

COMPLIANCE HANDBOOK



Salient Features

- ✓ Income Tax
- ✓ Companies Act
- ✓ LLP
- ✓ Service Tax
- ✓ Excise
- ✓ Other Compliances

F.Y. 2015-16

A.Y. 2016-17

ACT with Excellence & Integrity



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F.Y. 2015-16

A.Y. 2016-17

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Phone: (+91) 79 - 2675 2544/45

PREFACE

India is a land of laws. We have to comply with various Acts, Laws, Rules and Regulations in a normal course of business such as Income Tax, Companies Act 2013, Service Tax, Limited liability Partnership Regulations, Partnership Act, Wealth Tax, Value Added Tax (VAT), XBRL etc.

While carrying out day to day business operations, it is difficult to refer different books for various laws, which makes compliance more complicated. Hence, there is a need to have all important rules and regulations at one place, in easily readable form.

This booklet aims to provide practical aid to the compliance challenges faced by professionals in practice and industry and summarises all important provisions of various laws by using different charts, schedules, tables and useful notes.

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We hope that this booklet will be useful to our valuable readers, also we solicit and appreciate your views, suggestions and feedbacks for improvement of future editions.

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Taxes should be collected the way a honey bee collects the honey from the flower. The flower is willing to give up its sweetness, but the bee also takes care that only a little is taken without hurting the flower.

- Chanakya

1. INCOME TAX

1.1 Tax Rates:

1.1.1 For Individuals & HUF

(₹ In Lacs)

A.Y.	Rate*	General/NRI	Senior citizen**	Super senior citizen***
2015-16 / 2016-17	Nil	Up to 2.5	Up to 3	Up to 5
	10%	2.5 to 5 #	3 to 5 #	—
	20%	5 to 10	5 to 10	5 to 10
	30%	Above 10	Above 10	Above 10

- * 1. Exclusive of education cess @ 3%
- 2. Exclusive of surcharge @ 10% for A.Y. 2015-16 and @ 12% for A.Y. 2016-17 whose total income exceeds ₹ 1 crore.

** Resident individual of 60 years till 79 years.

*** Resident individual of 80 years and above at any time during the year.

- # Tax Credit as per Sec. 87 A will be provided to **First Bracket Resident Individual** i.e. Net Income upto ₹ 5,00,000. Credit will be equal to the Actual Tax Payable or ₹ 2,000 whichever less.

1.1.2 For Co-Operative Societies:

A.Y.	Amount	Rate of Tax*
2014-15 & 2015-16	Up to ₹ 10,000	10%
	From ₹ 10,001 to ₹ 20,000	20%
	More than ₹ 20,000	30%

- * 1. Exclusive of education cess @ 3%
- 2. Exclusive of surcharge @ 10% for A.Y. 2015-16 and @ 12% for A.Y. 2016-17 whose total income exceeds ₹ 1 crore.

1.1.3 For AOP and BOI:

Shares of Members are Determinate			Share of Member are Indeterminate	
Member is an Individual / HUF	Member is a Company		Member is an Individual/HUF	Member is a Company
When None of the member has income in excess Basic exemption limit.	When any of the member have income in Excess of Basic Exemption limit.	When total income of member company is taxable at rate higher than the Maximum Marginal Rates (i.e. in case of Foreign Companies)	Tax will be charged on the Total income of AOP/BOI at MMR of 34.61%*	Where income of AOP/BOI is taxable at rate higher than the MMR then, the Total Income of AOP/BOI will be taxed at such higher rate.
AOP/BOI will be taxed at the slab rates specified in 1.1.1	AOP/BOI will be taxed at the Maximum Marginal Rate of 34.61%*	Tax will be charged on that portion of AOP / BOI at such higher rate.		(i.e. in case of Foreign Companies)

- * Maximum Marginal Rate is 33.99% for A.Y. 2015-16.

1.1.4 For Other Assesses:

Other Assesses	Income Tax Rate	MAT Rate	Dividend Distribution Tax Rate*
Domestic Companies	30%	18.5 %	20.358%
Foreign Companies	40%	18.5 %	—
Firms/ LLP/ Local Autho.	30%	Note-1	—

* Inclusive of Education Cess @ 3% & Surcharge of **12%** of Income tax.

Notes:

1. Alternate Minimum Tax (AMT) is applicable to all persons (other than companies) claiming profit linked deductions under chapter VI-A (80-H to 80RRB excluding 80P) and Section 10AA, provided the adjusted income exceeds ₹ 20 lacs.
2. Marginal Relief is available in case income exceeds ₹ 1 Crore or ₹ 10 Crore, as the case may be, to the extent marginal tax exceeds marginal income.

Applicability of Surcharge & Education Cess:

Particulars	Applicable to Companies		A.Y.		
			2015-16	2016-17	
Surcharge	Total Income	< ₹ 1 cr	All	NIL	NIL
		₹ 1 cr to ₹ 10 cr	Domestic	5%	7%
			Foreign	2%	2%
		> ₹ 10 cr	Domestic	10%	12%
			Foreign	5%	5%
Education Cess			3%	3%	

1.2 Advance Tax:

Due Date	Company	Non- Company
15th June	Up to 15%	—
15th Sep.	Up to 45%	Up to 30%
15th Dec.	Up to 75%	Up to 60%
15th Mar.	100%	100%

Notes:

1. Advance Tax is not Applicable if Liability to pay Advance Tax is less than ₹ 10,000.
2. An assessee who gets his books audited u/s 44 AD is also not liable for Advance Tax.
3. Sr. Citizen who does not have Income from Business and Profession is not required to pay Advance Tax.

1.3 TDS Rate Chart:

TDS is applicable to any person, other than an individual or a HUF not subject to audit under section 44AB in the immediately preceding year.

Sec.	Nature Of Payment Description		Threshold Amount	Rate %
192B**	Salary (Other than Government Employee)		As per Normal Slab Rates after providing Deductions of Chapter VI A	
194A	Interest by bank/co op society/ post office		₹ 10,000	10%
	Interest by others		₹ 5,000	10%
194C	Payment to contractor / sub contractor/ Advertisement / Transporter	Single Transaction	₹ 30,000	2%*
		Aggregate During FY	₹ 75,000	2%*
	Transporter owning ten or less than ten goods carriage with PAN		TDS not applicable	
194D	Insurance commission		₹ 20,000	10%
194H	Commission/ brokerage		₹ 5,000	10%
194I	RENT	Plant & Machinery, Equipment	₹ 1,80,000	2%
		Land & Build., Furniture & Fixture		10%
194J	Professional fees		₹ 30,000	10%
	Royalties		₹ 30,000	10%
	Technical Fees		₹ 30,000	10%
	Directors Remuneration.		Nil	10%
194LA	Compensation on acquisition of immovable property (other than agricultural land)		₹ 2,00,000	10%
194IA	Purchase of Immovable Properties (other than agriculture land)		₹ 50,00,000 (from 1.6.13)	1%

* Rate 1% in case of Deductee Individual / HUF.

** Person responsible for making payment for calculation of TDS required to obtain the evidence or proof or particulars of prescribed claims (including claims of set-off of loss) from deductee.

TAN is not compulsory for deductions u/s 194IA

Note : If No PAN or invalid PAN, TDS rate is 20%. Declaration of Non Filing of TDS statement is mandatory in case of NIL TDS Returns.

1.4 TCS Rate Chart:

No.	Nature of Goods	Rate (%)
1.	Scrap, Alcoholic liquor for human Consumption	1%
2.	Tendu leaves	5%
3.	Forest Products incl. Timber but excl. Tendu leaves	2.5%
4.	Parking lot, Toll Plaza, Mining	2%
5.	Jewellery (If amount > ₹ 5 Lacs)	1%*
6.	Bullion (If amount > ₹ 2 Lacs)	1%*

* If total or part of the amount is received in Cash.

1.5 Cost of Inflation Index:

Financial Year	Index	Financial Year	Index	Financial Year	Index
1981-82	100	1993-94	244	2005-06	497
1982-83	109	1994-95	259	2006-07	519
1983-84	116	1995-96	281	2007-08	551
1984-85	125	1996-97	305	2008-09	582
1985-86	133	1997-98	331	2009-10	632
1986-87	140	1998-99	351	2010-11	711
1987-88	150	1999-00	389	2011-12	785
1988-89	161	2000-01	406	2012-13	852
1989-90	172	2001-02	426	2013-14	939
1990-91	182	2002-03	447	2014-15	1024
1991-92	199	2003-04	463		
1992-93	223	2004-05	480		

1.6 Capital Gain Rates:

Particulars	Capital Gain Tax Rates	
	Short-term	Long-term
Sale transaction of equity share / unit of an equity oriented fund which are covered under STT	15%	Exempt
Sale Transaction Other Than Above mentioned:		
Individuals (Resident & Non Resident)	Progressive Slab Rates	20% with indexation or 10% without Indexation for units/ Zero Coupon bonds w.e is beneficial to the assessee
Firms including LLP (Resident & Non Residents)	30%	
Domestic Companies	30%	
Other Foreign Companies	40%	
Local Authority	30%	
Co-Operative Society	Progressive Slab Rates	

Notes:

- Unlisted securities and mutual funds (other than equity oriented) shall qualify as long term capital asset if held for more than 36 months (increased from earlier period of 12 months) w.e.f 11-07-2014.
- Long term capital on sale of listed mutual funds (other than equity oriented funds) will be taxed at the flat rate of 20% after indexation. Earlier such gains were taxable at the rate of 10% without indexation or 20% with indexation, whichever is lower.
- Exemption from tax on Long term capital gain on sale of residential property or any other asset is allowed on re-investment in only one residential house in India.

1.7 Capital Gain – Exemption:

Sec.	Assets Sold	Assets Purchased	Time Limit	Amount of Exemption
54. Indi. / HUF	Residential House Property	Residential House Property	<u>Purchase</u> 1 year before or 2 years after sale	Actual amount invested in new asset or capital gain whichever is less
54F. Indi./ HUF	Long Term Asset (other than Residential property)	Residential House Property	<u>Construction Completed</u> within 3 years from sale	$\frac{\text{Capital gain} \times \text{Investment in New Asset}}{\text{Net Sale Consideration}}$
54B. Ind./ HUF	Agriculture Land	Agriculture Land	Purchased within 2 years of sale	Investment in agriculture land or capital gain, whichever is less
54EC Any Assets	Long Term Capital Asset	NHAI or REC Bonds	Invested within 6 months of sale	Max. Investment in the year of transfer of original asset and in subsequent financial year should not exceed ₹ 50 Lacs

Note:

Exemption u/s 54/54F will be available only if investment is made in only one residential house situated in India.

1.8 Partners Remuneration u/s 40(b) Business & Profession:

Book Profit	Amount deductible
< 0 (Loss)	Maximum ₹ 1,50,000
0 - ₹ 3,00,000	₹ 1,50,000 or 90% of book profit, whichever is more
> ₹ 3,00,000	90% of 3,00,000 and 60% of balance book profit

“The hardest thing in the world to understand is the Income Tax.”

- Albert Einstein

1.9 Interest Rates under Income Tax:

Description	Sec.	Period	Rate (per month or part of it)
(A) Income Tax Return			
Delay in submission	234A	From Due Date to Date of submission of return	1%
Non-submission	234A	From Due Date to Date of completion of assessment u/s. 144/147	1%
(B) Advance Tax			
Failure to pay 90% of assessed tax	234B	From 1st April of A.Y. to completion of assessment	1%
Deferring Advance tax	234C	From Due Date to Due date of next instalment	1%
(C) TDS			
Failure to deduct	201(1A)	From required date for deduction to actual date of deduction	1%
Failure to deposit in time	201(1A)	From actual date of deduction to actual date of deposit	1.5%

1.10 Appeal Fees:

Particulars	CIT(A) u/s 249	ITAT u/s 253
(A) Difference between Income as assessed by AO and returned by assessee:		
Upto ₹ 1 lacs	₹ 250	₹ 500
₹ 1 - ₹ 2 lacs	₹ 500	₹ 1500
More than ₹ 2 lacs	₹ 1000	1% of assessed income or ₹ 10,000 whichever is less
(B) Any matter other than difference in assessed amount	₹ 250	₹ 500
(C) Revision Petition to CIT u/s 264 fee ₹ 500		

1.11 Tax Audit Requirements:

Particulars	Business		Profession	
	Audit Not Required	Audit Required	Audit Not Required	Audit Required
44AB	Turnover is less than ₹ 1 Crore	Turnover ₹ 1 Crore or more	Gross Receipt less than ₹ 25Lacs	Gross Receipt ₹ 25 lacs or more
44AD	Net Profit is 8% of Turnover or more	Net Profit is less than 8% of turnover	N.A.	
44AE	Not more than 10 vehicles *	More than 10 vehicles	N.A.	

* Income Chargeable to Tax : ₹ 7,500 per month or part of a month for each goods carriage or the amount claimed to be actually earned by assessee, whichever is higher.

- Note :**
1. Failure to maintain Books u/s 44AA will attract penalty of ₹ 25,000.
 2. Failure to get accounts audited or furnish Tax Audit Report as required u/s 44AB will attract penalty of 0.5% of total Sales/Turnover/Gross Receipt or ₹ 1,50,000 whichever is less.
 3. TDS to be deducted by an Individual/HUF in respect of payments made if the books are Audited last year u/s 44AB.

1.12 Penalty:

Nature of Default	Penalty
Failure to pay tax; i.e., non-payment of tax required by notice u/s. 156 (demand notice). S:221(1)	Equal to amount of tax in arrears (including interest u/s 220) (Max)
Noncompliance with notice u/s. 142(1), 143(2), 115WD (2), 115WE (2) or non compliance with directions issued u/s. 142(2A) as required by assessing officer. S:271(1)(b)	₹ 10,000 for each failure
Concealment of the particulars of income, or furnishing inaccurate particulars thereof. S:271(1)(c)	Min 100 % & Max 300 % of tax evaded

1.12 Penalty (contd.)

Nature of Default	Penalty
Case of partnership firm, if profits are not distributed as per partnership deed and thereby any partner returned his income below the real income. S:271(4)	150% of tax evaded (Max)
Failure to furnish Return of Income asked by AO under S:139(1) before the end of the relevant Asst. Year. S:271F	₹ 5,000
Failure to file Annual Information Return S. 271FA	As per sub sec-2, ₹ 100/- per day and as per sub sec-5, ₹ 200/- per day, till failure continues.
Undisclosed Income in course of search u/s.132. S:271AAB (w.e.f. 01/07/2012) (Penalty as % of undisclosed income)	<ul style="list-style-type: none"> • If taxpayer admits - 10% • If taxpayer not admit but declares in ITR - 20% • Any other Case Min. 30%, Max 90%
Unexplained Investment, Expenditure or cash credits	30%
Contravention of the provisions of S. 269SS/269T, by taking or accepting / repayment of any loan or deposit or specified sum/advance* otherwise than by ways specified therein. S:271 D/E	Equal to the amount of loan or deposit so taken or accepted / repaid
Failure to answer questions, sign statements, furnish information, returns or statements, allow inspections* etc. S:272A	₹ 100 for every failure day.
Failure to furnish information specified u/s 195(6) for any payment made to non residents, whether taxable or not S:271-I	₹ 1,00,000 for failure to furnish/furnishing inaccurate information. (from 1.6.15)

* Effective from 1st June, 2015.

Penalty relating to TDS / TCS	
Failure to deduct the whole or part of the tax as required by Chapter XVII-B (u/s. 192 to 196D) or failure to pay the whole or part of tax u/s.115-O. S: 271C	Equal to the amount failed to be deducted
Failure to Furnish TDS certificate u/s. 203	₹ 100 for every failure day or TDS amount, whichever is less
Failure to file TDS Statement	₹ 200 per day till default continues, Max. fees should not exceed tax deductible.

1.13 Provisions Relating To Gift:

Where any sum of money is received without consideration, by an individual or a Hindu undivided family, the aggregate value of which exceeds fifty thousand rupees in previous year from any person or persons, the whole of the aggregate value of such sum is taxable.

No.	Money Received From
1	From any relative. Relative is defined to include following: a) spouse of the individual; b) brother or sister of the individual c) brother or sister of the spouse of the individual d) brother or sister of either of the parents of the individual; e) any lineal ascendant or descendant of the individual; f) any lineal ascendant/descendant of the spouse of the individual; g) spouse of the person referred above from (b) to (f)
2	On the occasion of the marriage of the individual; or
3	Under a Will or by way of inheritance; or
4	In contemplation of death of the payer; or
5	From any local authority; or
6	From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10; or
7	From any trust or institution registered under section 12AA

Effect of Gift on total income of the recipient:

W.E.F.	Recipient	Nature of Receipt	Taxable Amt.
1st October, 2009	Individual / HUF*	Any sum of money without consideration > ₹ 50,000	Entire Amount Received
		Immovable property without consideration > ₹ 50,000	Stamp Value
		Other property without consideration: FMV > ₹ 50,000	FMV
		Immovable/Other property FMV less consideration > ₹ 50,000	Excess Amount
1st June, 2010	Company / Firm**	Property being shares without consideration: FMV > ₹ 50,000	FMV
		Property being shares FMV less consideration > ₹ 50,000	Excess Amount

* Excluding gifts received under any of the above 7 circumstances.

** Excluding companies in which public is substantially interested.

1.14 Deductions:

Section	Particulars	Amount	Persons Covered
80C	LIC*/NSC/PPF/ULIP/ELSS MF/ Bank FDR (5 yrs)/ Home Loan Repayment/EPF/ School Fees/Sukanya Samridhi Scheme	₹ 1,50,000	Individual*/ HUF*
80CCC	Pension Fund		Individual
80CCD	Contribution to Pension Scheme***		Employed / Self employed
80D [#]	Mediclaim (payment mode other than cash)	₹ 25,000**(Gen) & ₹ 30,000**(Sr.Citizen)	Individual^/ HUF^
	Preventive Health Check-up (AY 2013-14)	₹ 5,000	Individual / HUF
80E	Interest on Loan for Higher Education	Interest paid every year for 8 years	Individual
80EE	Deduction of Interest of Housing Loan	Up to ₹ 1,00,000 (Note 1)	Individual
80G	Donation	100%/50% of donation or 10% of adjusted GTI w.e. is less	All
80GGB/ 80GGC	Contribution given to political parties	Any sum contributed (Other than Cash)	Indian Companies/ Individual, HUF
80TTA	Interest on Deposits in Savings Account	₹ 10,000	Individual/ HUF

Very Senior citizens above the age of 80 years, who are not covered by health insurance, to be allowed deduction of ₹ 30,000 towards medical expenditures.

Notes:

* Deduction of LIC Premium paid is available to Individual only if it is paid for Individual himself, spouse, or any child of such individual and in case of HUF, any member thereof.

^ Deduction of Mediclaim paid is available to individual only if it is paid for Individual himself, spouse, dependent children of such individual or parents of such individual and in case of HUF, any member thereof.

** Additional deduction for any payment of Mediclaim for parents ₹ 25,000 (₹ 30,000 if parents are senior citizen).

*** Subject to maximum 10% of Salary of Employee.

1.14 Deductions (contd.)

Note:- 1

Sr. No.	Conditions to be satisfied by the Assessee for Sec 80EE	
1	Year of Loan Sanctioned	FY 2013-14 only
2	Amount of Loan Sanctioned	Not more than ₹ 25 Lacs
3	Value of Residential Flat	Not more than ₹ 40 Lacs
4	Should not own any Residential House Property	
5	Deduction is available up to FY 2014-15	

1.15 Carry forward and Set off of Losses:

No.	Type of Loss	Set off Under/Against*	Carried Forward for
1.	House Property	All heads	8 Years
2.	Speculation	Speculation	4 Years
3.	Unabsorbed Depreciation / Cap Exp on Scientific Research / Family Plan	Any Income (Other Than Salary)	No Limit
4.	Other Business Losses	All heads except "Salaries"	8 Years
5.	Short Term Capital Loss	Short Term and Long Term Capital Gains	8 Years
6.	Long Term Capital Loss	Long Term Capital Gain	8 Years
7.	Owning / Maintaining Horse races	Owning / Maintaining Horse races	4 Years
8.	Specified Business u/s. 35AD	Specified Business u/s. 35AD	No Limit

* No loss can be set off against winning from lotteries, crossword puzzles, races including horse race, card games and any sort of receipt from gambling or betting of any form or nature.

* For Loss to be carried forward for future periods, Return of loss must be filed in time.

The only thing that hurts more than paying an income tax is not having to pay an income tax.

- Thomas R Dewar

1.16 E-Filing of Returns:

Compulsory E-Filing of Returns

1.	An Individual or HUF whose total income in previous year exceeds ₹ 5 Lacs.
2.	An Individual or HUF being resident having assets located outside India or signing authority outside India
3.	A person claiming relief u/s 90 or 90A or deduction u/s 91 of the IT Act

Compulsory E-filing of Return with Digital Signature Only.

1.	An individual or HUF or Firm who is required to get their books of account audited u/s. 44AB/44AD/44AE.
2.	All companies

1.17 Transfer Pricing Regulations:

- Transfer Pricing Provisions are intended to introduce a uniform and internationally accepted mechanism of determining reasonable, fair and equitable profits and tax in India in the case of such multinational enterprises.
- Regulations relating to Transfer Pricing are applicable to the all enterprises that enter into an 'International Transaction' with an 'Associated Enterprise'.
- As per Transfer Pricing Regulations, any income arising from International Transaction between Associated Enterprises has to be computed having regard to Arm's Length Price.

There are 5 methods specified to calculate Arms Length Price:

Sr. No.	Method	Abbreviation
1	Comparable Uncontrolled Price Method	CUPM
2	Resale Price Method	RPM
3	Cost Plus Method	CPM
4	Profit Split Method	PSM
5	Transaction Net Margin Method	TNMM

Note:

The threshold limit for specified domestic transactions of Rs.5 crore u/s 92BA has been extended to Rs.20 crore from the A.Y. 2016-17.

1.17 Transfer Pricing Regulations (contd.)

Penalties have been provided for non-compliance with procedural requirements as follows.

Sr. No.	Particulars	Penalty
1	Concealment of Income	100% to 300% of Tax Evaded
2	Failure to Maintain or Furnish Prescribed Documentation	2% of the value of International Transaction
3	Failure to Furnish Accountant's Report	₹ 100,000

1.18 TDS Rates on Payment to NRI

Section	Nature of Payment	Tax Rate
192	Salary	As per Slab Rate
115O	Dividend (provided DDT is paid)	Exempt
194EE	Payment in respect of Deposits under NSS	20 %
194LD	Interest on Rupee Dominated Bond	5 %
195(e)	Interest on Loans given in foreign Currency to Indian Concern or Govt. of India	20 %
195(i)	Interest from Bank (NRO Saving or FD Account)	30 %
	Interest from Others	
	Rent House Property or Other Rent	
	Commission/Brokerage or any other income	
Capital Gains		
Equity Oriented (STT Appli.)	Long Term Capital Gain (>12 months)	Exempt
	Short Term Capital Gain (<12 months)	15 %
Other than Equity	Long Term Capital Gain (>36 months)#	Listed 20 %* Unlisted 10 %**
	Short Term Capital Gain (<36 months)	30 %

1. Surcharge @ 10 %, if income exceeds ₹ 1 Cr.

2. Education Cess @ 2% and Secondary Education Cess @ 1%.

* After providing Indexation.

** Without any Indexation.

If Sold before 11.07.2014 and held greater than 12 months then it would be LTCG then rates would be 20 % with indexation or 10 % without indexation whichever is less.

2. COMPANIES ACT

2.1 Incorporation Related Forms:

Purpose	Form No.	
	Public & Private Companies	OPC
Application for DIN	DIR-3	DIR-3
Application for Reservation of Name	INC-1	INC.1
Application for Incorporation of Company	INC-7	INC.2
Nominee consent form	—	INC-3
Memorandum of Association & Articles of Association	GNL-2	GNL-2
Notice of Situation or Change of Situation of Registered Office	INC-22	INC-22
Appointment of Directors and key managerial personnel and changes among them	DIR-12	DIR-12

2.2 Other Important Forms:

No.	Events	Form No.	Due Date
A. Director Related Forms			
1	Application for DIN	DIR-3	Any Time
2	Intimation of change in particulars of Director to be given to the Central Government	DIR-6	30 Days
3	Appointment of Directors and key managerial personnel and changes among them	DIR-12	30 Days
4	Return of appointment of MD/WTD/Manager	MR-1	60 Days
5	Notice of resignation of a director to the Registrar	DIR-11	30 Days
6	Application for surrender of Director Identification Number	DIR-5	Any time
B. Auditor Related Forms			
1	Notice of appointment of auditor by the company	ADT-1	15 Days
2	Application for removal of auditor(s) from his/their office before expiry of term	ADT-2	30 Days
3	Notice of Resignation by the Auditor	ADT-3	30 Days
C. Annual Filing Forms			
1	Form for filing Annual Return by a company having a share capital with the Registrar	20B	60 Days
2	Particulars of Annual Return for the company not having share capital	21A	60 Days
3	Form for filing Balance Sheet and other documents with the Registrar	23AC	30 Days
4	Form for filing Profit and Loss account and other documents with the Registrar	23ACA	30 Days
5	Form for submission of Compliance Certificate with the Registrar	66	60 Days
6	Statutory Report (Public Co.)	22	30 Days

2.2 Other Important Forms (contd.)

No.	Events	Form No.	Due Date
D. One Person Company Related Forms			
1	Nominee consent form	INC-3	30 Days
2	Change in Member/ Nominee One Person Company	INC-4	30 Days
3	One Person Company- Intimation of exceeding threshold	INC-5	60 Days
E. Other Forms			
1	Notice of Situation or Change of situation of registered office	INC-22	15 Days
2	Application to Regional Director for approval to shift the Registered Office from one state to another state or from jurisdiction of one Registrar to another Registrar within the same State	INC-23	<1 Month
3	Notice to Registrar of any alteration of share capital	SH-7	30 Days
4	Application for registration of creation, modification of charge (other than those related to debentures)	CHG-1	30 Days
5	Particulars for satisfaction of charge thereof	CHG-4	30 Days
6	Filing of Resolutions and agreements to the Registrar	MGT-14	30 Days
7	Declaration prior to the commencement of business or exercising borrowing powers	INC-21	180 Days

2.3 Registration Fees Payable to ROC:

Authorised Share Capital	Other than OPCs and Small Companies	OPC and Small Companies
Less than ₹ 1,00,000	₹ 5,000	₹ 2000
From ₹ 1,00,001 to ₹ 5,00,000	₹ 5,000 + ₹ 400 for every enhanced ₹ 10,000 or part of it.	₹ 2000
From ₹ 5,00,001 to ₹ 10,00,000	₹ 21,000 + ₹ 300 for every enhanced ₹ 10,000 or part of it.	₹ 2000
From ₹ 10,00,000 to ₹ 50,00,000	₹ 36,000 + ₹ 300 for every enhanced ₹ 10,000 or part of it.	₹ 2000 + ₹ 200 for every enhanced ₹ 10,000 or part of it.
From ₹ 50,00,001 to ₹ 1 Crore	₹ 1,56,000 + ₹ 100 for every enhanced ₹ 10,000 or part of it.	-
From Above ₹ 1 Crore	₹ 2,06,000 + ₹ 75 for every enhanced ₹ 10,000 or part of it.	-

I am thankful for the taxes I pay because it means that I'm employed.

~Nancie J. Carmody

2.4 Additional Fee on Late Filing of Documents:

a.) Delay in filing of forms other than increase in authorized capital			b.) Delay in filing of forms for increase in Authorized Capital	
Period of Delays	No. of times of Normal Filing Fee*		Delay	% p.m. on the fees payable*
	Others	Satisfaction of Charge		
Upto 15 days	1	-	Upto 6 months	2.5%
> 15 days and upto 30 days	2	3 (> 30 days)		
> 30 days and upto 60 days	4	6		
> 60 days and upto 90 days	6	9	> 6 months	3%
> 90 days and upto 180 days	10	12		
> 180 days and upto 270 days	12	20		
> 270 Days	Ref. to Second provision of section 403(1)	30		

* In addition to normal fees

2.5 Depreciation Chart

No.	Block of Assets	I. Tax WDV%	Companies Act Useful life (Years)
1	Factory building - Non Residential	10	30
2	Other Building:-		
	(a) Building RCC frame structure	10	60
	(b) Building other than RCC frame structure	10	30
2	Furniture & Fixture (General)	10	10
3	Plant & Machinery, Office Machinery (General)	15	15
4	Motor Cycles, scooters & other mopeds	15	10
5	Motor buses, motor lorries and motor cars other than those used on hire	30	8
6	Computer and data processing units:-		
	(a) Servers and networks	60	6
	(b) End user devices such as desktops, laptops, printers etc.	60	3

1. In case of double shift depreciation will be increased by 50% and in case of triple shift depreciation will be increased by 100% for that period for the single shift asset.
2. For Amortisation of Intangible Assets as per Companies Act 2013, the provisions of accounting standards shall apply except in case of BOOT and BOT projects.

3. LIMITED LIABILITY PARTNERSHIP (LLP)

3.1 Incorporation Related Forms:

Purpose	Form No.	Fee
Application for DPIN	DIR-3	₹ 500
Reservation of Name	1	₹ 200
Incorporation Document	2	Refer 3.3 (A)
LLP Agreement	3	Refer 3.3 (B)
Consent of all Partners	4	Refer 3.3 (B)

3.2 Other Important Forms:

Events	Form No.	Due date	Fee
Change in LLP Agreement	3	30 days	Refer 3.3 (B)
Change in name/address/designation of designated Partner/ Partner and consent to become a partner /designated partner	4	30 days	₹ 50/-
Notice for change of Name	5	30 days of Compliance	Refer 3.3 (B)
Statement of Account & Solvency	8	30 days from end of six month from closure of F.Y.	Refer 3.3 (B)
Annual Return of Limited Liability Partnership (LLP)	11	60 days from the end of the F.Y	Refer 3.3 (B)
Intimating other address for service of documents	12	30 Days	Refer 3.3 (B)
Change of place of registered office	15	30 Days	Refer 3.3 (B)

3.3 Filing Fees:

Amount of Contribution	Registration Fee (A)	Documents filling Fee (B)
Upto ₹ 100,000	₹ 500/-	₹ 50/-
₹ 100,000 to ₹ 500,000	₹ 2000/-	₹ 100/-
₹ 500,000 to ₹ 1,000,000	₹ 4000/-	₹ 150/-
More than ₹ 1,000,000	₹ 5000/-	₹ 200/

4. SERVICE TAX

4.1 Basic Exemption Limit

₹ 10 lacs is available to small Service Provider.

Rate of Service Tax	14%*
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* 1. The rate of Service Tax is 12.36% up to 31st May, 2015.

2. The effective rate of service tax will go up by another 2% if and when the Central Government exercises its power to introduce a 'Swachh Bharat Cess' on all or any of the taxable service.

All services will now attract service tax except services specified in the **Negative List and Exemption Notifications** (w.e.f. 01-07-2012).

4.2 Service Tax Registration Forms:

Form	Description		Time Period
ST-1	Service Tax Registration Application	To be Submitted By Assesses	Within 30 days from the levy of service tax is brought into force or starting of business or when taxable turnover exceeds ₹ 9 lakh
ST-2	Service Tax Registration Certificate	Issued By Service Tax Dept.	Within 2 days from the date of application otherwise it shall be deemed to have been granted

4.3 Payment of Service Tax using challan GAR-7

S.N.	Assessee	Frequency	Due Date	
			Manual	E-payment*
(i)	Individual/ Partnership firms/ LLP/ Proprietorship	Quarterly	5th of succeeding month	6th of succeeding month
(ii)	Assesses other than Individual/ Partnership firms/ LLP/ Proprietorship	Monthly	5th of succeeding month	6th of succeeding month

*Note : 1. For the period ended March, due date is 31st March

2. E-Payment of the Service Tax is mandatory for **ALL** assesses w.e.f. 01-10-2014.

3. E-Payment will be considered valid up to 8:00 pm of the respective day.

4. If the Assistant Commissioner or the deputy commissioner of central excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assesses to deposit the ST by any mode other than internet banking.

4.4 Interest rate for delayed payment:

Extent of Delay	Rate of Interest
For First 6 months	18% p.a.
From 7th month to 12 months	24% p.a.
Beyond 1 year	30% p.a.

Note: 3% concession in interest rate for assesses having turnover up to ₹ 60 Lacs.

4.5 Half yearly Return in Form ST-3

Period	Due Date
1st April to 30th September	25th October
1st October to 31st March	25th April

4.6 Penalties:

Nature of Default	Amount of Penalty
(a) Fees for Late Filing of Return: (Rule 7C)	
Delay upto 15 Days	₹ 500
Delay >15 days to < 30 days	₹ 1,000
Delay > 30 days	₹ 1,000 + ₹ 100 for each day but not exceeding ₹ 20,000
(b) Failure to pay Service Tax (Sec 76). w.e.f. 14.5.2015	(i) Penalty 100% of Service Tax (ii) Penalty Nil, if tax and interest paid within 30 days of service of SCN (iii) Penalty 25% of penalty imposed under an order u/s. 73(2), if the service tax, interest and such reduced penalty is paid within 30 days of receipt of the order*.
(c) Default in obtaining Service Tax Registration Certificate.	Up to ₹ 10,000
(d) Non-maintenance of books of accounts and documents	₹ 10,000
(e) Failure to pay Tax Electronically when required	₹ 10,000

* The maximum penalty imposable u/s. 76 is up to 10% of the tax. Hence the maximum penalty payable in such cases would be 2.5% of Service Tax i.e. (25% of 10%)

5. EXCISE ACT

5.1 Rate of Basic Excise Duty:

Rate of Excise	From 01-03-2015	12.5%
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5.2 Payment of Excise using Challan GAR-7:

S.N.	Assessee	Frequency	Due Date
(i)	SSI units	Quarterly	6th of succeeding month (note)
(ii)	Other than SSI units	Monthly	6th of succeeding month (note)

Note : For the period ended March, due date is 31st March

- 1 E-Payment of the Tax is mandatory for **ALL** assessees w.e.f. 01-10-2014.
2. E-Payment will be considered valid up to 8:00 pm of the respective day.

5.3 Various Forms for Returns:

No.	Who has to File	Due Date For Filing
ER-1	Manufacturers who are not entitled to file ER-2 or ER-3 returns	10th of next month
ER-2	100% Export Oriented Units removing goods to domestic tariff area	10th of next month
ER-3	Manufacturers availing exemption on the basis of value of their annual clearance, manufacturer of processed yarn, unprocessed fabrics falling under chapters 50 through 55, 58 or 60 of the C.E. Tariff or manufacturers of readymade garments.	20th of next month to Completed quarter
ER-7	All manufactures should submit Annual installed capacity statement	30th April next to completed year
Assessee who paid duty of excise more than ₹ 1 crore in the preceding year is also required to file following Returns:		
ER-4	Require to submit Annual Financial Information Statement.	30th Nov. of next year
ER-5	Information relating to principal inputs used in the manufacture of finished goods	30th April of next year
ER-6	Monthly return of receipt & consumption of Principal inputs	10th of next month

6. OTHER COMPLIANCES:

6.1 PF & ESIC:

Type	Employee' Contribution	Employer' Contribution	Payment Due Date
PF	12% of Basic + DA + food concession + retaining allowance	12% of Basic +DA + food concession + retaining allowance subject to maximum ₹ 15,000 p.m. (plus Admin charges: 1.1% of Basic + DA)	15th day after end of month (plus 5 days of grace)
ESIC	1.75% of Wages	4.75% of wages	21st day after end of month
EDLI	-----	0.5% of total wages subject to maximum ₹ 15,000 p.m. + Admin charges @ 0.01%	15th day after end of month (plus 5 days of grace)

6.2 XBRL:

(A) Financial Statements to be filed in XBRL Form for

1. All companies listed in India and their subsidiaries, including overseas subsidiaries;
2. All companies having a paid up capital of ₹ 5 Crores and above or a Turnover of ₹ 100 crores or more.

(B) Following Companies are exempted from XBRL:-

- Banking Companies and their subsidiaries
- Insurance Companies and their subsidiaries
- Power Sector Companies and their subsidiaries
- Non-banking Financial Companies (NBFC) and their subsidiaries

Do not go where the path may lead, go instead where there is no path and leave a trail.

- Ralph Emerson

7. USEFUL WEBSITES:

Income Tax :	
Official Website	http://www.incometaxindia.gov.in
e-Filing	http://incometaxindiaefiling.gov.in
Services To Tax payers	http://www.incometaxindiapr.gov.in
Tax information Network	http://www.tin-nsdl.com
ITAT	http://www.itat.nic.in
Service Tax:	
Official Web Site	http://www.servicetax.gov.in
e - Filing	http://www.aces.gov.in
Gujarat VAT	http://www.commercialtax.gujarat.gov.in
CBEC Official Web Site	http://www.cbec.gov.in
XBRL:	
International	http://www.xbrl.org
India	http://www.xbrl.org/in
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Government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.

- Ronald Reagan

8. COMPLIANCE CALENDER

Month	Payment of				TDS Return (Quarterly)	Payment of ESIC	Filling of Return	
	Service Tax*/ Excise	TDS	PF	Advance Payment of Income Tax			Service Tax	Income Tax
April	-	30	15			21	25	
May	5	7	15		15	21		
June	5	7	15	15**		21		
July	5	7	15		15	21		31
Aug	5	7	15			21		
Sept	5	7	15	15		21		30
Oct	5	7	15		15	21	25	
Nov	5	7	15			21		30#
Dec	5	7	15	15		21		
Jan	5	7	15		15	21		
Feb	5	7	15			21		
March	5/31	7	15	15/31		21		

* For Service Tax, if an entity makes online payment, due date is 6 instead of 5.

** Only for CorporateAssesses

Submission of Transfer Pricing Report

Taxation is the price which civilized communities pay for the opportunity of remaining civilized.

~Albert Bushnell Hart.

Just when you think it can't get any worse, it can. And when you think it can't get any better, it can.

-Nicholas Sparks

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Corporate Office:
 804, Mauryansh Elanza, B/s Parekhs Hospital,
 Shyamal Cross Roads, Satellite,
 Ahmedabad - 380015, Gujarat, India
 +91 79-2675 2544/45; info@njpadvisors.com
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