



Newsletter

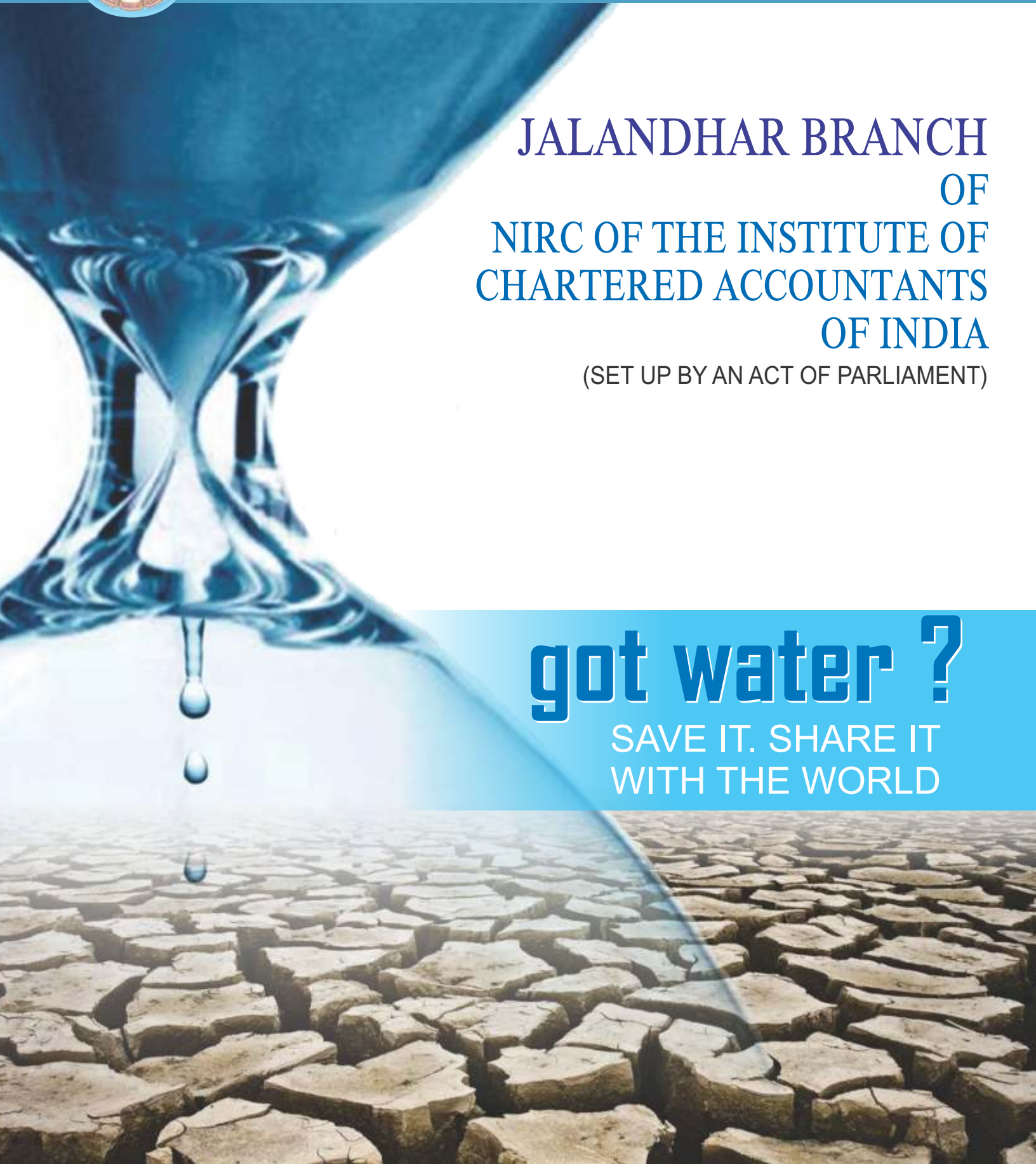
Vol. 2. June-July'16

For Private Circulation Only

JALANDHAR BRANCH OF NIRC OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA (SET UP BY AN ACT OF PARLIAMENT)

got water ?

SAVE IT. SHARE IT
WITH THE WORLD



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NIRC Team for the Year 2016-17

- | | |
|---|---|
| • CA. Deepak Garg
<i>Chairman</i> | • CA. Rajesh Agarwal
<i>Executive Member</i> |
| • CA. Pooja Agarwal
<i>Vice Chairman</i> | • CA. Pankaj Periwal
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| • CA. Sumit Garg
<i>Secretary</i> | • CA. Alok Jain
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| • CA. Nitin Kanwar
<i>Treasurer</i> | • CA. Yogita Anand
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| • CA. Rajinder Arora
<i>Chairman Nicasa</i> | • CA. Swadesh Gupta
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| • CA. Vivek Khurana
<i>Nicasa Member</i> | • CA. Rajinder Narang
<i>Executive Member</i> |
| • CA. Rakesh Makkar
<i>Nicasa Member</i> | |

Chairman Jalandhar Branch's Message



CA. MANOJ CHADHA

Dear Members,

Water is the most precious gift of nature. It has no taste, no smell and no colour. It is found everywhere and the other name of it is life. We find it in tanks, ponds, wells, rivers and springs. Almost three-fourth of the earth is water. We should conserve and save water so as to protect the water environment.

Now the Summer vacation is over and after being fully charged the work has been resumed by the professional community. This time the summer was even hotter and this vacation is always a boon to recharge the mind and the body.

The month of MAY and JUNE witnessed huge participation from Members in all the activities of the Branch. I express my sincere thanks to the members for the motivation and inspiration for doing more and more programs.

We started with the seminar on the introduction of Income Disclosure scheme'2016, Direct Tax dispute resolution scheme'2016, Amendments in rules for quoting of PAN for specified transactions etc under the Income Tax Act, seminar also covered the topic on Practical aspects of audit under Income Tax Act and Companies Act including newly introduced CARO'2016. We also dealt with Practical issues in TDS e-filing etc.

To help members to have better understanding of Service Tax and learn about HOW TO ASSESS TAXABILITY in Service TAX and recent BUDGET UPDATES, our Jalandhar Branch organized seminar on this issue.

With the active initiative of Team Jalandhar Branch of NIRC; ITAT, Amritsar hosted its bench in Jalandhar for two weeks started from 20th June to 1st July'2016. As this gave our members a convenience and our young member's motivation, as they had an experience to witness the proceedings of ITAT live and learn from it.

Your branch also celebrated 2nd International Yoga Day on 21st June 2016.

1st July is our foundation day - The Day when ICAI was

established in 1949 and is celebrated with great pride as CA Day ! Our most premium and Flagship event "The CA Day - 1st July" was celebrated in a splendid way this time too and your branch organised a family movie show, flag hosting ceremony, blood donation camp etc.

We also arranged two Live webcast at branch for the members to take the benefits of the best programs being organized at New Delhi. ISA course was also organised from 9th July'2016.

Dear members, For the First time, Jalandhar Branch of CA Students Association organized MOCK TEST for CPT Students in our Jalandhar Branch. We got very good response and nearly 60 students took part in this MOCK Test. It was very good step for the benefits of Students. Jalandhar Branch of CA Students Association also organized Quiz contest for CA final Students with an intention to disseminate knowledge in the students fraternity. Further we are also planning to conduct other student activities for the benefit of CA students.

I request members to regularly visit our Branch website www.jalandharicai.org for regular information about branch activities.

Branch is sending branch updates through SMS and Email, you can give your details with your membership number for receiving updates. If anyone is willing to receive Branch updates on Whatsapp, then you can add my number and send your name and membership number to me on whatsapp.

Before signing off I wish you all the best for the months of Audit to come for our profession.

Good Luck.

Best Regards,
CA. MANOJ CHADHA

Chairman,
Jalandhar Branch of NIRC of ICAI

Mob.: 98147-05200

Newsletter Committee Chairman's Message



CA. PUNEET OBEROI

Respected Seniors and My Dear Colleagues,

I feel happy to place before you the second edition of eNewsletter . I am extremely thankful and full of gratitude for each one of you for the appreciation for the first issue of this eNewsletter. The eNewsletter is the outcome of the hardwork and teamwork of the eNewsletter Committee and appreciation surely encourages us all.

We started the endeavour to present the eNewsletter in altogether new format and feel hopeful that this edition shall also be liked by you all. I am extremely thankful to the members and their family members who contributed the articles promptly and enthusiastically. This edition carries more articles and professional updates. I believe as a virtual spokesperson of this branch, this edition carries enough material for all your professional endeavours too.

The committee decided to carry on the eNewsletter on Bi-Monthly periodicity. It will be our endeavour to commit and re-dedicate ourselves to bring this every two months. I was overwhelmed when some of our members even requested for monthly edition. I thank their encouragement and assure to atleast continue with this bi-monthly edition.

We are body set up under an Act of Parliament and it is our duty to contribute to the sentiments and endeavours of the Government, more so when it synchronises with the much needed social cause. The theme of this issue as suggested by our Branch Chairman has been taken with this intent which is "SAVE WATER". Our worthy Prime Minister Sh. Narendra Modi, in his address to Nation through "Mann ki Baat" in the month of May, 2016 stressed a lot on saving water. *"We must feel the pain if even one drop of water is wasted... Let us promise ourselves that this June, July, August and September we will not allow even a drop to be wasted... This should be our primary concern, so that when we celebrate Diwali this year, we should also feel happy about the amount of water we saved," Modi ji said.* The National Aeronautics and Space Administration (NASA) sent a warning signal that agriculture output can collapse in states like Punjab. There is no regulation or check on the farm and industrial sector on pumping out water from ground. About 3 crore gallons of water is pumped out by industry in Ludhiana alone. For drinking purpose, hundreds of tube wells in cities, towns and villages work over time. *A drop of water is worth more than a sack of gold to a thirsty man. Don't let the water run in the sink, our life's on the brink!*

I submit this second edition of eNewsletter to your worthy desks. Please keep guiding us with your suggestions and contributions. This effort needs your encouraging support and contribution. The month of July is busy period for many but the month of September is onerous. We all understand that this year extension of date of tax audit is not likely and we all must have geared up for the same. This season of Tax Audit is always full of pressures and extended work hours. I wish you all the very best for the effective and timely completion of your professional assignments.

Best Regards,
CA PUNEET OBEROI
Chairman
Newsletter Committee
Mob. : 97793-44448

FROM THE DESK OF THE SECRETARY



CA Raghav Arora

Respected professional colleagues,

Again I am getting opportunity to speak to you through this newsletter. This year has been witnessing a series of positive changes in the overall governance, implementation system and above all integration in the country towards a well-planned and balanced growth of economy. The two very important of these are the Income Disclosure Scheme laid down by the Department of Revenue aimed towards channelizing back the Black money circulation in the economy through a well drafted scheme to the accounted money. The immunity benefits seen in the scheme has never been seen before in the history of revenue taking such a lenient and friendly view towards the Assessee who did not or could not disclose their unaccounted incomes. Needless to mention, that we Chartered Accountants play a vital role in the success of the Scheme, as we are the bridge between both the sides. I am pretty sure that every one of us has contributed to this very effectively.



In this another edition of E-Newsletter, I feel delighted to boast of the activities of the Jalandhar branch of NIRC. After nearly two decades, our Branch with the efforts of all members of the Managing Committee had been blessed to host the Amritsar based Income tax Appellate Tribunal (ITAT) Camp Bench successfully for nearly two weeks at Police DAV School, Jalandhar. It has been appreciated as a great initiative, especially for new members and those members are not aware of the

ITAT proceedings who witnessed themselves. We hope all the members have had an excellent learning experience. I pay my sincere thanks to the ITAT Core Committee specially formed for this purpose for their valuable contribution of time and efforts towards making this host bench a success.



I am also happy to tell all the members that for the first time mock CPT test was organized in the branch for the new CA aspirants preparing for the CPT exams under the Chairmanship of the Student Committee chairman CA Deepak Bajaj. This is also a first step towards building a social integration between the branch and CA aspirants.



Another important day passed during the period of this edition of E- Newsletter. Yes. It was Chartered Accountants day. And, it was wonderfully celebrated, firstly by hosting anthem flag at our Branch premises and later on by hosting a Blood donation camp where good number of members enthusiastically participated

in the camp.



Similarly, on lines of past practice, Yoga Day was also celebrated and this time it saw a very good participation. We hope we incorporate the Yoga practicing habits in our day to day life as well. The session indeed was very motivational and peaceful.



Apart from this, many seminars were organized during this period including Seminar on Income Tax Act and Companies Act taken by CA Parmod Jain talking about the recent developments in PAN quoting requirements and AIR and the role of Companies Auditor as Chartered Accountants.



Another seminar was organized by CA Atul Kumar Gupta, Central Council member on Service tax, talking about the levy and chargeability of Service tax and excise of jewellery and readymade garments.



Another good session on yet to be implemented section of Income Computation Disclosure standards (ICDS) was taken by CA Sanjay Aggarwal, Central Council Member. It was attended by a good number of members and was presided by ITAT members Sh. AD Jain (Judicial member) and CA TS Kapoor (Accountant Members) who were not only felicitated in the seminar but were also extended deep regards by all the members present for agreeing to the hosting of the Jalandhar Camp Bench of ITAT.

Webcasts were also organized by the branch, one being on the Cenvat Credit Rules by CA Ashok Batra and the other on the Income Disclosure Scheme, 2016 conducted by the Institute having presence of Our honourable Finance Minister, Sh. Arun Jaitley during the webcast. This webcast was presided by Sh. Dinesh Gupta (DCIT) and Sh. Rajeev Wadhwa (ACIT), of Jalandhar Income Tax Department. A very good session after the webcast was presented by Sh. Dinesh Gupta (DCIT) and all the members present were encouraged to get participation of their clients in the scheme for the success.

And above all, I am grateful to all the members for their wonderful participation and always being active in branch activities and motivating us to do more for our temple.

Regards and Viva da la Profession

Warm Regards,
CA Raghav Arora
Secretary,
Jalandhar Branch

Message

Respected Members,

Greetings of the Day,

My heartiest wishes to the Managing Committee Members of Jalandhar Branch for upgrading the knowledge of members through eNewsletter.

Jalandhar Branch is very close to my Heart. My thanks and best wishes to each and every member of Jalandhar Branch.

I am always with you.

Regards,

Vivek Khurana

Ex. Officio, Jalandhar Branch of NIRC of ICAI

CA. Vivek Khurana, Founder of casansaar.com a Graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India.

Mr. Khurana born and brought up in Rohtak (Haryana). He is a Sr. Partner of Khurana Vivek & Co., Chartered Accountants having offices in Delhi, Haryana & Punjab.

His area of Expertise is Legal, Taxation & Company Law matters. He has been actively involved in various social activities related to upliftment of CA Profession.

His major Contribution towards his Profession was seen when he launched casansaar.com website, exclusively for CA, CS, CWA Professionals.

He has been elected in NIRC of ICAI with Maximum no. of votes at No.1 position.



CA. Vivek Khurana
NICASA Member

Message

Namaste

My dear Professional Colleagues,

Jalandhar, being the oldest city in Punjab and today being the highly industrialized center and foremost producer of world class sports equipments and similarly prodigious are the CA members here. This esteemed branch of NIRC of ICAI is working for the overall benefit of its members and it resembles with these lines

Where vision is One year - Cultivate Flowers

Where vision is Ten year - Cultivate Trees

Where vision is Eternity - Cultivate PEOPLE

This branch by its activities, events and working pattern, is CULTIVATING MEMBERS & STUDENTS.

Regards,

CA Pooja Bansal

CA. Pooja Bansal, born and brought up in Delhi, graduated in B. Com(H) from Delhi University in 2004 and then became part of esteemed 'CA Fraternity' in July 2006. Afterwards she pursued her CFM from Center for Financial Management, Bangalore in 2008 and CIA from Institute of Internal Auditors, Florida, USA in 2013.

Professionally, she's the Managing Partner of M/s. Saawariya & Co., Chartered Accountants. Before entering into her practice, she spent almost seven years of her professional career in ICICI Bank and Kotak Mahindra Bank.

And above all by the blessings of Shri Shyam Babaji and your cooperative support, she's now the Vice - Chairperson of NIRC of ICAI and Chairperson of Banking, Insurance and Pension Committee of NIRC and Financial Market and Investor's Protection Committee of NIRC.



CA. POOJA BANSAL
Vice-Chairperson

Message

Dear Members

At the outset, I feel immense pleasure and want to convey my heartiest congratulations to the Jalandhar Branch of NIRC, ICAI for the publication of series of e-newsletters. It is indeed a proud moment for me as I was given this opportunity to pen down my first communication as the Treasurer of NIRC of ICAI to Jalandhar Branch of NIRC, ICAI.

Government is entrusting lot of responsibilities upon us. We, as a whole fraternity should raise our standards, perform our duties effectively & accurately so that we could contribute our bit to ascertain the overall development of nation. As it is well said that "One small drop can start a ripple"

At last, I feel privileged to inform you that on the occasion of CA Day, i.e 1st of July 2016, we celebrated CA DAY 2016 to showcase our commitment to the profession and take pledge to work for its growth. From 29/06/2016 onwards, NIRC of ICAI organized a bunch of activities to celebrate this day.

CA Nitin Kanwar
Treasurer NIRC of ICAI
2016-2019



CA. Nitin Kanwar
NIRC TREASURER

CA Nitin Kanwar is a Managing Partner of AJKR & Associates, one of the leading chartered accountancy firms in India with the offices in Gurgaon, New Delhi, and Daryaganj. His field of specialization is direct taxes and especially International Taxation.

CA Nitin Kanwar did his B.Com (H) & Law from Delhi University. He is currently a fellow member of the Institute of Chartered Accountants of India and also holds the certificate of International Taxation.

CA Nitin Kanwar is a regular speaker at a number of international conferences. He actively engaged in writing various articles, literatures etc.

He was Deputy Convener of East End CPE study Circle, from Yr. 2003 to 2015, also got the Best Deputy Convener Award in Year 2009.

He is delivering the daily updates named CA NEWS TODAY.

VAT UPDATES

JUDGEMENTS OF WORK CONTRACT AND ASSESMENT UNDER VAT



CA. Deepak Bajaj

1. No Deduction of tax at source required where payment is an advance and as a loan to works contractor.- "Hindustan Construction Co. Ltd V/S State of Haryana- (Aug -1998 STM 3 (P & H)
2. No tax is to be deducted from payment to Works Contractor where under the contract there is no transfer of property in goods. "Freedom Info Systems V/S Bharat Sanchar Nigam Limited (2009)13 STM 165 (HC- P & H) " Jarnail Singh V/s Bharat Sanchar Nigam Limited (2010) 14 STM 33 (HC- P & H)
3. A person engaged in works contract of building construction is a manufacturer and entitled to issue C forms for effecting inter state purchases. " DLF Laing O Rourke (india) Ltd V/S State of Kerala (2008) 11 STM 781 (HC-Kerala)
4. Contractee agreed that work may be executed by subsidiary of the contractor and contractor also agreed that subsidiary will execute the contract, then contractee is not obliged to deduct tax from contractor if he deducted it from subsidiary. Omaxe Ltd.(2010) 14 STM 557 (ETC Order u/s 85)
5. Time Barred assessment:- when limitation period expired, extension of limitation cannot be granted. Rattan Coach Builders V/s State of Punjab (2010-15 STM 264 (HC-P & H) Bharat Petroleum Corpn. Ltd V/s State of Punjab (2010-15 STM 43 (HC-P & H)
6. Limitation Period can't be extended by commissioner by stating that more time is required. Oagkan Traders VS Sales Tax Officer (2006) 9 STM 504 9HC-Guj)
7. Once assessment becomes time barred, it cannot be re-opened even on the basis of amendment. Bharat Petroleum Corp.Ltd V/s State of Punjab (2010)15 STM 43 (HC- P & H)

SERVICE TAX AND EXCISE UPDATES



CA. Puneet Oberoi

IMPORTANT CASE LAWS

Procurring various components of lamp shades and chandeliers from different sources and thereafter, assembling and packing same in cartons with logo and code number of product does not give rise to a 'new product' and therefore, does not amount to manufacture- [2016] 70 taxmann.com 20 (Punjab & Haryana)- Commissioner of Central Excise, Faridabad-II v. Kapoor Lamp Shade Company (Factory Shop)

Cenvat Credit : Where assessee had filed periodical returns and other documents properly and demand is raised on basis of documents submitted by assessee, then, merely because documents were not scrutinized by department within normal period, department cannot allege suppression of facts to invoke extended limitation- [2016] 72 taxmann.com 69 (Hyderabad - CESTAT)- 'SMB'- Wanbury Ltd. v. Commissioner of Central Excise, Guntur

Service Tax : When summons are issued to petitioner to appear 'in person', petitioner cannot make appearance through lawyer; hence, petitioner's attempt in avoiding personal presence was penalized with costs of Rs. 1,00,000- [2016] 69 taxmann.com 290 (SC)- Sudhir Kumar Tripathi v. Commissioner of Central Excise & Service Tax

Excise: Goods bearing brand name of others are ineligible for SSI-exemption and are liable to duty; hence, SSI-units can avail exemption for unbranded goods simultaneously with Cenvat credit against duty-paid on branded goods- [2016] 70 taxmann.com 244 (Punjab & Haryana) - Commissioner, Central Excise Commissionerate, Panchkula v. Cure Quick Remedies (P.) Ltd.

Cenvat Credit : In absence of any provisions to contrary, registration is not mandatory to avail Cenvat credit and/or refund of cenvat credit; hence, credit is allowable even for period prior to registration but within time-limits in CENVAT Credit Rules, 2004- [2016] 70 taxmann.com 379 (Chennai - CESTAT) Commissioner of Service Tax, Chennai v. Premedia Global (P.) Ltd.

Service Tax : If 'amounts collected in name of service tax' have been paid even prior to issuance of notice, then, there is no requirement of notice/adjudication under section 73A(3)/(4) and thus, there cannot be any levy of interest under section 73B- [2016] 70

taxmann.com 215 (New Delhi - CESTAT)- Chhattisgarh State Co-operative Marketing Federation Ltd. v. Commissioner of Central Excise & Service Tax, Raipur

Cenvat Credit : Works contract services availed for Modernisation, Renovation or Repairs of Factory/Premises are eligible for credit; however, said services meant for construction of building or laying foundation for capital goods, are ineligible for credit- [2016] 71 taxmann.com 240 (Hyderabad - CESTAT) - Mahindra & Mahindra Ltd. v. Commissioner of Central Excise, Hyderabad-I

Cenvat Credit : If inter-state movement of inputs is recognized by sales-tax authorities at check-posts, then, merely due to discrepancies in transport documents/dates, department cannot deny credit alleging that inputs were never received- [2016] 72 taxmann.com 172 (New Delhi - CESTAT) - S. Pal Enterprises (P.) Ltd. v. Commissioner of Central Excise & Service Tax, Alwar

Service Tax : Excess tax paid in a month/quarter can be adjusted against any of the subsequent months/quarters (i.e., even beyond next month/quarter) and for this purpose, word 'month/quarter' in rule 6(4A) of Service Tax Rules, 1994 would include 'months/quarters'- [2016] 71 taxmann.com 228 (Chennai - CESTAT)- Schwing Stetter India (P.) Ltd. v. Commissioner of Central Excise, LTU, Chennai

Service Tax : Since 'verification' cannot be construed as 'audit', Rule 5A(2) of Service Tax Rules, 1994 cannot be sustained with reference to Section 94(2)(k); hence, in absence of any enabling power in Finance Act, 1994, service tax audit by departmental officers is ultra vires and was quashed accordingly- [2016] 70 taxmann.com 51 (Delhi)- Mega Cabs (P.) Ltd. v. Union of India

Cenvat Credit : Management Consultancy Services obtained for infusing finance in different units of Company can be said as connected with manufacturing activity because manufacturing cannot be done without obtaining finance; hence, said services are eligible for input service credit- [2016] 71 taxmann.com 10 (Karnataka)- Commissioner of Central Excise Bangalore II Commissionerate v. Sanmar Speciality Chemicals Ltd.

INCOME TAX UPDATES

CASE LAWS



CA. Priyanka Verma

- “Secret commission allegedly paid by assessee to employees of its clients as per trade practice in order to approve assessee's contract, rates and help in quick payment from clients, could not be allowed as deduction where assessee had not provided any evidence establishing such trade practice and name of recipients of such commission”--[2016] 70 taxmann.com 10 (Bombay) T. Lakhamshi Ladha & Co. vs. Commissioner of Income-tax
- “Where as per sale agreement, transaction of sale of property was to be completed after five years of agreement at buyer's option but possession of property was allowed to be taken over by buyer on next day of agreement in part performance of agreement, transfer within meaning of section 2(47) took place when possession was taken over by buyer and not when buyer exercised option to buy said property after five years” [2016] 70 taxmann.com 118 (Panaji - Trib.) Zuari Estate Development & Investment Company (P.) Ltd. Vs. Joint Commissioner of Income Tax
- “Where assessee received certain amount in cash, since he failed to explain nature and source of said receipt, same was to be treated as income under section 68 assessable under head 'Income from other sources' and as per provisions of section 71, business losses of assessee could be set-off against said income” [2016] 70 taxmann.com 382 (Agra - Trib.) Satish Kumar Goyal vs. Joint Commissioner of Income-tax, Range-I, Agra
- “ITAT allows deduction of 'Keyman Insurance Policy' taken for benefit of directors and senior staff

Where a director of assessee-company who was dealing with important clients was able to sell goods worth Rs. 6.15 crores, looking at fair market value of his services, no part of remuneration of Rs. 73.68 lakhs paid to him could be disallowed

Where expenditure, incurred towards club memberships of various clubs, was incurred to facilitate smooth and efficient running of business and same did not add to profit earning apparatus, said expenditure was to be allowed as revenue expenditure

Even where amount remained unclaimed by sundry creditors for a considerable period of time and liability was carried forward for many years without remission or cessation till date, said amount could not be added to income” [2016] 70 taxmann.com 320 (Kolkata - Trib.) Income-tax Officer, Ward-4(2), Kolkata vs. Marcopolo Products (P.) Ltd.

- Where during original assessment proceedings, Assessing Officer, after examining are aspect of share application money received by assessee, through issuance of questionnaire, framed assessment making no addition on that account, reopening of assessment on ground of suspicion on creditworthiness of investors would amount to change of opinion which is not permissible in law. [2016] 69 taxmann.com 444 (Delhi) Allied Strips Ltd. vs. Assistant Commissioner of Income-tax, Central Circle-15
- Where assessee with a small amount of authorised share capital, raised a huge sum on account of premium and chose not to go in for increase of authorised share capital merely to avoid payment of statutory fees and Assessing Officer passed assessment order without carrying out requisite enquiry into increase of share capital including premium received by assessee, Commissioner was justified in treating assessment order as erroneous and prejudicial to interest of revenue. [2016] 70 taxmann.com 124 (Calcutta) Rajmandir Estates (P.) Ltd. vs. Principal Commissioner of Income-tax, Kolkata-III, Kolkata

CIRCULARS/LETTERS/ NOTIFICATIONS

SECTION 12AA OF THE INCOME-TAX ACT, 1961 -
CHARITABLE OR RELIGIOUS TRUST - REGISTRATION

PROCEDURE - CLARIFICATION ON CANCELLATION OF REGISTRATION UNDER SECTION 12AA IN CERTAIN CIRCUMSTANCES - CIRCULAR NO.21/2016 [F.NO.197/17/2016-ITA-I], DATED 27-5-2016

SECTION 45, READ WITH SECTION 28(I), OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS, CHARGEABLE AS - CONSISTENCY IN TAXABILITY OF INCOME/LOSS ARISING FROM TRANSFER OF UNLISTED SHARES -LETTER F.NO.225/12/2016/ITA.II, DATED 2-5-2016

SECTION 197A OF THE INCOME-TAX ACT, 1961 - DEDUCTION AT SOURCE - NO DEDUCTION TO BE MADE IN CERTAIN CASES - PROCEDURE FOR SUBMISSION OF DECLARATION BY A PERSON CLAIMING RECEIPT OF CERTAIN INCOMES WITHOUT DEDUCTION OF TAX IN FORM 15G/15H -NOTIFICATION NO.7/2016 [F.NO.DGIT(S)/ADG(S)-2/TDS E-FILING NOTIFICATION/110/2016], DATED 4-5-2016

EQUALIZATION LEVY RULES, 2016 - NOTIFICATION NO. SO 1905(E) [NO.38/2016 [F.NO.370142/12/2016-TPL], DATED 27-5-2016

SECTION 48 OF THE INCOME-TAX ACT, 1961 - CAPITAL GAINS - COMPUTATION OF - NOTIFIED COST INFLATION INDEX UNDER SECTION 48, EXPLANATION (V) - FINANCIAL YEAR 2016-17

Sl. No.	Financial Year	Cost Inflation Index
(1)	(2)	(3)
"36	2016-17	1125"

NOTIFICATION NO. SO 1948(E)[NO. 42/2016 (F. NO. 142/5/2016-TPL)], DATED 2-6-2016

INCOME-TAX (FOURTEENTH AMENDMENT) RULES, 2016 - AMENDMENT IN RULE 8D - NOTIFICATION NO. SO 1949(E) [F.NO.370142/7/2016-TPL], DATED 2-6-2016

INCOME-TAX (SEVENTEENTH AMENDMENT) RULES, 2016 - INSERTION OF RULE 37BC AND AMENDMENT IN FORM NO.27Q -NOTIFICATION NO. SO 2196(E) NO.53/2016 (F.NO.370142/16/2016-TPL)], DATED 24-6-2016- Relaxation from deduction of tax at higher rate under section 206AA.— In the case of a non-resident, not being a company, or a foreign company

INCOME-TAX (EIGHTEENTH AMENDMENT) RULES, 2016 - INSERTION OF RULE 128 AND FORM NO.67 - NOTIFICATION NO. SO 2213(E) [NO.54/2016(F.NO.142/24/2015-TPL)], DATED 27-6-2016- Foreign Tax Credit.

INCOME-TAX (NINETEENTH AMENDMENT) RULES, 2016 - INSERTION OF RULES 11UB, 11UC, 114DB, AND FORM NO.3CT, FORM NO.49D - NOTIFICATION NO. SO 2226(E) [NO.55/2016 (F.NO.142/26/2015-TPL)], DATED 28-6-2016- The fair market value of asset, tangible or intangible, as on the specified date, held directly or indirectly by a company or an entity registered or incorporated outside India (hereafter referred to as "foreign company or entity"), for the purposes of clause (i) of sub-section (1) of section 9

Trust God without DOUBTS

Once upon a time, a man was climbing the Himalayas. Suddenly he slipped and fell down but fortunately he was pulled by the safety rope tied around his waist. It was very dark night. He cried to the God for help.

A voice said, "CUT THE ROPE". But in fear of life he didn't do that. Next day Newspapers flashed, A MAN FOUND DEAD HANGING IN ROPE JUST ABOVE 5 FEET FROM THE GROUND.

Moral of the story is TRUST GOD WITHOUT DOUBTS!



By CA. Hardeep Saini

Non-Resident Indians

(Taxation and Withholding taxes)



CA. Varun Chadha

Taxation of any Person, in any Country, is dependent on his Residential Status. Under the Indian Income Tax Laws Global Income of a Resident Person is Taxable in India. However, in respect of a Non Resident only that Income which is received or deemed to have been received in India by or on his behalf and income that accrues or arises or is deemed to accrue or arise in India is Taxable.

The Income Tax Act, 1961 also envisages certain deeming provisions under Section 9. As per the deeming provisions following Incomes will be deemed to accrue or arise in India, even though they may actually accrue or arise out of India :-

1. Income from Business Connection in India.
2. Income from any Property, Asset or Source of Income in India.
3. Capital Gains from transfer of any Capital Asset situated in India.
4. Income from Salary earned in India - i.e. if Service is rendered in India. Where a rest period which is preceded or succeeded by services rendered in India forms part of the service contract of employment, the same shall be considered to be income earned in India.
5. Income from salary (other than perquisite &/or allowance) paid by Government of India to an Indian Citizen of India even though the service is rendered out of India.
6. Dividend paid by Indian Company outside India.
7. Income by way of Interest in some situations.
8. Income by way of Royalty in some situations.
9. Income by way of Fees for Technical Services in some situations.

Non Resident Indian and Its taxation-

Section 115C(1)(e): "non-resident Indian" means an individual, being a citizen of India or a person of

Indian origin who is not a "resident".

A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India;

Benefit of residency available to a Non-Resident Indian:-

Section 6 under I.T.Act. provides that in case of a non-resident Indian the condition of staying for 60 days in a year will be changed to 182 days.

In simple terms, that while for all persons the law states that if he is in India for 60 days and 765 days in four years earlier than that year, he shall be resident in India.

But a Non-Resident Indian, can stay upto 181 days in a year and even if he stays more than 765 in earlier four years, he will still be regarded as non-resident.

Exemption available to a Non-Resident Indian :-

1. Dividend income
2. Long term capital gains on listed shares or mutual fund units if STT is paid as per *section 10(38)*
3. Interest on Non-Resident External Account [NRE] and Foreign Currency Non-Resident Account [FCNR]. [*section 10(4)(ii)*]
4. Remuneration received by non-Indian citizen as employee of a foreign enterprise for service rendered in India. [*Refer section Sec. 10(6)(vi)*]
5. Remuneration received by an individual who is not a citizen of India as an employee of the Government of foreign State during his stay in India in connection with his training in any establishment / office / undertaking owned by the Government. [*10(6)(ix)*]
6. Interest on Non-resident (Non-Repatriable) Rupee Deposit Account [NRNR]. Interest on NRNR account is not exempt from income tax when a person acquires the status of Resident but not Ordinary Resident.
7. Interest earned on Foreign Currency (Ordinary Non-Repatriable Deposit Account [FCNR]. This exemption

is also available to a person who is not ordinarily resident. Interest on Resident Foreign Currency account [RFC] is exempt till such time as NRI maintains the status of Not Ordinarily Resident.

Specific chapter for Non- Resident Indian:-

Chapter XII-A of the Income Tax Act is specific to non-resident Indians or Person of Origin. The chapter runs from section 115C to 115I of the Income Tax Act.

Under the chapter XII-A , following types of income of Non Resident Indian or Person of Indian Origin are assessed

- (i) "investment income" means any income derived other than dividends referred to in section 115-O from a foreign exchange asset which means shares, securities , deposits bought using foreign exchange;
- (ii) "Long-term capital gains" means income chargeable under the head "Capital gains" relating to a capital asset which was bought by NRI or PIO using foreign exchange.

the tax rate is fixed which may, in many case lower than the normal tax rate. So, for an NRI or PIO, always two kinds of calculation,

1. In case of investment income (read interest etc) , tax rate is 20%
2. In case of long term capital gains , tax rate is 10%

It has been provided under section 115D that NO deduction is allowable on investment income or long term capital gains.

However, any income other than Investment Income or Long Term Capital Gains included in total income , then the deduction under Chapter VI-A is allowable .

There are two other benefits to Non-Resident Indian and Person of Indian Origin

1. The application of chapter is optional year to year. SO , in one year , the NRI can claim to be assessed under Chapter XII-A and in another year he/she can claim to be assessed under general provision.*[Refer sec. 115I]*
2. If there is no income other than investment income or long term capital gains under the chapter , the NRI or PIO may not file tax return provided all the taxes are paid. This is as per section 115G

Non-Residents (TDS or Withholding Provision)

Section 195 of the Income Tax Act deals with TDS on the payment or credit of any sum to a non-resident, whichever happens earlier.

There was controversy whether the full amount should be liable to TDS or only income . This was settled by Supreme Court in **GE India Technology Cen. P Ltd vs CIT [2010] 193 TAXMAN 234 (SC)** that only the income component should suffer the withholding tax (TDS) . Recently CBDT issued Instruction **NO 2/2014 dt 26/02/2014** reiterating the same position .

Steps for non deduction of tax, if the non-resident thinks that the income is not taxable:-

Section 195(3) provides that if the non-resident thinks that the tax should not be deducted or should be deducted at lower rate , he/she/it will have to apply before the A.O (TDS) who has jurisdiction over the non-resident for issue of a non-deduction certificate .

The application has to be done in a prescribed form 15C (for banking company) and Form 15D for all other non-resident.

Once the A.O is satisfied, the certificate shall be issued in name of non-resident.

As per section 195(4) , the certificate is valid till the end of financial year in which it was issued or the date when it is cancelled by the AO , whichever happens early.

You can re apply on expiry or three months before expiry of the certificate.

Conditions for issue of nil or lower tax rate deduction to non-resident:-

The conditions are s provided in Rule 29C namely :—

- (i) the person concerned has been regularly assessed to income-tax in India and has furnished the returns of income for all assessment years for which such returns became due on or before the date on which the application under sub-rule (1) is made;
- (ii) he is not in default or deemed to be in default in respect of any tax (including advance tax and tax payable under section 140A), interest, penalty, fine, or any other sum payable under the Act;
- (iii) he has not been subjected to penalty under clause (iii) of sub-section (1) of section 271;
- (iv) where the person concerned is **not a banking company** referred to in clause (i) of sub-rule

(1)–(a)he has been carrying on business or profession in India continuously for a period of not less than five years immediately preceding the date of the application, and(b)the value of the fixed assets in India of such business or profession as shown in his books for the previous year which ended immediately before the date of the application or, where the accounts in respect of such previous year have not been made up before the said date, the previous year immediately preceding that year, exceeds fifty lakhs of rupees.

If the deductor thinks tax is deductible, but confused about the amount on which it is to be deducted or the rate of TDS:-

In such case , the deductor is required to apply before the A.O under section 195(2) of the Income Tax Act . **There is no prescribed performa for such application to be made u/s 195(2).**

One should also note that there are certain cases in which the benefit of section 195(2) is not available . For example , if the income is assessed u/s 115A,115AB,115AC, 115AD , 115BBA & 115E , the application for certificate u/s 195(2) can not be entertained because all those are special rate of tax provisions.

REMITTANCE BY BANK (FORM 15CAAND 15CB)

Section 195(6) of the Income Tax Act deals with the issue of remittance by banks or authorized dealer through which the sums or payments are remitted , It has been provided that the payer of the sums will furnish the information to the bank .

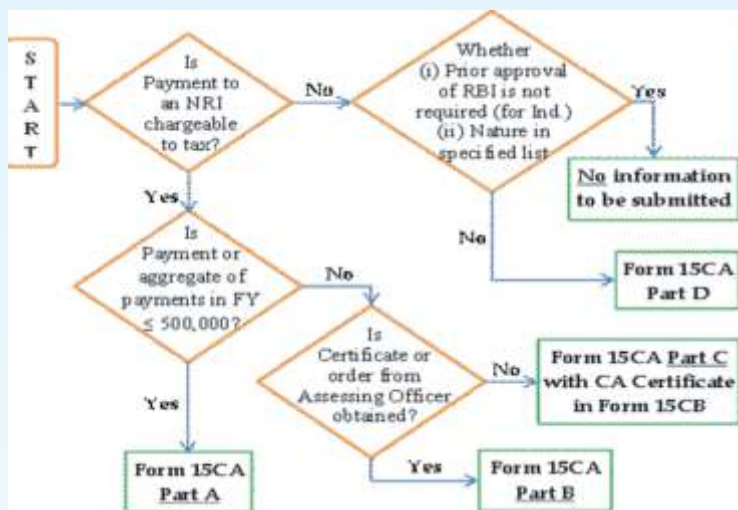
Rule 37BB of the Income Tax Rule has been modified vide GSR 978E on **16/12/2015** As per this , information requirement for remitting any sum to a non-resident A CA certificate in Form No. 15CB is required to be furnished only in respect of payments made to non-residents **which are chargeable to tax and the amount of payment during the year exceeds Rs. 5 lakh.** No Form 15CA and 15CB is required to be furnished by an individual for remittance which do not requiring RBI approval under its Liberalised Remittance Scheme (LRS) .Further the list of 33 (thirty three) types of payments of specified nature mentioned in Rule 37 BB do not require submission of Forms 15CA and 15CB . There are 33 types of payments that does not require any kind of

information to be given to banks or authorized dealers before remitting payments

There is change in the Procedure and Form 15CA with notification issued in Dec,2015 by the CBDT now New Procedures is given hereunder for submitting FORM 15 CA from 01.04.2016

Now there is an option for withdrawal of such form before payment

Flowchart for better understanding



Key Points

- * Form 15CA and 15CB needs to be filled electronically
- * Penalty of Rs. 1 lakh for each default of non-filling will be applicable.
- * List of RBI Codes to be selected in form 15CA can be obtained using following link:-
<https://www.rbi.org.in/upload/notification/pdfs/52220.pdf>
- * Consider the following sections and Article of DTAA to work out chargeability of foreign remittance.

Chargeability under IT Act or DTAA

Nature of Income	IT Act	DTAA
Business/Profession	Section 9(1)(i)	Article 7 & 14 rw 5
Salary	Section 9(1)(ii)	Article 15
Dividend	Section 9(1)(iv), section 115A	Article 10
Interest	Section 9(1)(v), section 115A	Article 11
Royalties	Section 9(1)(vi), section 115A	Article 12
Fees for technical services/FTS	Section 9(1)(vii), section 115A	Article 12
Capital Gains	Section 9(1)(i), section 45	Article 13

Withholding (TDS) shall be deducted as under:-

- Apply Domestic TDS provision as per Part-II of First Schedule of Finance Act/ XVIIB Chapter (Withholding tax rates for Non-resident) of Income Tax Act.
- Apply respective DTAA provision
- Apply Domestic tax rate or DTAA tax rate, whichever is beneficial – Sec 2(37A)(iii), One of the condition for claiming Double Taxation relief is obtaining of Tax Residency Certificate (TRC) which is mentioned in Section 90(4) & also in 90A(4)
- Sec 206AA to apply, If gross remittance amount is exceeding taxable limit than PAN no. is mandatory otherwise 20% deduction U/s 206AA apply.

Further,

Exchange rate of Reserve Bank of India (RBI) on the day on which TDS required to be deducted has to be considered.

In case DTAA benefit for lower TDS to be availed, Payee need to get Tax Residency certificate (TRC). It is the certificate duly verified and issued by the Government of the country of which NR claims to be a resident for the purpose of tax. TRC needs to send to Deductor for lower TDS as per DTAA.

Notification No. 57 of 2013 (applicable w.e.f 1 April 2013) - mandates Form 10F to be obtained from Dedutee along with TRC.

If the payment is as per DTAA rates, No need to increase rate as per DTAA by Surcharge or Education Cess.

With effect from 01.06.2016 Subsection (7) of section 206AA has been substituted to provide that 20% rate without PAN shall not apply to Non Residents/Foreign Companies (who does not have PAN) subject to such conditions as may be prescribed. The Indian government has now prescribed these conditions by introducing Rule 37BC in the Income Tax Rules vide notification no. 53/2016. As per the said Rule, the provisions of a higher withholding tax of 20%, as specified above, would not apply to a foreign company or non-resident with respect to payments of interest, royalty, fees for technical services and payments on the transfer of any capital asset, even if they have not obtained a PAN. This is subject to the recipient foreign companies or non-residents furnishing the following details:name, email id,

contact number;address in the country or specified territory outside India of the home country of the non-resident;a certificate of residence in any country or specified territory outside India from the government of that country or specified territory if the law of that country or specified territory provides for the issuance of such certificate i.e. Tax Residency Certificate (TRC); andTax Identification Number (TIN) of the non-resident in the country or specified territory of his residence and, in case no such number is available, a unique number on the basis of which the non-resident is identified by the government of that country or specified territory of which he claims to be a resident.Furthermore, these details are required to be reported to the Indian tax authorities by the Indian party by way of including it in the withholding tax returns and stating 'PAN not available'.

Conditions	Rate of TDS
If PAN and TRC Both obtained	10%
If Only PAN	15.75%
If only TRC	15.75%

Fundamental Analysis VS Technical Analysis



CA. Arun Kundra

Thinking about Stocks..... How to pick best of them.... Let's find out the Way.....

Introduction: Prices of the securities in the stock exchange keeps on fluctuating. The investors/traders/speculators & other operators are always interested in buying the stock/shares at lower prices and sell them at higher prices to make profits but the biggest mess they face is “How to pick the Stock and what is the best time to Enter and Exit”.

The two ways by which we can select stocks are by doing:-

- 1) Fundamental Analysis
- 2) Technical Analysis.

Let's begin with **Fundamental Analysis** (also known as Worthy analysis) :- Fundamental analysis focuses on creating a portrait of a company, indentifying the intrinsic / fundamental value of a security & buying or selling of security based on that information.

In other words, it aims at finding the intrinsic value/ real worth of share based on the its future earnings.

Investment decision based on fundamental analysis carry less risk provided the time horizon of investment is long.

Let's take an example of the same to have more visibility into the concept of decision making using fundamental analysis.

Intrinsic Value	Current Market Value	Recommendation
1800	1890	Sell
1800	1650	Buy

Philosophies of fundamental analysis:-

- 1) Top down philosophy
- 2) Bottom up philosophy

Top down Philosophy : It follows the given below process



Bottom Up Philosophy :- It's in contrast with the top down philosophy and it gives priority to the company. i.e. it considers the financial health, products, supply and demand & other aspects of company's performance over the given period of time.

Here, less attention is towards industry where the company is in and the Economy as whole.

Approches involved in Fundamental Analysis

Company Analysis

Industry Analysis

Economic Analysis

Company Analysis : Company analysis can be done in two ways:

1. **Financial Analysis** : It means analysis of financial statement (to analyses business assets, liabilities, earnings etc) using accounting ratio's.
2. **Non Financial Analysis**: it includes analysis of leadership, top management, corporate governance, corporate vision, corporate policies, competitors, relationship with stake holders.

Industry Analysis: it provides investors a deeper understanding of the company's financial prospectus. The purpose of this analysis is to identify the companies which are expected to provide return to investors. The main study in industry analysis is analyzing the phase from which industry is passing(Innovation/Pre-birth Phase, Expansion/Growth Phase, Stagnation Phase, Decline Phase)

E.g. Say when the industry is passing through expansion phase, not only the leaders but even the laggards report excellent performance.

Economic Analysis:- Corporate performance is very much influenced by macro level factors. Economic analysis is performed not only from point of view of National Economy but from point of view of Global Economy particularly when company is operating at Global level.

Technical Analysis: In technical analysis, we believe that “TREND IS OUR FRIEND” and Profit can be made only by following “TREND”.

Technical analysis aims at estimating the future price trend with the help of past stock data, comprehensively prices data, through use of charts. According to Murphy “ Technical analysis is the study of market action, primarily through use of charts, for the purpose of forecasting future price trends. **Market Action** includes principle information on Price, Volume and Open Interest.

Technical analysis helps share market operators to anticipate “What is likely to happen to prices over the period of time”.

This analysis ignores the intrinsic value of share for the buying/selling decision. Here purchase is recommended even the current price is more than intrinsic value provided the trend is upside and sell is recommended even if the current price is less than the intrinsic value if the price is downward.

3 Pillars of Technical Analysis :

1) **History repeats itself** : Technical analyst believes that history teaches us lessons and by

studying the past share price behavior and drawing lessons from the history we can predict/identify the trend and it's reversal immediately on its foot prints.

2) **Price moves in trends:** The movement of share price in the stock exchange is not random. The price movement has a direction for some-time. In order to make profit (a) we should identify the trend (II) the reversal in/of trend. An analyst believes that it is possible to identify the trend and invest or trade based on the trend and make money as the trend reverses.

Here in technical analysis “What” is more important than “Why”. Technical analysts study the direction in which the prices are moving. Technical analysts interpret what market is saying rather than interpreting why market is saying.

3) **Prices discounts everything :** The technical analyst believes that anything that can possibly affect the share is actually reflected in the price. Be it fundamentally, Psychologically, Politically, Economically or Otherwise. Current price fully reflects all the information(all fears and hopes) so no information can be used to beat the market.

Final Food/Conclusion : Both fundamental and technical analysis are done considering the capital base ,Risk bearing capacity , time horizon , Phase of Economy and other factors. Both fundamental and technical analysis have own tools and techniques based on which investors, traders and experts make their decisions.

*For those who dare to dream,
there is whole world to Win.*

CHERISHED VALUES OF A GOOD LIFE



Dr. (Mrs) Achla Bhatia
W/o CA. J. P. Bhatia

Some recent events that prompted me to pen this write up are my interactions with some college students related to values that makes a good life. People will forget what you said. People will forget what you did. But people will NEVER forget how you made them feel. It is more satisfying to make someone feel good than in making him feel small. Great happiness is derived from small gestures of kindness towards others. There are divergent notions regarding a good life. One such view is that a good life must be a happy one. One straight forward view is that happiness comes from fulfillment of needs and desires. However equating happiness with hedonistic pleasures cannot be upheld as a maxim of good life. A second view relates happiness to self experienced state of well being. This includes physical well being, fulfillment of ambitions success in career etc. It goes much beyond that when we talk about internal sense of well being. So a happy life is free from internal turmoils, tensions, emotional conflicts and anxieties. Contentment, peace and harmony bring about internal happiness.

Some persons consider happiness as a state of mind. This further depends upon how we perceive a situation or an experience. The process of perceiving depends upon an individual's personality, maturity, wisdom and value system. We may say that a glass is half full or half empty. In fact much happiness depends on our attitude and perception towards things and events happening everyday. At times a person vows to live a truthful and honest life when he visits the funeral place to bid farewell to a loved one but the moment he leaves the place he again gets involved in the same old rut. We conveniently forget that the curtain will drop one day and the balance book of our deeds will be accounted for. Goodness is the necessary means to happiness.

Above mentioned views related to human happiness are interrelated. A good and happy life must be full of interest and enthusiasm for living a dynamic, honest and fruitful life. It is love for life, love for humanity and love for nature that adds up to happy and contented

life. Social interrelations, ethical sensitivities, personal virtues and moral conduct of individuals are the main factors which decide a good life. A self centered, immoral life devoid of duties and responsibilities specially towards parents and elders cannot be called a good life. It has been noticed that a positive outlook towards life protects us from strains and anxieties of life.

Research studies have shown that laughter, humour and happiness play a key role in maintaining good health and longevity and can positively affect high blood pressure, heart disease, arthritis and diabetes. Arrogance invites defiance. A study by the Yale's school of management has shown that one's mood can effect the work environment. Some emotions spread like viruses. Cheerfulness and warmth spread most easily. Laughter is the most contagious in nature. Laughter represents the shortest distance between two people and offers trustworthy sign of friendliness and comfort.

Studies have shown that people who pray, meditate, socialize, do exercise and yoga regularly are less prone to develop anxiety related problems. Gap between one's ambitions and expectations and reality otherwise is widening. Constant fears and insecurities keep on haunting elderly persons. Children are less inclined to imbibe the ethos and values of the culture. Youth is restless. Materialistic gains have become the yardstick to measure one's success. In such a scenario, it is imperative that we must cultivate value of humanness, feelings of empathy, sensitivity towards human suffering and pain, respect for elderly and societal values in order to formulate a healthy, happy and holistic philosophy of life.

Let us inculcate the qualities we appreciate in others and become what we would like others to be. This is the way to happiness. Gandhian view is that Live as if you have to die tomorrow and learn as if you have to live forever.

How to Excel In MS-Excel

**Never stop learning,
because Life never Stops teaching**



CA. Ravi Chopra

With advent of technology in almost all spheres of society, there is huge demand of knowledge regarding the IT applications. Let it be the case of Smart phones, having an Expensive Phone and not using its special features will be of no fun, unless we use them efficiently & effectively. This applies equally on various Computer applications in our day today professional assignments

The most commonly used Application software in our fraternity is Microsoft Office. It consist of MS Word, MS Excel Ms Power point Etc. In this article we will be focussing on how to improve our skills and make our most out of the MS Excel. This will basically help in completing our task in an efficient & timely manner.

Few Excel Shortcuts/Tricks

1. Quick Filter

Many a times we need to analyse our data in excel. The data may or may not be in a proper format. In case of huge data, we may require to filter it or sort it first before analysing. We normally go by selecting cells and going to filter button and further clicking the same. To perform the same in a lesser time we can use CTRL + SHIFT + L

1	Sr no	Name	Qualification	1	Sr no	Name	Qualification
2	1	Ravi Chopra	CA	2	1	Ravi Chopra	CA
3	2	Tarun Ahuja	CA	3	2	Tarun Ahuja	CA
4	3	Mohit Mehra	CS	4	3	Mohit Mehra	CS
5	4	Deepika Kumar	CS	5	4	Deepika Kumar	CS
6	5	Raj Chawla	Bcom	6	5	Raj Chawla	Bcom
7	6	Ayush Puri	MBA	7	6	Ayush Puri	MBA
8	7	Arjun	CA	8	7	Arjun	CA
9	8	Deepak Shah	Mtech	9	8	Deepak Shah	Mtech
10	9	Rohan Chabra	BSC	10	9	Rohan Chabra	BSC
11	10	Puneet Singh	CA	11	10	Puneet Singh	CA
12				12			

After that we are ready to filter/sort as per our need.

2. Paste only values while copying- While working in excel too often we wish to copy some value which has been derived with the help of formula. This, many a times, leads to copy of formula with different range of selected cells. The best way to ensure there is no error while copying the data is using the below option

Alt -ESV

Alt = E + S

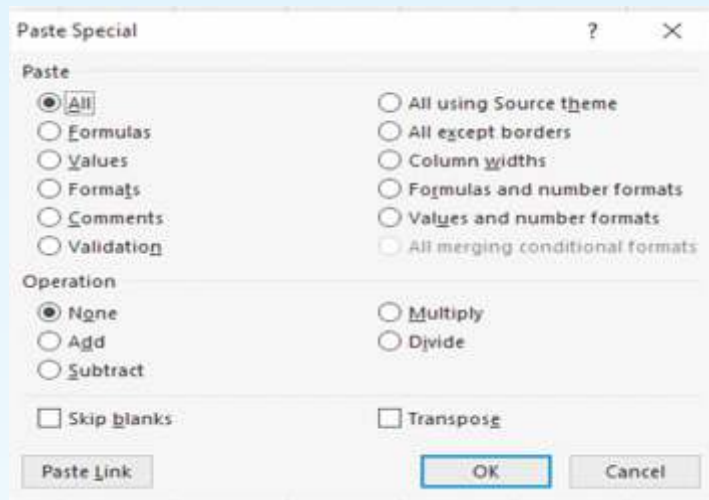
V

Paste Special

Values

This is quite useful since it prevents from circular reference error and Internal/External link

updatation. There are some other options of Past special which are of very much use.



All	Pastes all cell contents and formatting of the copied data.
Formulas	Pastes only the formulas of the copied data as entered in the formula bar.
Values	Pastes only the values of the copied data as displayed in the cells.
Formats	Pastes only cell formatting of the copied data.
Comments	Pastes only comments attached to the copied cell.
Validation	Pastes data validation rules for the copied cells to the paste area.
All using Source theme	Pastes all cell contents in the document theme formatting that is applied to the copied data.
All except borders	Pastes all cell contents and formatting applied to the copied cell except borders.
Column widths	Pastes the width of one copied column or range of columns to another column or range of columns.
Formulas and number formats	Pastes only formulas and all number formatting options from the copied cells.
Values and number formats	Pastes only values and all number formatting options from the copied cells
All	Pastes all cell contents and formatting of the copied data.
Formulas	Pastes only the formulas of the copied data as entered in the formula bar.



3. No time for Filtered, Colourful table- When we are having no time for analysis and formatting, within blink of any eye; Use the following command.

Quick table CTRL + T + Enter

Sr no	Name	Qualification	Sr no	Name	Qualification
1	Ravi Chopra	CA	1	Ravi Chopra	CA
2	Tarun Ahuja	CA	2	Tarun Ahuja	CA
3	Mohit Mehra	CS	3	Mohit Mehra	CS
4	Deepika Kumar	CS	4	Deepika Kumar	CS
5	Raj Chawla	Bcom	5	Raj Chawla	Bcom
6	Ayush Puri	MBA	6	Tarun Ahuja	MBA
7	Arjun	CA	7	Arjun	CA
8	Deepak Shah	Mtech	8	Deepak Shah	Mtech
9	Rohan Chabra	BSC	9	Rohan Chabra	BSC
10	Puneet Singh	CA	10	Puneet Singh	CA

It will turn it into a colourful & filtered table

4. To Identify External Linking in Excel Sheet

Quite often, when we open a file with links to external Excel sheet, it throws a dialogue box to update or edit link. This mainly happens when we need a reference of a data from one excel sheet in another. The dependent cells are very difficult to locate.

The cells can be located using Find option

Press Ctrl + F, Enter “[“(Bracket) and press Find all.

This will identify all the cells with that bracket. The links normally use the “[“bracket. This command will also identify any cell containing “[“if any, entered by user. We can sort the results in the “Find” Window itself.

5. Divide a text into two columns

Once in a blue moon, it happens that when we want some data we get the data in that specific shape and format. Let's take an example of professional records as in table below

In case we wish to sort by First name, we need to retype the data. To avoid this, we can use “Text to columns”. In Data Menu, Insert a blank column after Name, select Column B “name”. Click on Text to Columns, Choose Delimited, and Click on “Space”. Click next, Click Text and finish. The First names will shift to the next column. We can now easily work on the data using filter option.

Sr no	Name	Qualification	Sr no	Name	Column1	Qualification
1	Chopra Ravi	CA	1	Chopra	Ravi	CA
2	Ahuja Tarun	CA	2	Ahuja	Tarun	CA
3	Mehra Mohit	CS	3	Mehra	Mohit	CS
4	Sharma Deepika	CS	4	Sharma	Deepika	CS
5	Chawla Raj	Bcom	5	Chawla	Raj	Bcom
6	Ahuja Tarun	MBA	6	Ahuja	Tarun	MBA
7	Trehan Arjun	CA	7	Trehan	Arjun	CA
8	Shah Deepak	Mtech	8	Shah	Deepak	Mtech
9	Chabra Rohan	BSC	9	Chabra	Rohan	BSC
10	Singh Puneet	CA	10	Singh	Puneet	CA

6. Sum cells within a second

The most commonly used formula in excel is Sum. Most of the assistants, as per my experience, in office use to select the whole range of cells to have the Sum formula. Some even manually add the each digits to sum the

column!!!

(Alt =) is the solution to the above.

Select the last cell of the column and press “Alt”&” = “sign to auto sum in a second.

7. Proper & Upper

Many a times, we observe that we actually write all the words in Upper case or lower case in MS Excel. We can easily change the cases in case of MS word, whereby we can chose upper case, lower case etc.

One option is to copy paste data into word and then after conversion to the required case, pasting them back

Alternatively, we can use Proper, Upper & Lower Formula

- **PROPER** function - capitalizes the first letter in each word.

- **UPPER** function - changes text to all uppercase.

- **LOWER** function - changes text to all lowercase.

Ashok KUMAR(in cell A1) will be converted to Ashok Kumar with formula=PROPER (A1).

Ashok KUMAR(in cell A1) will be converted to ASHOK KUMAR with formula=UPPER (A1).

Ashok KUMAR(in cell A1) will be converted to ashokkumar with formula=LOWER (A1).

8. Change the order in which you edit cells

We all know that when you hit enter on a cell excel usually takes you to thenext cell in that column for editing. But what if you need to go to next cell in that row? Of course you can use tab. But you can also customize the cell edit order when you are typing out that large list of entries so that you need not change your habits for the software. Just go to Menu > Tools >Options > Edit tab and set the “move selection after enter” to whateverdirection you like.

Note: For Excel 2010 & 2013

Microsoft Office Button(Excel 2010) /File button (Excel 2013) > Excel options (Excel 2010) /Options (Excel 2013)> Advanced >Edit tab and set the “move selection after enter”

9. Quick Format

Formatting forms the basis of presentation of data. The most used function for formatting the cell is Format Cell. It can be done using Right click and clicking Format Cell.The Cell formatting can be related with any of the following

- Number
- Font
- Fill
- Alignment
- Border
- Protection

The shortcut Key for Quick Format is CTRL+1. This really helps to save a lot of time.

Hoping that the readers will find it useful. Wishing you a happy learning!!



CA. Mohit Gaba

ANALYSIS OF TCS PROVISIONS

[applicable w.e.f. 01/06/2016]

In order to curb the cash economy, Finance Act 2016 has amended Section 206C of the Income Tax Act to provide that the seller shall collect Tax @ 1% from purchaser on sale of certain goods or provision of services exceeding Rs. 2 lakhs (For Sale of Jewellery this limit is Rs. 5 Lakhs). There were lots of confusions about the applicability of this section. CBDT has issued two clarifications (Circular No. 22/2016 dated 08/06/2016 and Circular No.23/2016 dated 24/06/2016) on the issue, after which the confusions have been cleared.

- TCS will be applicable if cash receipt is more than Rs. 2 lakh. To illustrate if invoice is Rs. 5 Lakhs and Rs. 4 Lakhs is received by cheque and Rs. 1 Lakh by cash, then TCS will not be applicable in such case.
- Further, TCS will be applicable only on the cash portion, not on the full value of sale consideration. i.e. if invoice is Rs. 5 lakhs, and Rs.2 lakhs is received in cheque and Rs. 3 lakhs in cash, then TCS will be applicable @ 1% of Rs. 300000/- i.e. Rs.3000/-.
- TCS will be applicable at the time of receipt of cash.
- TCS is applicable on each sale and not to the aggregate value of sales made during the year.
- TCS in relation to sale of any goods (other than bullion and jewellery) or services shall not apply to certain class of buyers who fulfil such conditions as may be prescribed. However no such class of buyers has been notified yet.
- seller for the purpose of this sub section means:
the Central Government, a State Government or any local authority or corporation or authority established by or under a Central, State or Provincial Act, or any company or firm or co-operative society and
also includes an individual or a Hindu undivided family whose total sales, gross receipts or turnover from the business or profession carried on by him exceed the monetary limits specified under clause (a) or clause (b) of [section 44AB during the financial year immediately preceding the financial year in which the goods of the nature specified in the Table in sub-section \(1\) or sub-section \(1D\) are sold or services referred to in sub-section \(1D\) are provided.](#)
- buyer" for the purpose of this sub section means, a person who obtains in any sale, goods of the nature specified in the said sub-section, i.e. TCS is applicable

even if buyer buys goods for his personal consumption.

- TCS is to be collected @ 1% even if no PAN is provided by the Purchaser. In that case Form 60 to be obtained from the Purchaser and Return in Form 61 also to be filed (if Tax Audit applicable). Deduction at higher rate in case PAN not available (Section 206AA) is not applicable for TCS.
- TCS has also been imposed on Sale of Motor Cars, whose value exceeds Rs. 10 Lakhs. i.e. in case of Motor Car, TCS will be applicable if value exceeds Rs. 10 Lakhs (Whether amount received in cash or non-cash mode). However TCS will also be applicable if invoice value is less than 10 lacs, but cash receipt is more than 2 lacs.
- This provision is brought to cover all transactions of retail sales and accordingly it will not apply on sale of motor vehicles by manufacturers to dealers / distributors.

RULES 114B, 114C, 114D [Applicable w.e.f. 01/01/2016] (Requirement for Quoting PAN in specified transactions)

- For General Transactions of Sale or Purchase of Goods or Services of any nature PAN to be quoted where amount exceeds Rs. Two lacs per transaction
 - For Sale or purchase of motor vehicle PAN to be quoted irrespective of amount.
 - For Sale or purchase of immovable property PAN to be quoted for amount > 10 lacs.
 - For Purchase of foreign currency in cash PAN to be quoted for payment exceeding Rs. 50000 at any one time.
 - For Payment in cash for services to Hotel or restaurant PAN to be quoted, against a bill exceeding Rs. 50,000 at any one time. For
 - PAN to be quoted for Payment in cash for services in connection with foreign travel exceeding Rs. 50000 at any time.
1. Limit of two lacs shall apply whether transaction is conducted in cash or cheque. However for payments to Hotel, restaurants, payments for foreign travel, foreign exchange while limit for cash transactions is Rs. 50,000, limit for non cash transactions only shall be two lacs.
 2. PAN Reporting requirements is applicable for

Goods/Services if Invoice Exceeds Rs. 2 lacs (whether payment received in cash or otherwise). However TCS applicable if cash receipt exceeds Rs. 2 Lakhs.

3. A person who does not have PAN and enters into transaction specified in R. 114B shall make a declaration in F.60. Old Form 60 has been replaced with new Form 60.
4. Form 60 is required to be retained for six years from end of financial year (not assessment year) in which transaction is under taken. E.g. transaction for AY 2016-17 is undertaken in FY 2015-16, then Form 60 to be retained till 31-03-2022.
5. Form 61 statement (giving details of all Form 60 obtained in a Half Year), is required to be furnished electronically by 30th April and 31st October for declarations received till 31st March and 30th September. For period 01/01/2016 to 31/03/2016, the date has been extended to 31st October 2016.
6. U/R 114C(2), seller issuing bill to ensure after verification that PAN has been correctly furnished and mentioned in the document or that F.60 has been duly furnished with complete particulars where PAN is not available.
7. However all such sellers are not required to electronically furnish data about F. 60 to the department and it is only where audit is required u/s 44AB (including audit for presumptive taxation) that data is required to be furnished electronically in F. 61 besides retaining F.60 for six years from end of financial year.
8. Seller of Immovable Property and Seller of Motor Vehicles have to electronically furnish data in Form 61 (whether Tax Audit applicable or not)
9. Changes have also been made in Rule 114E, where Receipt of cash payment exceeding two lakh rupees for sale, by any person, of goods or services of any nature, is to be reported in Annual Information Return. This provision is applicable for any person who is liable for audit under section 44AB of the Income Tax Act. Clarification is required from CBDT on this issue, whether the 2 Lakhs limit is for aggregate of all transactions during the year or for single transaction.
10. Annual Information Return is to be filed by 31st May after the end of the Financial Year. Penalty of Rs.100/- per day can be imposed in case of delay. Return is to be filed online in Form 61A, on the Income Tax E-filing website.

Provisions of TCS, Rule 114B, Rule 114E, as applicable for general businesses are summarized as below:

In case of Immovable Property,

1. AIR Reporting required if value exceeds Rs. 30 lacs, but PAN to be quoted if value exceeds Rs. 10 lacs.

2. Responsibility of Seller and Registering officer to ensure PAN is duly and correctly mentioned, or declaration in Form 60 duly furnished with complete particulars.
3. Seller to file online Form 61, (if PAN of Purchaser not mentioned). Applicable to seller even if not liable to Tax Audit.
4. AIR Reporting liability is of Inspector General / Registrar / Sub-Registrar
5. TDS Applicable is value exceeds Rs. 50 lacs (Not Applicable on Agriculture Land).

In case of Goods/Services

1. TCS applicable if cash receipt > 2 lacs. Applicable to all Firms/Companies/Co-op Society. Applies to Indl/HUF only if Sale in preceding year > Tax Audit Limit.
2. PAN to be quoted if invoice > 2 lacs (whether cash or otherwise).
3. AIR Reporting applicable if Cash Receipt > 2 lacs. (Clarification required from CBDT)
4. Filing Form 61 and AIR Reporting applicable only for Tax Audit cases (including Audit u/s 44AD presumptive taxation)

In case of Sale of Motor Vehicle (Other than Two Wheelers)

1. AIR Reporting required if cash receipt exceeds Rs. 2 Lakhs. (If Seller liable for Tax Audit).
2. PAN to be quoted irrespective of the amount. Responsibility of Seller to ensure PAN is duly and correctly mentioned, or declaration in Form 60 duly furnished with complete particulars.
3. Seller to file online Form 61, (if PAN of Purchaser not mentioned). Applicable to seller even if not liable to Tax Audit.
4. TCS Applicable if Sale Consideration > 10 lacs (amount received in Cash/Non Cash mode), and Seller is Firm/Co/Co-op Society. Applies to Indl/HUF only if Sale in preceding year > Tax Audit Limit. TCS also applicable if Cash receipt more than 2 lacs, even if total sale consideration is less than 10 lacs.

For Filing Form 61 and Form 61A, create authorized user in E-filing website

- On menu "Manage ITDREIN"
- An authorized user will be created and a new user -id of the authorized user will be created.
- Same user-id will be used to upload Form 61 and 61A on the IT E-filing website.

REOPENING U/s 147 'INCESSANT TRIP TO LITIGATION'



Adv. Sameer Bhatia
S/o CA. J. P. Bhatia

INTRODUCTION

Section 147 is clothed with a predominant and potential ascendancy of reopening the assessments framed under the statutory charter of Income Tax Act, 1961 accompanied by getting the assessments already framed into the clutch of the Department by making specific dominant references to the expressions 'assess', 'reassess' or 'recompute', all expressions of widest amplitude and magnitude.

MAIN BODY

The power of the assessing authority to trace and route out that respective portion of income in respect of which he has a '*reason to believe*' escaped assessment despite his best endeavor to find out the same in assessment proceedings or otherwise falls flat.

But as a mere of enhanced liability of proving the escapement, the law as well as the courts have inclined a strong presumption that there is always a strong burden attached on the revenue to prove that there is an element of potential escapement. The expression '*reason to believe*' also stood subject to a massive experiment undertaken through judicial scrutiny to find out as to how the revenue can clasp the assessee within the watertight interpretation of the provision or the assessee can suitably counter the trap to assess, reassess or recomputed its income within the four corners of law. At many instances, it was accessed as a grundnorm that even information from any wing/source or information of any kind/nature would constitute what was reckoned as an element of income that carries with it the essential element of potential escapement so as to bring the subject within the four corners of law. But the element of escapement cannot be made as having any adherence to the element of suspicion or rumour.

The Constitution Bench of the Hon'ble Supreme Court of India has held in the case of A.N. Lakshman Shenoy v. ITO (1958) 34 ITR 275 (SC), 'that an assessment cannot be reopened on the basis of a mere guess, gossip or rumour'. The terms '*reason to believe*' also went under the judicial circumspection of the Hon'ble Supreme Court of

India in the case of Commissioner of Income Tax, Delhi vs. Kelvinator of India Ltd [2010] 187 Taxmann 312 (SC) wherein it was settled, 'Post 01-April-1989, Assessing Officer has power to reopen, provided there is 'tangible material' to come to conclusion that there is escapement of income from assessment; reasons must have a live link with the formation of belief. It will be of utmost importance here to highlight another dictum passed by the Hon'ble Supreme Court of India in the case of CIT vs. Bhanji Lavji [1971] 79 ITR 582 (SC), in which it got settled that, 'When the primary facts necessary for assessment are fully and truly disclosed, the ITO will not be entitled to commence the proceedings for reassessment on the strength of mere 'Change of Opinion'. Falling in the same equation, if assessing authority has raised a wrong legal inference from the facts disclosed, he will not be entitled on the pretext of that wrong inference to build an action for reassessment proceedings. To further weaken the theory of 'Change of Opinion' the Hon'ble Supreme Court of India has held in the case of ITO vs. Nawab Mir Barkat Ali Khan Bahadur [1974] 97 ITR 239 (SC), 'that pondering over second thought on the same material and omission to draw the correct legal presumption during original assessment do not warrant the initiation of a proceedings under section 147. In furtherance thereof the Hon'ble Supreme Court of India has prescribed and devised a straight-jacket and linear formula to counter and raise parallel objections to proceedings in the case of GKN Driveshafts (India) Ltd vs. Income-tax Officer [2002] 125 Taxmann 963 (SC) wherein it got settled that, 'Whether when a notice is issued under section 148, proper course of action for noticee is to file return and if he so desires, to seek reasons for issuing notice and on receipt thereof to file objections to issuance of notice. On receipt of reasons, the noticee is entitled to file objections to issuance of notice and the Assessing Officer is bound to dispose of the same by passing a speaking order.'

As it has been settled by the Hon'ble Supreme Court of India in the case of CIT vs. Daulat Ram Rawatmull [1973]

87 ITR 349 (SC), 'The use of extraneous and irrelevant material in arriving at that conclusion would vitiate the conclusion of fact because it is difficult to predicate as to what extent the extraneous and irrelevant material has influenced the authority in Arriving at the conclusion of fact'.

The purposive action of restricting the assessing authority to limited channels of verification in reopening proceedings also received the legitimate certification of the law propounded by the Hon'ble Seat of Punjab & Haryana High Court in the case of Amrinder Singh Dhiman vs. Income Tax Officer cum Assessing Officer [2004] 269 ITR 378 (P&HHC), wherein it was laid down as a binding precedent that, 'Assessing officer cannot seek material unconnected for the reasons of reassessing the income. The proceedings are only material with respect to the items of under-assessment and the finality of assessment proceedings on other issues settled during assessment remained undisturbed'.

Since the proceedings were resulting into a mere fall-out provisions restraining the revenue from moving forward, it was desired that to bridge and overcome the effect of restricted jurisdictional effect to make assessment/reassessment/re-computation under section 147 of the Income Tax Act, 1961, a more comprehensive/notional provisions in form of explanation be appended to section 147 in order to overpower the failing reassessment effects. An explanation No.3 w.r.e.f. 01st April 1989, Finance (No.2) Act, 2009 was incorporated in the section giving way to reassessment to provide:-

For the purpose of assessment or reassessment under this section, Assessing Officer may assess or reassess the income in respect of any issue, which has escaped assessment, and such issues comes to his notice subsequently in the course of the proceedings under this section, notwithstanding that the reasons for such issue have not been included in the reasons recorded under sub-section (2) of section 148. "Explanation" is to explain the meaning and intendment of the Act itself and it can't alter or interfere with the character of the charging section towards the subject as hold by Hon'ble Supreme Court in the case of Sundaram Pillai vs. Pattabiraman, (1985) 1 SCC 591, p. 613

The above said passage completely highlight that the purpose of an explanation is to further explain the razor sharp intendment of the statutory provision thereby becoming a part and parcel of the enactment.

Explanation No.3 w.r.e.f. 01st April 1989 gave way to the revenue authorities to assess/reassess or re-compute any source of income other than for which the reasons were duly recorded by the assessing authority. Hon'ble Punjab & Haryana High Court in the case of Manjinder Singh Kang vs. CIT [2012] 344 ITR 358 gave vent to the very basis 'that reassessment proceedings can be made of additional grounds, even though the original reason forming the basis of issue of notice did not survive.' thereby adhering with the legislative intent of the enactment. Very recently the issue arose again before the Hon'ble Seat of Punjab & Haryana High Court in the case of CIT vs Mehak Finvest (P) Ltd [2014] 367 ITR 769 (P&HHC), wherein it has been settled by the Hon'ble court that, 'Even though no addition is made on the original grounds which formed the basis of initiation of reassessment proceedings, the assessing officer is empowered to make additions on another ground for which reassessment notice might not have been issued but which came to his notice subsequently during the course of proceedings for reassessment. The Hon'ble High Court cited the dismissal of Special Leave Petition (SLP) against the High Court ruling in Manjinder Singh Kang's case by the Supreme Court on 19/08/2011 as a binding precedent thereby affirming the findings of revenue.

CONCLUSIONS

With the advent of Explanation No.3 appended to section 147 of the Income Tax Act, 1961 the surface over which the revenue can initiate its legitimate right to assess/reassess/recomputed has been widened thereby making enough room to trap the assessee over issues not forming part of the record reasons which can result in manifold extractions of information and sources of income discredited to the interest of assessee at large. Since the power has been advanced by way of a legislative action, the prudence and the natural justice norms should not be thrown out by the revenue which sitting under the umbrella of machinery provisions thereby giving way to their actions and the action should not be undertaken in its entirety to cast merely a doubt over the accuracy of what stood accepted as a tangible material by resorting to the course of intangible material in hand as on the date of validating the reassessment action for assessing/reassessing or re-computing the allowances under hand is sought to be done.

Income Tax Provisions

Applicable from 1st June 2016



CA. Parul Gupta

(I) Amendment relating to Advance Tax (The change is effective from financial year 2016-17 onwards)

The schedule for payment of Advance Tax by an Individual and other non-corporate assessee has been amended w.e.f. 1st June 2016 as under:

Due Date of Installment	Amount Payable
On or before 15th June	15% of Advance Tax
On or before 15th September	45% of Advance Tax
On or before 15th December	75% of Advance Tax
On or before 15th March	100% of Advance Tax

Earlier, there was no requirement of paying advance tax in respect of assessee's who opted for non maintenance of books of accounts and declared profit @8% of gross receipts subject to a maximum of Rs. 1 crore which limit has been enhanced to Rs. 2 crores w.e.f. financial year 2016-17.

In case of such assessee's (whose businesses are eligible for applying tax @8% on gross receipt) under section 44AD of the Act are also now required to pay 100% of the tax due on such income before 15th March, from financial year 2016-17 onwards.

(ii) Amendments relating to TDS and TCS

(a) Increase in threshold limit of deduction of tax at source on various payments mentioned in the relevant sections of the Act

Section	Threshold Limit upto 31 st May 2016 (Rs.)	Threshold Limit from 1 st June 2016 (Rs.)
192A Payment of accumulated balance due to an employee by the trustees of the Employees Provident Fund Scheme, 1952	30,000	50,000
194BB Winnings from Horse Race	5,000	10,000
194C Payments to Contractors	Aggregate annual limit of 75000	Aggregate annual limit of 100000
194LA Payment of Compensation on acquisition of certain Immovable Property	2,00,000	2,50,000
194D Insurance commission	20,000	15000
194G Commission on sale of lottery tickets	1,000	15000
194H Commission or brokerage	5,000	15000

(b) Revision in rates of deduction of tax at source on various payments mentioned in the relevant sections of the Act :-

Section	TDS Rates up to 31 st May 2016 TDS (%)	TDS Rate w.e.f. 1 st June 2016 (%)
194DA Payment in respect of Life Insurance Policy	2%	1%
194EE Payments in respect of NSS Deposits	20%	10%
194D Insurance commission	10%	5%
194G Commission on sale of lottery tickets	10%	5%
194H Commission or brokerage	10%	5%

(c) Regarding : TCS on sale of Vehicles; Goods or services :-

The following modifications have been made in the scheme of tax collection at source given under section 206C (with effect from 1st June, 2016) -

Sub-section (1F) has been inserted.

This sub-section provides that every person (being a seller who receives any amount as consideration for sale of motor vehicle of value exceeding Rs. 10,00,000 shall collect the tax at the rate of 1 per cent of sale consideration.

This will be applicable whether payment is made by the purchaser in cash or by the issue of a cheque or draft or by any other mode.

Under the existing provisions of sub-section (1D), seller of bullion (exceeding Rs. 2 lakhs) or jewellery (exceeding Rs. 5 lakhs) is required to collect tax at source, if the consideration (or any part of it) is received in cash. In such case, tax was required to be collected at the rate of 1 per cent of sale consideration.

New provision

The requirement of collection of tax at source @ 1% from the buyer of goods or services exceeding Rs. 2 lacs has become effective from 1st June, 2016 in case the transaction of purchase of goods or provision of services exceeds Rs. 2 lacs in part or fully is received in cash in case of a single invoice

To illustrate in case a purchase of Rs. 2,50,000/- is made through a single invoice and the buyer pays Rs. 1,50,000/- by cheque and Rs. 1 lac in cash the provision would be attracted and the seller would have to collect 1% of Rs. 2,50,000/-.

However, provisions of sub-section (1D) will not be applicable in the following 2 cases -

- (a) No tax shall be collected at source on any amount on which tax has been deducted by the payer as applicable.
- (b) Provision of sub-section (1D) will not apply in relation to sale of any goods (other than bullion or jewellery) or service to such classes of buyer who fulfill such conditions, as may be prescribed (As yet no condition has been prescribed).

(iii) Expenses incurred by the assessee towards specified services to be covered under section 40(a)(ib) [W.e.f. 1-6-2016]

A new levy @ 6% (referred to as Equalization levy) has been made applicable to payment of online advertisements, provision for digital advertising space or any other facility or service for the purpose of online advertisements or any other notified services to a non-resident (who does not have a Permanent Establishment (PE) in India) provided to:

- (a) a resident in India or
- (b) a non-resident having a Permanent Establishment (PE) in India

Equalization levy is to be deducted by the payer from the amount paid/ payable to the non-resident service provider.

Any consideration paid or payable (to non-resident for a specified service on which equalization levy is applicable) will be disallowed from June 1, 2016 (i.e. this assessment year 2017-18) in the following cases -

- (a) Equalization levy is deductible but such levy has not been deducted.
- (b) Equalization levy is deductible (and it is so deducted) but it is not deposited [on or before the due date of submission of return of income under section 139(1).

If, however, equalization levy is deducted / deposited in a subsequent year, the aforesaid consideration shall be allowed as a deduction in computing the income of the previous year in which such levy has been paid.

(iv) Enabling of Filing of Form 15G/15H for rental payments [Section 197A] [1-6-2016]

At present form 15G can be filled up by a resident assessee requesting for non-deduction of tax at source from certain payments made to him if his income is below the tax exemption limit, similarly, form 15H can be submitted by senior citizen (above 60 years of age and very senior citizen above 80 years of age). The scope of income that can be included in the above forms is as under:

- (i) Amount received from withdrawal from Employees Provident Fund Scheme
- (ii) Dividend Income

(iii) Interest other than Interest on Securities

(iv) Sum received from Life Insurance Policy

(v) Sum received from National Savings Scheme

(vi) Rental income has also been allowed to be included in the declarations.

(v) Relief to a non-resident for furnishing PAN [Section 206AA]

Section 206AA, inter alia, provides that any person (who is entitled to receive any sum on which tax is deductible at source) shall furnish his PAN to the deductor, failing which tax shall be deducted at the rate mentioned in the relevant provision or at the rate of 20 per cent, whichever is higher.

Amendment - Which effect from June 1, 2016, sub-section (7) of the said section has been substituted to provide that above provisions shall not apply to a non-resident / foreign company (who does not have PAN) subject to such condition as may be prescribed (as yet not prescribed).

(vi) Amendment to section 133C

Section 133C empowers the prescribed income-tax authority to issue notice calling for information and documents for the purpose of verification of information in its possession. This section has been amended (with effect from June 1, 2016) to further provide that the information and documents so obtained by the prescribed income-tax authority may be scrutinized and the outcome of such scrutiny may be made available to the Assessing Officer for further necessary action, if any.

Other amendments not covered in detail effective from 1st June 2016 which would be communicated in a separate mail which are being mentioned here under for the sake of information and are as under:-

(vii) Income Declaration Scheme 2016 - This scheme will be effective from 1 June 2016 (already notified)

In case you have any income to declare you may discuss the same with us. The tax involved is 45% of the amount proposed to be declared and the eligibility for declaration is subject to certain specified conditions.

(viii) The Direct Tax Dispute Resolution Scheme, 2016

In case you have any appeal proceedings pending before the Commissioner of Income Tax (Appeals) and the issue involved is not entirely in your favour you may decide to opt for said scheme.



CA. RAJESH ANAND

INTERVIEW with Past Chairman



CA. PUNEET OBEROI

1. When did you qualify and what was the system of training that time?

Qualified in 1991, Training was really practical and on the job training for three years with daily attendance and reporting on every Saturday to your Mentor.

2. Student Life must be a fun in those days too. Any good memory of student life?

Not much because no one knew much about the persons who were appearing for ca exams as the examination center was the only place where all the articles used to meet. But yes, I remember one of the funny incidents, we were having dinner after the audit in a hotel and finger bowls were served with lemon in it and one of our colleagues asked what is this for and I said for better digestion "nimboo pani" and he drunk that.

3. How was the practice scenario during those days.

There used to be good scope for practice as the members were very less in practice. However, there was not much scope of jobs in Jalandhar.

4. You started your career with job and then shifted to practice. How would you compare your experiences in both.

I feel job is necessary in industry for better understanding of the products and industry needs. After you have worked in industry, you really know the needs and requirements of industry to be a better performer. If you can give value addition to the clients you can command your emoluments, but if you want to restrict yourself to signing and auditing of balance sheets then no scope in present days practice.

5. Before coming into branch, you were involved in many activities for the profession both for members and students. Kindly share your experiences.

I did whatever was possible from my end for the profession since earlier in branch there used to be only two or three seminars in a year like bank audit, tax audit and felicitation of income tax officers etc. I alongwith with my colleagues and friends started organising classes for students and started a platform for the knowledge dissemination. This was the time when forums like "Jalandhar Chartered Accountants Society (JCAS)" and "Novice Club" came into existence with active support of CA. Navneet Jyoti.

6. What made you get motivated to work for the

Jalandhar Branch as Chairman?

First I fought branch elections in the year 1998 and secured third position. The political scenario was jittery in branch, which actually motivated more members to come for voting. After a little impasse, aggressive the working started in the third year and I was appointed as secretary for the first time and we performed to our best of abilities with the help of entire team. Due to these efforts in the year 2001 there were unanimous elections and I was elected as chairman for the first year.

7. Kindly tell us some of your experiences as Chairman of Jalandhar Branch.

We started GMCS in the very first year and applied for CA examination centre and got it approved for Jalandhar. That time the effort was to do more and more seminars for the benefit of the members. Also, first time we organised Punjab Conference of Punjab which was largely attended by members from all over Punjab. It was really a proud moment for members of Jalandhar Branch.

8. Looking back do you feel satisfied in what you have achieved professionally?

Yes I think so the only thing I want to advise my professional colleagues that you have to think and explore yourself that we need to work directly with the clients and not through the intermediaries. One who realizes this will be successful in life.

9. What according to you is the immediate need of the profession in present times.

We need professionals with better speaking ability, expressive and having working experience before launching themselves into the market. Industry wants to have value addition and want professionals to work in tandem as partners in business to run it smoothly. We have seen professionals working in jalandhar and turning loss making units to profitable ones.

10. What suggestion and advisory would you like to give to the current Executive Team of the Jalandhar Branch of NIRC of ICAI.

They should have more practical workshops instead of lectures/seminars.

11. Would you like to give some message to your fellow colleagues and young professionals of Jalandhar Branch.

NEVER CHEAT ANYONE, DO YOUR DUTY, DONT BE AFRAID OF CRITICISMAND HELP YOUNGSTERS.

Congratulation

Launching of Book



CA. KAPIL SABHARWAL



New CAs



CA. Aakriti Mahajan



CA. Abhinav Vijn



CA. Anjani Kumar



CA. Bhavesh Sharma



CA. Bindu Sharma



CA. Bipin Preet Singh



CA. Sahil Arora



CA. Sahil Arora



CA. Chandan Syal



CA. Gurpreet Kaur



CA. Gurpreet Singh Mann



CA. Lovansh Gupta



CA. Manvinder Kaur



CA. Nidhi Verma



CA. Priyanka Sharma



CA. Rahul Gupta



CA. Rahul Kumar



CA. Ritika



CA. Sahil Chopra



CA. Sahil Goel



CA. Sahil Jaitely



CA. Sahil Sehgal



CA. Sanchita Khanna



CA. Shikha Kumar



CA. Subhash Kundra



CA. Sunaina Arora



CA. Swati Joshi



CA. Virat Joshi



CA. Vivek Kumar