupee (INR) denominated trade credits will be eligible to hedge their exposure in Rupees through permitted derivative products in the on-shore market with an AD Category- I bank in India. Necessary guidelines for hedging will be issued separately.

AD Category – I banks may bring the contents of this Circular to the notice of their constituents and customers.

➢ Software Export – Filing of bulk SOFTEX- further liberalization.

RBI/2015-16/231 Circular No.27 dated November 05, 2015

In terms of which a software exporter, whose annual turnover is at least Rs.1000 crore or who files at least

600 SOFTEX forms annually on an all India basis, is eligible to declare all the off-site software exports in bulk in the form of a statement in excel format, to the competent authority for certification on monthly basis.

In order to provide benefits to small exporters also, it has been decided to extend this facility to all software exporters. Accordingly, all software exporters can now file single as well as bulk SOFTEX form in excel format to the competent authority for certification. The SOFTEX form is given at Annex I. Since the SOFTEX data from STPI/SEZ is being transmitted in electronic format to RBI, the exporters are required to submit the SOFTEX form in duplicate as per the revised procedure. STPI/SEZ will retain one copy and handover the duplicate copy to the exporters after due certification.

The Foreign Exchange Management Act (FEMA), 1999 requires exporters to complete the SOFTEX form using the number so allotted and submit it first to the competent authority for certification and then to the AD for further necessary action.

- **Investment by Foreign Portfolio Investors (FPI) in Corporate Bonds.**

RBI/2015-16/253 Circular No.31 dated November 26th, 2015.

Authorized Dealer Category-I (AD Category-I) banks attention is drawn to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No.. FEMA.20/2000- RB dated May 3, 2000 in terms of which all future investments by Foreign Portfolio Investors (FPI) in NCDs/bonds shall be required to be made in securities with a minimum residual maturity of three years

It has been decided to permit FPI to acquire NCDs/bonds, which are under default, either fully or partly, in the repayment of principal on maturity or principal installment in the case of amortising bond. The revised maturity period of such NCDs/bonds, restructured based on negotiations with the issuing Indian company, should be three years or more.

The FPI which propose to acquire such NCDs/bonds under default should disclose to the Debenture Trustees the terms of their offer to the existing debenture holders / beneficial owners from whom they are acquiring. Such investment should be within the overall limit prescribed for corporate debt from time to time (currently Rs. 2443.23 billion). All other existing conditions for investment by FPIs in the debt market remain unchanged.

CORPORATE LAW

- **Companies (Share Capital and Debentures) Third Amendment Rules, 2015**

Section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Share Capital and Debentures) Rules, 2014, namely:—

In the Companies (Share Capital and Debentures) Rules, 2014,

- In Rule 18,-

In sub-rule (1), in clause (a) for sub-clause (iii) following sub-clauses shall be substituted, namely:-

- “(iii) Infrastructure Debt Fund Non-Banking Financial Companies’ as defined in clause (b) of direction 3 of Infrastructure Debt Fund Non-Banking Financial Companies (Reserve Bank) Directions, 2011;

- (iv) Companies permitted by a Ministry or Department of the Central Government or by Reserve Bank of India or by the National Housing Bank or by any other statutory authority to issue debentures for a period exceeding ten years."

- **Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOc-4 (Financial Statement) under the Companies Act, 2013.**

General circular No. 15/ 2015 dated 30th November 2015

In continuation of this Ministry's General Circular 14/2015 dated 28th October 2015, keeping in view requests received from various stakeholders, it has been decided to relax the additional fees payable on e-forms AOC4, AOC (CFS) AOC-4 XBRL and e-Form MGT-7 upto 30th December 2015, wherever additional fee is applicable.

POLICY WATCH

- **Government signs loan agreement with Asian Development Bank.**

The Asian Development Bank (ADB) and the Government of India signed here a USD 273 million loan agreement to continue improving rural roads in the States of Assam, Chhattisgarh, Madhya Pradesh, Odisha and West Bengal. The loan represents the third tranche, which is also the last tranche of the USD 800 million financing facility under the Rural Connectivity Investment Program. The loan will help in constructing over 6,000 kilometers of all-weather rural roads in the aforesaid five States, benefiting over 4200 rural habitations.

- **Government committed to higher agricultural growth.**

The Government is committed to higher agriculture growth through sustainable development. A number of schemes have been initiated for this purpose which include soil health card scheme, 'Paramparagat Krishi Vikas Yojana', through 'Pradhanmantri Gram SinchaiYojana'; enhanced water efficiency through 'Per Drop More Crop'. The Government has also taken up continued support to employment guarantee schemes, creation of a unified national agriculture market to boost the incomes of farmers.

- **Technology acquisition and development fund launched.**

Government has launched the Technology Acquisition and Development Fund (TADF) under the National Manufacturing Policy being implemented by Department of Industrial Policy & Promotion (DIPP). TADF is a new scheme to facilitate acquisition of Clean, Green & Energy Efficient Technologies by the he Micro, Small & Medium Enterprises (MSMEs). This can be in the form of Technology/Customised Products / Specialised Services/Patents or Industrial Design available in the market available in India or globally.

- **Government to tighten curbs on steel imports to aid local producers.**

Restrictions on steel imports will go up before the end of the year to tackle the increasing cheap shipments and aid local producers. The basket of products that face a 20% safeguard tax may be widened beyond hot-rolled coil. India is among countries facing a surge in steel shipments from China, the world's top producer, where slowing local consumption has spurred mills to ship unprecedented volumes.

CORPORATE HIGHLIGHTS

- **Korean companies enter India with cosmetics and wellness products.**

South Korean companies are venturing into the USD 954.5 million Indian cosmetics and wellness market. A group of Korean companies has signed agreements with Rajshree Empires, a New Delhi-based distribution company, to sell their products online and offline. The joint venture company — formed by Korean firms such as PLK International, Coson Co., Esthetics House, OUTIN Futures, Kell and BCL Cosmetics with Rajshree Empires – will set up a manufacturing unit in Uttar Pradesh with an investment of USD 15.1 million. The Joint Venture aims to set up a Korean cosmetics retail chain with 70,000 sq ft floor space by FY19.

- **Highest growth in mobile phone subscriptions recorded.**

India saw the highest number of net addition in mobile phone subscriptions globally in the third quarter of 2015. There were more than 13 million net additions, followed by China, where subscriptions grew by 7 million, and the US with 6 million net additions. By the end of the third quarter, total number of global mobile subscriptions reached 7.3 billion, including 87 million new ones. However, the number of actual subscribers is lower than the number of subscriptions owing to the fact that users use multiple devices, such as smartphones and tablets, at the same time. At present, there are 4.9 billion subscribers worldwide versus 7.3 billion subscriptions.

- **Agro-chemicals sector expected to reach USD 7.5 billion by 2019.**

The agro-chemicals sector in India is expected to reach USD 7.5 billion by FY 2019, growing at a compound annual growth rate (CAGR) of 12% from USD 4.25 billion in FY 2014. Exports are expected to contribute 60% of the industry by FY 2019. Training the farmers is also an essential aspect and which will drive consumption. Farmers, the users of agro-chemicals, at present, are not adequately informed about its use and impact. Many a times, farmers without knowledge apply inappropriate amount of agro-chemicals resulting in crop failure

- **Government launches online portal 'e-lala' to safeguard interest of small traders.**

With an aim of promoting interests of 57 million small businesses, an online portal 'e-lala' has been launched to promote business-to-business and trader-to-customer transactions and reduce costs. Online shoppers in the country are expected to increase from 34 million in 2014 to 100 million in 2016 and e-commerce has grown manifold from USD 545 million in 2011 to USD 8 billion in 2015. By leveraging digital technology under e-lala initiative, the emerging global threat from e-commerce to small traders could be addressed with proper outreach and marketing strategies.

- **Foreign Investment up 13% to USD 16.6 billion in the first half of FY16**

Foreign direct investment (FDI) in the country grew by 13% to USD 16.6 billion during the April-September period of the current fiscal. The foreign

investment was USD 14.7 billion during April-September 2014. During the first half of the financial year, India received maximum FDI of USD 6.69 billion from Singapore followed by Mauritius (USD 3.6 billion), the Netherlands (USD 1.1 billion) and Japan (USD 815 million). Sectors which attracted highest foreign investment in the period includes computer software and hardware (USD 3 billion), trading (USD 2.3 billion), services and automobile (USD 1.4 billion each) and telecommunications (USD 659 million)

- **Aeropostale chooses India over China for growth.**

Aeropostale, an American mall-based fashion retailer for young men and women, is eyeing revenues of around USD 75 million from the Indian market in the next four years. The teen retailer launched its first store in the Capital in partnership with textile major Arvind and India would be among its top three markets within that time period. Aeropostale has been struggling with diminishing sales in its largest market, the US, where it operates around 800 stores. It has been facing stiff completion from fast-fashion stores such as, H&M and Forever 21. Since then, it has taken the licensing route to expand into other markets. Interestingly, the brand has chosen India over China. India will become one of our most important markets. China is overcrowded with foreign brands at the moment.

- **Indian Oil to focus on green energy projects**.

Indian Oil Corporation has renewed its focus on green energy and sustainability initiatives, having firmed up a mega clean energy drive that includes plans to invest USD 275 million in setting up green energy generation capacity, pushing bio-fuel blending in petroleum products and adopting measures to cut down its carbon footprint. The proposal is to set up 261 megawatt (mw) of green power capacity over the next five years. The company currently operates two wind-power projects including a 21 mw plant in Gujarat and another 48 mw project in Andhra Pradesh. At the end of August, the cumulative generation from the projects stood at 569 gigawatt hours (GWh).

- **Titan to launch smart watches with HP**

Titan Co. Ltd will launch a range of smart watches along with HP Inc. The new watches will arrive in select domestic and international markets in the next couple of months. The entry into the smartwatch category is the next step in Titan's plan to project itself as a lifestyle company. Traditional watchmakers across the globe are stepping up to the

challenge as technology giants such as Apple Inc. and Samsung Group carve out a new category of smart watches.

- **Cox & Kings sells Explore Worldwide to Hotelplan U.K. for 25.8 million pounds.**

Cox & Kings Group, through its subsidiary Holidaybreak plc., has announced the sale of its 100% stake in Explore Worldwide Ltd. to Hotelplan U.K. Group for 25.8 million pounds. This is part of the travel and holiday group's strategy to concentrate on specific areas. Explore Worldwide generated net revenues of 11.2 million pounds in 2014-15.

Statuary compliance calendar for the month November 2015

Due date	Statuary compliance under Act	particulars	Governing Authority
			
06/11/2014	Service Tax	Payment of monthly service tax for the month of October by all tax payers electronically	Central Board of Excise and Custom
	Central Excise	Payment of monthly central excise duty for the month of October on goods by assesses other than SSI units electronically	Central Board of Excise and Custom
07/11/2014	Income Tax	Deposit of Income Tax TCS and TDS deducted in October	Central Board of Direct Tax.
	NBFC-D	Monthly return of exposure to capital markets in form NBS-6 by NBFC having total assets of 100 crore and above	Reserve Bank of India.
	NBFC-ND-SI	Monthly return of source and application of funds, profit and loss account, asset classification	Reserve Bank of India.
10/11/2014	Central Excise	Monthly central excise return in form ER-1/ER-2 by other that SSI	Central Board of Excise and Custom
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6	Central Board of Excise and Custom
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM1	Reserve Bank of India.
15/11/2014	Provident Fund	(a) Payment of monthly dues of Provident Fund for the month of April (b) Monthly return in form 5 for employees joining Provident Fund during April along with declaration in form 2 furnished by the employees (c) Monthly return of Provident Fund in form 10 of employees leaving the service during April	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
	ESIC	Payment of ESIC contribution for the month of October	The employees' state insurance Act-1948. Ministry of labour and employment.

Glossary

AAR	Authority of Advance Rulings
ADR	American Depository Receipt
ALP	Arm's Length Price
AO	Assessing Officer
AP	Association of Persons
APA	Advance Pricing Agreement
ATM	Automated Teller Machine
AY	Assessment Year
BCD	Basic Customs Duty
BI	Body of Individuals
BP	Balance of Payments
CA	Chartered accountant
CAD	Current Account Deficit
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
CENVAT	Central Value Added Tax
Customs Act	Customs Act, 1962
CIT	Commissioner of Income Tax
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CD	Countervailing Duty
DDT	Dividend Distribution Tax
DTA	Domestic Tariff Area
ECB	External Commercial Borrowings
ESI	Employee's state insurance
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investment
FTS	Fees for Technical Services
FY	Financial Year
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of chartered accountant
IFRS	International Financial Reporting Standard
IDR	Indian Depository Receipt
IIP	Index of Industrial Production
IRDA	Insurance Regulatory Development Authority
ITR	Income tax return

LCD	Liquid-crystal Display
MP	Madhya Pradesh
MP	Market price
MF	Mutual fund
MSME	Micro Small and Medium Enterprises
NBFC	Non Banking Finance Company
NHAI	National Highway Authority of India
NPS	National Pension Scheme
NRI	Nonresident in India
NABARD	National Bank for Agriculture and Rural Development
OEM	Original Equipment Manufacturer
OET Act	Odessa Entry Tax Act, 1999
PSU	Public Service Undertakings
P&L	Profit & loss
PF	Provident fund
POTR	Point of Taxation Rules
QE	Quantitative Easing
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
REF	Renewable Energy Fund
REIT	Real Estate Investment Trust
Rules	Income-tax Rules, 1962
SA	Standard on Auditing
SAD	Special Additional Duty
SC	Scheduled Caste
SC	Supreme Court
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
ST	Scheduled Tribes
ST	Service Tax
STP	Software Technology Park
STR	Service Tax Rules
STCG	Short Term Capital Gain
TIN	Transaction identification number
TNNM	Transactional Net Margin Method
Tribunal	Income tax Appellate Tribunal
TDS	Tax Deducted at Source
TPO	Transfer Pricing Officer
TED	Terminal Excise Duty
VAT	Value Added Tax
VCC	Venture Capital Companies
VCF	Venture Capital Fund
WPI	Wholesale Price Index
WT	Wealth tax
WB	World bank

BUSINESS ADVISORY

- Growth Planning
- Succession Planning.
- Strategic Decision Appraisal
- Risk, Uncertainty and Change Management Services
- Strategic Decision Implementation – National and Global Platform
- Wealth Management Services.

TAXATION SERVICES

- Direct Taxation Advisory
- Service Tax, Excise duty, VAT Registration Services
- Tax Planning Strategy– Optimum use of Corporate Tax Incentives.
- Implementing and Operating in the tax consolidation regime
- Preparation of return of Income Tax, Service Tax, Excise Duty and VAT.

AUDIT & ASSURANCE

- Statutory Audit including Tax Audit &VAT Audit
- Internal Audit and Concurrent Audit
- Management Audit and Operational Audit
- Cost Audit/Reviews
- System and process control reviews.
- Secretarial Audit.

OUTSOURCING ACCOUNTANTS

- Annual financial report preparation
- Preparation of general and special purpose statutory accounts
- Processing Payroll
- Cash management reporting
- Accounting system reviews
- Financial analysis
- General Accounting Support, as required by client.

RBI, FEMA, SEBI Services

- Setting up Liaison Office, Branch Office and Project Office.
- RBI Consulting
- Private Equity Finding Advisory.
- Project Financing.
- Credit Rating.
- Business Asset Valuation.
- Due Diligence.

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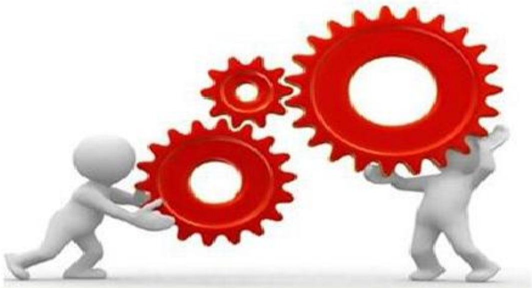

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