



वर्ष 47 अंक 2
28 फरवरी 2017

मेवाड़ चेम्बर पत्रिका

(मेवाड़ चेम्बर ऑफ कामर्स एण्ड इण्डस्ट्री का मासिक पत्र)

उदयपुर, चित्तौड़गढ़, डूंगरपुर, बाँसवाड़ा, प्रतापगढ़
राजसमन्द एवं भीलवाड़ा का सम्भागीय चेम्बर



टेक्सटाइल पॉलिसी पर कार्यशाला

मेवाड़ चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री

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4 फरवरी 2017 को केन्द्रीय बजट पर कार्यशाला में प्रस्तुति देते हुए सीए श्री पी सी परवाल



कार्यशाला में उपस्थित सदस्य एवं प्रोफेशनल्स



टेक्सटाइल पॉलिसी पर कार्यशाला को सम्बोधित करते हुए उद्योग विभाग के अतिरिक्त निदेशक श्री एल सी जैन



22 फरवरी 2017 को टेक्सटाइल पॉलिसी पर कार्यशाला में अतिथियों का स्वागत करते हुए मानद महासचिव श्री एस पी नाथानी



टेक्सटाइल पॉलिसी पर कार्यशाला में उपस्थित मेवाड चेंबर के सदस्यगण

MEWAR CHAMBER OF COMMERCE & INDUSTRY

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At the International Level : International Chamber of Commerce, Paris (France)

At the National Level : Federation of Indian Chamber of Commerce & Industry, (FICCI) New Delhi
Indian Council of Arbitration, New Delhi
National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi.

Confederation of All India Traders, New Delhi

At the State Level : Rajasthan Chamber of Commerce & Industry, Jaipur.

: The Employers Association of Rajasthan, Jaipur.

: Rajasthan Textile Mills Association, Jaipur

REPRESENTATION IN NATIONAL & STATE LEVEL COMMITTEES

All India Power loom Board, Ministry of Textile, Govt. of India, New Delhi

National Coal Consumer Council, Coal India Ltd., Kolkata

State Level Tax Advisory Committee, Govt. of Rajasthan, Jaipur

State Level Industrial Advisory Committee, Govt. of Rajasthan, Jaipur

Regional Advisory Committee, Central Excise, Jaipur

Foreign Trade Advisory Committee, Public Grievance Committee, Customs, Jaipur

DRUCC/ZRUCC of North Western Railways

केन्द्रीय बजट पर कार्यशाला

4 फरवरी 2017 को मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री, इन्स्टीट्यूट ऑफ कम्पनी सेक्रेट्री की भीलवाडा शाखा, टेक्सबार एसोसियेशन एवं इन्स्टीट्यूट ऑफ कॉस्ट एकाउन्टेन्ट के संयुक्त तत्वावधान में केन्द्रीय बजट पर एक कार्यशाला आयोजित हुई। इसमें मुख्य वक्ता जयपुर के चार्टर्ड एकाउन्टेन्ट श्री पी सी परवाल थे। उन्होंने बताया कि इस वर्ष के केन्द्रीय बजट में आयकर प्रावधानों में महत्वपूर्ण बदलाव किये गये हैं। जहाँ एक ओर जोर ब्लैकमनी को रोकने का है, वहीं दूसरी ओर करदाताओं में अनुशासन लाने का भी है। अधिक से अधिक आयकर रिटर्न भरने को भी प्रोत्साहित किया गया है। पोलिटिकल फण्डींग में ब्लैकमनी खपाने को रोकने के लिए नकदी सीमा 2 हजार कर दी गई है, वहीं समय पर आयकर रिटर्न नहीं भरने पर विलम्ब शुल्क का प्रावधान किया गया है।

जीएसटी के मध्य नजर अप्रत्यक्ष कर प्रावधानों में बहुत ज्यादा बदलाव नहीं किए गये हैं, कुछ बदलाव आयात कर आदि को लेकर है। परवाल का मानना है कि जीएसटी की सामान्य दर 18 प्रतिशत रहने की सम्भावना है। 5 लाख से अधिक के रिटर्न में समय पर रिटर्न नहीं भरने पर दिसम्बर तक 5 हजार का विलम्ब शुल्क एवं दिसम्बर के बाद 10 हजार का विलम्ब शुल्क लेगा। 5 लाख से कम रिटर्न पर विलम्ब शुल्क न्यूनतम 1 हजार होगा। पहले किराये पर टीडीएस में व्यक्तिगत या एचयूएफ के टेक्स ऑडिट के दायरे वाले केस आते थे, लेकिन अब 50 हजार रुपये प्रतिमाह से अधिक किराये पर हर व्यक्ति या एचयूएफ को टीडीएस काटना होगा। किसी भी मामले में ज्यादा कटे हुए टीडीएस रिफण्ड पर अब सरकार 6 प्रतिशत वार्षिक ब्याज देगी। लोन लेकर मकान बनाने एवं उसे किराये पर देने के बाद किराया प्राप्ति एवं ब्याज के मध्य होने वाले नुकसान के संबंध में भी प्रावधानों में परिवर्तन किया है।

कार्यशाला के प्रारम्भ में चेम्बर अध्यक्ष श्री अनिल मानसिंहका, इन्स्टीट्यूट ऑफ कम्पनी सेक्रेट्री की चेयरपर्सन श्रीमति संजना जैन, टेक्सबार एसोसियेशन के श्री केसी बाहेती एवं इन्स्टीट्यूट ऑफ कॉस्ट एकाउन्टेन्ट के श्री वी के गोयल ने पुष्पगुच्छ से स्वागत किया। सेमीनार में श्री एस पी नाथानी, श्री जे के बागडोदिया, श्री आर के जैन, श्री शिव झंवर, श्री अतुल सोमानी, श्री टी सी चौधरी, श्री वी एस तापडिया, श्री सोहन लाल कोगटा, श्री सचिन राठी, श्री ओ पी डाड सहित शहर के चार्टर्ड एकाउन्टेन्ट, कम्पनी सेक्रेट्री एवं आयकर विशेषज्ञ उपस्थित थे।

कार्यशाला के बाद चेम्बर कार्यालय में श्री पी सी परवाल के प्रजेन्टेशन को सभी को उपलब्ध कराने के कई फोन आये, तदनुसार श्री परवाल का पूर्ण प्रजेन्टेशन यहां प्रकाशित किया जा रहा है।

Presentation by Mr. P.C. Parwal in seminar on Union Budget on 04.02.2017

TAX RATE

- ❑ The tax rate for individual, HUF, AOP, BOI or artificial jurisdictional person in the income bracket of Rs.2.5 lakhs (Rs.3 lakhs in case of individual of the age of 60 yrs or more but less than the age of 80 yrs) to Rs.5 lakhs reduced to 5% from the present rate of 10%.
- ❑ Rebate of income tax u/s 87A for individual having total income not exceeding Rs.5 lakhs is reduced to Rs.3.5 lakhs and the amount of tax which was Rs.2,000/- (for AY 2017-18, earlier it was Rs.5,000/-) is to be allowed at Rs.2,500/-.
- ❑ Surcharge @ 10% of tax payable is levied on individuals, HUF, AOP, BOI or artificial jurisdictional person whose total income is above Rs.50 lakhs but does not exceed Rs.1 crore.
- ❑ In case of domestic companies, rate of income tax is reduced to 25% if total turnover or gross receipts of PY 2015-16 does not exceed Rs.50 crore. Benefit of lower tax is not available to other business entity.
- ❑ The Taxation Law (Second Amendment) Act, 2016 has w.e.f.01.04.2016 has levied surcharge @ 25% on income chargeable to tax u/s 115BBE
- ❑ Section 115BBDA which hitherto was applicable on dividend received by individual, HUF or firm amended to provide that such income received by all residents except domestic company, funds/trust/institution referred to in section 10(23C)(iv), (v), (vi), (via) and trust/institutions registered u/s 12AA shall be chargeable to tax @ 10% on gross basis if such dividend income exceeds Rs.10 lakhs.

Rationalisation of provisions of section 80-IBA to promote affordable housing

- ❑ Certain criteria for availing deduction u/s 80-IBA, i.e. 100% deduction of the profits derived from the business of developing/building housing projects, has been amended.
- ❑ The project should be completed within 5 years instead of 3 years.
- ❑ Change in measurement criteria from built-up area to carpet area. Carpet Area under RERA, 2016 means a net usable floor area of an apartment excluding the area covered by external walls, areas under services shafts, exclusive balcony or veranda area and exclusive open terrace area but includes the area covered by internal partition walls of the apartment.

- Restriction that built-up area of residential unit should not exceed 30 sq. mts if project is located within distance of 25 kms from municipal limits of Chennai / Delhi / Kolkata / Mumbai is now curtailed.

No notional income for house property held as stock-in-trade

- It is proposed to insert a new sub-section (5) to section 23 so as to provide that
- where the property consisting of any building and land appurtenant thereto is held as stock-in-trade and
- the property or any part of the property is not let during the whole or any part of the previous year,
- the ALV of such property or part of the property, for the period up to one year from the end of the financial year in which the certificate of completion of construction of the property is obtained from the competent authority shall be taken to be nil.
- Delhi HC in case of CIT Vs. Ansal Housing Finance & Leasing Co. Ltd. (2013) 354 ITR 180 held that unsold flats in case of a builder would be liable to be assessed at its ALV u/s 23. Against this order, SC has admitted the SLP reported in 243 Taxman 144.

Measures for promoting digital economy

- Restricting cash donations
It is proposed to amend section 80G so as to reduce the limit of cash donation from Rs.10,000/- to Rs.2,000/-.
- Disallowance of depreciation under section 32
It is proposed to amend section 43 of the Act to provide that where assessee incurs any expenditure for acquisition of asset in respect of which payment or aggregate of payments made to a person in a day, otherwise than by account payee cheque/ account payee bank draft/ use of electronic clearing system through a bank account, exceeds Rs.10,000/-, such expenditure shall be ignored for purposes of determination of actual cost of such asset.
- Disallowance of capital expenditure under section 35AD
It is proposed to provide that no deduction u/s 35AD shall be available in respect of any capital expenditure if payment or aggregate of payments made to a person in a day, otherwise than by account payee cheque/ account payee bank draft/ use of electronic clearing system through a bank account, exceeds Rs.10,000/-.
- Disallowance of cash payment under section 40A(3)
It is proposed to amend the provision of section 40A(3) of the Act to provide the following:-
- To reduce the existing threshold of cash payment to a person from Rs.20,000/- to Rs.10,000/- in a single day.
- Deeming a payment as profits and gains of business of profession if the expenditure is incurred in a particular year but the cash payment is made in any subsequent year of a sum exceeding Rs.10,000/- to a person in a single day; and
- Further expand the specified mode of payment so as to include 'use of electronic clearing system through a bank account'.
- Promoting digital payments in case of small unorganized businesses
It is proposed to amend section 44AD of the Act to reduce the existing rate of deemed total income of 8% to 6% in respect of such turnover or gross receipts which is received by account payee cheque/account payee bank draft/use of electronic clearing system through bank account during the PY or before the due date specified in sec. 139(1) in respect of that PY (w.e.f. AY 2017-18).
- Restriction on cash transactions (w.e.f. 01.04.2017)
- New section 269ST is proposed to be inserted to provide that no person shall receive an amount of Rs.3 lakhs or more- in aggregate from a person in a day; or in respect of a single transaction; or in respect of transactions relating to one event or occasion from a person, otherwise than by an account payee cheque/account payee bank draft/use of electronic clearing system through bank account.
- Restriction shall not apply to (i) Government, (ii) any banking company, (iii) post office savings bank or co-operative bank, (iv) any receipt from sale of agricultural produce by an individual or HUF in whose hands such receipts constitutes agricultural income (v) such other persons or class of persons or receipts, as may be specified by the CG and (vi) in respect of transactions of the nature referred to in section 269SS.
- In case of contravention, penalty equivalent to amount received is leviable. No penalty if person proves that there were good & sufficient reasons for the contravention [New Section 271DA].
- Consequential amendment in sec. 206C to omit the provision relating to TCS @ 1% of sale consideration on cash sale of

jewellery exceeding Rs.5 lakhs. However, inspite of this amendment, sec. 206C would apply on cash sale of jewellery exceeding Rs.2 lacs as it would be otherwise covered by the term 'any other goods'.

MEASURES TO RESTRICT CASH POLITICAL FUNDING

PROPOSED PROVISIONS	EXISTING PROVISIONS
No donations of Rs.2,000/- or more is received otherwise than by account payee cheque/ account payee bank draft/use of electronic clearing system through a bank account/through electoral bonds.	No restriction on receipt of any amount of donation in cash by a political party.
Furnishes return for the PY in accordance with provisions of sub-section (4B) of sec. 139 on or before the due date as per sec. 139.	Filing of the return is not a condition precedent for availing exemption under the said section.
Political parties shall not be required to furnish name and address of donors who contribute by way of electoral bond.	Political parties shall furnish name & address of donors who made contribution in excess of Rs.20,000/-.

Incentives for promoting investment in immovable property

It is proposed to amend section 2(42A) of the Act so as to reduce the period of holding from the existing 36 months to 24 months in case of immovable property, being land or building or both, to qualify as long term capital asset.

Shifting base year from 1981 to 2001 for computation of capital gains

It is proposed to amend the section 55 so as to advance the cut-off date of 01.04.1981 to 01.04.2001. Accordingly, where the long-term capital asset has been acquired before 01.04.2001, then the cost of acquisition will be taken to be the FMV of the asset as on the 01.04.2001 and the cost of improvement shall include only those capital expenses which are incurred after 01.04.2001.

Joint Development Agreement- Shifting of tax incidence

- Ordinarily in case of JDA, capital gain tax liability in hands of owner arises in the year in which possession of immovable property is handed over to developer for development of project.
- New section 45(5A) is inserted to provide that:-
 - in case of an assessee being individual or HUF
 - who enters into a specified agreement (registered development agreement) for development of a project
 - the capital gains shall be chargeable to tax in that PY in which the certificate of completion for the whole or part of the project is issued by the competent authority.
- Full value of consideration received shall be deemed to be the stamp duty value of the owner share in the project on the date of issuing of certificate of completion as increased by consideration received in cash, if any.
- Benefit shall not be available if assessee transfers his share in the project to any other person on or before the date of issue of said certificate of completion. In such case, capital gain shall be charged in the year in which such transfer takes place.
- It is proposed to insert new sub-section (7) in section 49 to provide that in case of subsequent transfer, cost of acquisition shall be the amount which is deemed as full value of consideration.
- Amendments effective from 01.04.2018.
- New section 194-IC is proposed to be inserted to provide that in case any monetary consideration is payable under the specified agreement, tax @ 10% shall be deductible from such payment. This amendment is effective from 01.04.2017.
- Expanding the scope of long term bonds u/s 54EC

The existing provisions of section 54EC which provides that investment in bond issued by the National Highways Authority of India or by the Rural Electrification Corporation Limited is eligible for exemption under this section is now extended so as to include any bond which has been notified by Central Govt. in this behalf.

- ❑ No tax on conversion of preference share to equity share
 - ❑ It is proposed to amend section 47 to provide that the conversion of preference share of a company into its equity share shall not be regarded as transfer.
 - ❑ Consequentially, section 2(42A) of the Act is amended to provide that while computing the capital gain, period of holding shall include the period during which these shares were preference shares.
 - ❑ Consequentially, sec. 49 is amended to provide that cost of acquisition of equity share shall deemed to be the cost of preference share in relation to which such asset is acquired by assessee.

Cost of acquisition in tax neutral demerger of foreign co.

It is proposed to amend section 49 of the Act so as to provide that in case where demerged foreign company transfer shares of an Indian company to a resulting foreign company, then the cost of acquisition of such shares in the hands of the resulting foreign company shall be the same as it was in the hands of demerged foreign company.

Exemption of long term capital gains tax u/s 10(38)

Sec. 10(38) is proposed to be amended to provide that exemption from income arising on transfer of equity shares acquired on or after 01.10.2004 shall be available only if acquisition of such shares is chargeable to STT.

Earlier, this exemption was available if transactions of sale is undertaken on or after 1st October, 2014 and is chargeable to STT.

For genuine cases where STT could not have been paid like acquisition of shares in IPO, FPO, bonus or right issue, etc. it is proposed to notify such transfers where the condition of chargeability of STT on acquisition shall not be applicable.

FMV to be full value of consideration in certain cases

New section 50CA is proposed to be inserted to provide that for computation of capital gain in case of transfer of share of a company (other than quoted share), FMV shall deemed to be the full value of consideration if consideration in such transfer is less than the FMV.

Clarification regarding applicability of section 112

FA, 2012 w.e.f. 01.04.2013 amended provisions of sec. 112(1)(c) of the Act to provide concessional rate of taxation of 10% for LTCG arising from transfer of unlisted securities in case of non-resident.

FA, 2016 w.e.f. 01.04.2017 amended the said section to provide that LTCG arising from transfer of a capital asset being shares of a company not being a company in which the public are substantially interested shall also be chargeable to tax at the rate of 10%.

It is proposed to provide that the effective date of amendment made by FA, 2016 shall be 01.04.2013 instead of 01.04.2017.

Cost of Acquisition of capital assets of entities in case of levy of tax on accreted income u/s 115TD

Section 49 of the Act provides for computation of cost with reference to certain modes of acquisition of capital asset.

It is proposed to amend said section so as to provide that where the capital gain arises from the transfer of an asset, being the asset held by a trust or an institution in respect of which accreted income has been computed and the tax has been paid thereon in accordance with the provisions of Chapter XII-EB, the cost of acquisition of such asset shall be deemed to be the fair market value of the asset which has been taken into account for computation of accreted income as on the specified date referred to in sub-section (2) of section 115TD.

This amendment will take effect retrospectively from 1st June, 2016.

TDS on rent payment by Individual/HUF

Under the existing provision of section 194-I, an individual and HUF not liable for tax audit are not required to deduct tax at source.

It is proposed to insert new section 194-IB in the Act to provide that: individuals or HUF (other than those covered u/s 44AB), responsible for paying rent to a resident exceeding Rs.50,000/- for a month or part of month during the PY, shall deduct tax @ 5% of such income.

Time for deduction of tax- At the time of credit of rent for the last month of the PY or the last month of tenancy if property is vacated during the year or at the time of payment thereof whichever is earlier.

In the Memorandum, it is clarified that the deductor shall be liable to deduct tax only once in a PY but the language of the section does not suggest so.

The deductor shall not be required to obtain TAN u/s 203A.

Where the tax is required to be deducted as per the provisions of section 206AA, such deduction shall not exceed the amount of rent payable for the last month of the PY or the last month of the tenancy, as the case may be.

Rent means payment made for use of any land or building or both.

These amendments will take effect from 01.06.2017.

TDS on payment to call centres u/s 194J

In case of payee engaged only in the business of operation of call centre, TDS rate u/s 194J is reduced to 2% from 10%.

This amendment will take effect from 01.06.2017.

Benefit of Form 15G/15H extended to commission income of insurance agents

The existing provisions of section 197A provide that tax shall not be deducted if the recipient of certain payments furnishes to the payer a self- declaration in prescribed Form No. 15G/15H declaring that the tax on his estimated total income of the relevant PY would be nil.

It is proposed to extend scope of section to cover deduction at source in respect of insurance commission also referred u/s 194D.

This amendment will take effect from 01.06.2017.

Extension of time for concessional tax rate u/s 194LD

Existing provisions of section 194LD which provides for lower TDS @ 5% in case of interest payable at any time on or after 01.06.2013 but before 01.07.2017 to FIIs & QFIs on their investments in Govt. securities & rupee denominated corporate bonds is extended to interest payable before 01.07.2020.

Extension of time for concessional tax rate in case of external commercial borrowing and extension of benefit to rupee denominated bonds

Existing provisions of section 194LC which provide that interest payable to a non-resident by a specified company on borrowings made by it in foreign currency from sources outside India under a loan agreement or by way of issue of any long-term bond including long-term infrastructure bond shall be eligible for concessional TDS of 5% on borrowings made before 01.07.2017 is extended to the borrowings made before 01.07.2020.

It is further proposed to extend the benefit of the section to the rupee denominated bond issued outside India before 01.07.2020 (w.r.e.f. 01.04.2016).

Non-deduction of tax in case of exempt compensation under RFCTLAAR Act, 2013

Section 96 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act) provides that any compensation received for compulsory acquisition of land under the RFCTLARR Act is exempted from the levy of income-tax.

It is accordingly proposed to amend the section 194LA of the Act so as to insert a new proviso to provide that no deduction of tax at source shall be made under this section where such payment is made in respect of any award or agreement which has been exempted from the levy of income-tax under section 96 of the RFCTLARR Act, 2013.

Definition of 'person responsible for paying' in case of payments covered u/s 195(6)

Existing definition of 'person responsible for paying' as given in section 204 does not cover person referred in sec. 195(6) which are required to furnish information relating to payment of any sum to a non-resident or to a foreign company whether or not chargeable to tax.

To bring clarity in the definition, clause (iib) is inserted in sec. 195(6) to provide that in case of furnishing of information relating to payment of any sum to a non-resident or to a foreign company whether or not chargeable to tax, 'person responsible for paying' shall be the payer himself, or, if the payer is a company, the company itself including the principal officer thereof.

Exemption from TCS on sale of motor vehicle in case of specified buyers

It is proposed to amend the existing provision section 206C(1F) of the Act which provides for collection of tax at source @ 1% on sale of motor vehicle exceeding Rs. 10 lakhs so as to exempt the following class of buyers:-

Central Government, State Government and an embassy, a High Commission, legation, commission, consulate and the trade representation of a foreign State; or

local authority as defined in the Explanation to clause (20) of section 10; or

a public sector company which is engaged in the business of carrying passengers.

Strengthening of PAN quoting mechanism in TCS regime

It is proposed to insert new section 206CC w.e.f. 01.04.2017 to provide the following:-

- ❑ any person paying any sum or amount, on which tax is collectable at source under Chapter XVIIBB (collectee) shall furnish his PAN to the person responsible for collecting such tax (collector), failing which tax shall be collected at the twice the rate mentioned in the relevant section or at the rate of 5% whichever is higher.
- ❑ the declaration filed u/s 206C(1A) shall not be valid unless the person filing declaration furnishes his PAN in such declaration.
- ❑ in case any declaration becomes invalid, the collector shall collect the tax at source in accordance with provisions of sub-section (1).
- ❑ no certificate under sub section (9) of section 206C shall be granted unless it contains the PAN of the applicant.
- ❑ the collector knows about the correct PAN of the collectee it is also proposed to provide for mandatory quoting of PAN of the collectee by both the collector and the collectee in all correspondence, bills and vouchers exchanged between them.
- ❑ the collectee shall furnish his PAN to the collector who shall indicate the same in all its correspondence, bills, vouchers and other documents which are sent to collectee.
- ❑ where the PAN provided by the collectee is invalid or it does not belong to the collectee, then it shall be deemed that PAN has not been furnished to the collector.
- ❑ to exempt the non-resident who does not have permanent establishment in India from the provisions of this proposed section 206CC of the Act.

Rationalisation of Provisions relating to tax credit for Minimum Alternate Tax and Alternate Minimum Tax

It is proposed to amend the section 115JAA/115JD to provide that the tax credit determined under these sections can be carried forward up to 15 AYs immediately succeeding the AY in which such tax credit becomes allowable as against present period of 10 AYs.

It is also proposed to amend section 115JAA and 115JD so as to provide that the amount of tax credit in respect of MAT/AMT shall not be allowed to be carried forward to subsequent year to the extent such credit relates to the difference between the amount of foreign tax credit (FTC) allowed against MAT/AMT and FTC allowable against the tax computed under regular provisions of Act.

Increase in deduction limit in respect of provision for bad and doubtful debts

Existing section 36(1)(vii) amended to increase the deduction upto 8.5% of total income in place of 7.5% at present available to certain banking institutions including co-operative banks in respect of provision for bad and doubtful debts.

Extension of scope of section 43D/43B to Co-operative Banks

Existing provisions of section 43D of the Act which provides that interest income in relation to certain categories of bad or doubtful debts received by certain institutions/ banks/ corporations / companies, shall be chargeable to tax in the PY in which it is credited or actually received, whichever is earlier. This provision is now extended to co-operative banks also (other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank).

Existing section 43B of the Act amended to provide that deduction of expenditure of interest on any loan or advances availed from a co-operative bank other than a primary agricultural credit society or a primary co-operative agricultural and rural development bank shall be allowed as deduction if it is actually paid on or before the due date of furnishing the return of income.

Increasing the threshold limit for maintenance of books of accounts in case of Individuals and HUF

It is proposed to amend the provisions of section 44AA to increase monetary limits of income and total sales/turnover/gross receipts, as the case may be, for maintenance of books of accounts from Rs.1.20 lakhs to Rs.2.50 lakhs and from Rs.10 lakhs to Rs.25 lakhs respectively in the case of individuals and HUF carrying on business or profession.

Exclusion of certain specified person from requirement of audit of accounts u/s 44AB

It is proposed to amend the section 44AB so as to provide that the person who declares profits for the PY in accordance with the provisions of section 44AD shall not be required to get his accounts audited if the total sales/total turnover/gross receipts, as the case may be, in business does not exceed Rs.2 cores in such PY. Amendment effective from AY 2017-18.

Income from transfer of Carbon credits

It is proposed to insert a new section 115BBG to provide that where the total income of the assessee includes any income from

transfer of carbon credit, such income shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) on the gross amount of such income. No expenditure or allowance in respect of such income shall be allowed under the Act.

It may be noted that Andhra Pradesh HC in case of CIT Vs. My Home Power Ltd. 365 ITR 82 has held that carbon credits are capital receipts.

INCOME FROM OTHER SOURCES (SEC 56-59)

Widening scope of Income from Other Sources

New clause (x) is inserted in Sec. 56(2) in place of existing clause (vii) & (viii) to expand the scope of chargeability of any sum of money / property received without consideration or inadequate consideration in hands of all assesseees.

It provides that the receipt of sum of money / property in excess of Rs. 50,000/- by any person without consideration / inadequate consideration shall be chargeable to tax as income from other sources in the hands of the recipient. Thus, purchase of property by firm/ companies would also be covered.

Amendment effective from AY 2017-18.

Disallowance in computation of income from other sources

Existing provisions of section 58 of the Act, specify the amounts which are not deductible in computing the income under the head Income from other sources. For eg:- disallowance of cash expenditure, disallowance for non-deduction of tax from payment to non-resident, etc.

It is proposed to amend the section so as to provide that deduction of amount paid to residents on which tax has not been deducted at source [i.e. disallowance made u/s 40(a)(ia)] shall not be available while computing the income from other sources.

Amendment effective from AY 2017-18.

PROVISIONS RELATING TO CHARITABLE TRUST

Restriction on exemption in case of corpus donation by exempt entities to other exempt entities

Under existing provisions, donations made by an exempt entity registered u/s 12AA or 10(23C) to another exempt entity registered under the said sections with specific direction that it shall form part of the corpus of the donee entity, is considered as an application of income in the hands of donor but not considered as income in the recipient's hands.

To restrict this, Explanation is inserted in sec. 11 to provide that any amount credited or paid with specific direction that it shall form part of the corpus of the trust or institution shall not be treated as application of income.

A proviso is also inserted in section 10(23C) to provide similar restriction.

Fresh registration of public trust upon modification of objects

Section 12A of the Act provides for conditions for applicability of sections 11 and 12 in relation to the benefit of exemption. Section 12AA provides for registration of trust which entitles them to benefit u/s 11 & 12.

Section 12A is amended to provide that where a trust which is entitled for benefit u/s 11 & 12 adopted or undertaken modifications in the objects which do not conform to the conditions of registration, then trust will have to file application for fresh registration u/s 12AA within 30 days to the Principal Commissioner or Commissioner.

Further amendment is made in section 12A so as to provide for further condition for entitlement of benefit u/s 11 & 12, i.e. to file the return of income u/s 139(4A) within time allowed u/s 139 of the Act.

START-UPS

Extension of benefit of Carry forward and set off of loss in respect of eligible start-ups

As per existing provision of section 79, in case of unlisted companies, no loss incurred in any year prior to the PY shall be carried forward and set off against the income of the PY unless on the last day of the PY the shares of the company carrying not less than 51% of the voting power were beneficially held by persons who beneficially held shares of the company carrying not less than 51% of the voting power on the last day of the year or years in which the loss was incurred.

In order to relax the provisions for eligible start-ups, section 79 is amended so that 51% rule do not apply to such set-ups. Instead they would allow to carry forward & set off losses if all the shareholders of such company carrying voting power on the last day of the year in which the loss was incurred, being the loss incurred during the period of 7 years beginning from the year in which such company is incorporated, continue to hold those shares on the last day of PY in which such loss is sought to be set off.

It is also proposed to provide that the provisions of this section shall not apply to a case where a change in the voting power and

shareholding takes place in a PY consequent upon the death of shareholder or on account of transfer of shares by way of gift to any relative of the shareholder making such gift.

Extending the period for claiming deduction by start-ups

It is proposed to amend the section 80-IAC to provide that an eligible start-up shall be allowed deduction of 100% of the profits and gains derived from eligible business for any 3 consecutive AYs out of 7 years instead of 5 years beginning from the year in which such eligible start-up is incorporated.

EXEMPTION – DEDUCTION

Rationalization of provisions of section 10AA

Under the existing provisions of section 10AA, deduction for fifteen consecutive years is provided from the total income of an assessee in respect of profits and gains from his Unit operating in Special Economic Zone which are engaged in manufacturing or production of articles or things or providing any services, subject to fulfilment of the conditions mentioned in that section.

It is proposed to insert a new Explanation after sub-section (1) of the said section w.e.f. 01.04.2018 so as to provide that the amount of deduction referred to in that section shall be allowed from the total income of the assessee computed in accordance with the provisions of the Income-tax Act, before giving effect to the provisions of the said section and the deduction under the said section shall not exceed such total income of the assessee.

Rationalisation of deduction under section 80CCD for self-employed individual

Sec 80CCD(1) is amended so as to provide that the limit of deduction available an individual other than employee shall increase from 10%to 20%.

Tax-exemption to partial withdrawal from National Pension System (NPS)

Early withdrawal from NPS will not attract tax to the extent it does not exceed twenty-five per cent of the contribution made by him.

For eg:-let us assume that your corpus now is Rs.2 lacs. Rs.1 lacs contributed by you and remaining by your employer. Instead of withdrawing the entire amount at retirement, you can withdraw 25% of your contribution earlier without any tax incidence. The remaining Rs.1.75 lacs is withdrawn on retirement. Since 40% of this Rs.1.75 lacs or Rs.70,000/- is tax free at retirement, the total tax free amount goes up to Rs.95,000/- (25,000+70,000). Had the entire amount be withdrawn at retirement, the tax free component would have been Rs.80,000/- only.

ASSESSMENT

Mandatory furnishing of return by certain exempt entities

Sec. 10(23AAA), Investor Protection Fund referred to in Sec.10(23EC) or (23ED), Core Settlement Guarantee Fund referred to in Sec.10(23EE) and any Board or Authority referred to in Sec.10(29A) shall also be mandatorily required to furnish a return of income so as to verify that they actually carry out the activities for which the exemption has been provided under the Act.

Time Limit for filing revised return curtailed

Sec. 139(5) is amended so as to provide that the time for furnishing of revised return in case the assessee discovers any omission or wrong statement in the return of income already furnished shall be available upto the end of the relevant assessment year or before the completion of assessment, whichever is earlier.

Processing of return within the prescribed time and enable withholding of refund in certain cases

Provisions of sec. 143(1D) provide that processing of return shall not be necessary where notice has been issued to assessee under sub-sec. (2) of the said section. Amendment to the said sub-section brought by FA, 2016 provides that w.e.f. AY 2017-18, processing u/s 143(1) is to be done before passing of assessment order.

In order to address the grievance of delay in issuance of refund in genuine cases which are routinely selected for scrutiny assessment, it is proposed that provisions of section 143(1D) shall cease to apply in respect of returns furnished for AY 2017-18 and onwards. New section 241A is inserted to provide that where refund becomes due to the assessee u/s 143(1) in respect of the returns furnished for AY commencing on or after 01.04.2017, he may withhold the refund upto the date on which the assessment is made

- after recording reasons in writing that grant of refund may adversely affect the recovery of revenue
- with previous approval of Principal Commissioner/ Commissioner

Reason to believe or Reason to suspect in respect of search not be disclosed

Section 132 and section 132A of the Act provides for procedure of search and seizure and power to requisition books of accounts respectively. The said section requires 'reason to believe' or 'reason to suspect' recorded by the income-tax authority in order to authorize search or to require books of accounts of any person.

Disclosure of such 'reason to believe' or 'reason to suspect' has always been a matter of judicial consideration. It is therefore proposed to insert an Explanation to section 132 & 132A to clarify that such 'reason to believe' or 'reason to suspect', shall not be disclosed to any person or any authority or the Appellate Tribunal.

These amendments will take effect retrospectively from the date of enactment of the said provisions, i.e. in case of section 132, w.e.f. 01.04.1962 and in case of section 132A, w.e.f. 01.10.1975.

Rationalisation of provisions of Income Declaration Scheme, 2016 & consequential amendment to section 153A and 153C

Section 197(c) of FA, 2016 which provides indefinite time limit to assess the income which has not been declared under IDS, 2016 has been omitted w.r.e.f. 01.06.2016.

Section 153A of the Act is proposed to be amended to provide that notice under this section can be issued for an assessment year or years beyond the sixth assessment year already provided upto the tenth assessment year if-

AO has in his possession books of accounts or other documents or evidence which reveal that the income which has escaped assessment amounts to or is likely to amount to Rs.50 lacs or more in one year or in aggregate in the relevant four assessment years (falling beyond the sixth year); such income escaping assessment is represented in form of asset; income escaping assessment or part thereof relates to such year or years.

It is however proposed that the amended provisions of section 153A shall apply where search under section 132 is initiated or requisition under section 132A is made on or after the 1st day of April, 2017.

Consequential amendment has also been proposed in section 153C of the Act.

Power of provisional attachment

To protect the interest of revenue and safeguard recovery in search cases, it is proposed to insert sub-section (9B) and (9C) in sec. 132 to give power to authorised officer to provisionally attach the property belonging to assessee. The following conditions need to be satisfied before attaching the property:-

The property must be attached during the course of a search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed.

The authorised officer should be satisfied and the reasons should be recorded in writing.

Prior approval of Principal Director General or Director General or Principal Director or Director is necessary.

Provisional attachment shall cease to have effect after the expiry of six months from the date of order of such attachment.

Reference to Valuation Officer (VO)

Sub-section (9D) is inserted in sec. 132 to give power to authorised officer to make reference to VO as referred in sec. 142A for the purpose of estimation of fair market value of undisclosed income in the form of investment or property.

The reference should be made during the course of a search or seizure or within a period of sixty days from the date on which the last of the authorisations for search was executed.

VO shall furnish the valuation report within sixty days of receipt of such reference.

Extension of the power to survey

The existing provisions of section 133A empower an income-tax authority to enter any place, at which a business or profession is carried on, or at which any books of account or other documents or any part of cash or stock or other valuable article or thing relating to the business or profession are kept, for the purposes of conducting a survey.

It is proposed to widen the scope of the said section by amending sub-section (1) to include any place, at which an activity for charitable purpose is carried on.

This amendment will take effect from 1st April, 2017.

Rationalisation of time limits for completion of assessment, reassessment, re-computation and search assessment

Section 153/ 153B is proposed to be substituted with the following changes in time limit from the existing time limits:-

SECTION REFERENCE	OLD TIME LIMIT	NEW TIME LIMIT
Regular assessment u/s 143/ Best judgment assessment u/s 144	21 months from end of the AY in which income was first assessable	For AY 2018-19 18 months from the end of the AY in which income was first assessable For AY 2019-20 and onwards 18 months from the end of the AY in which income was first assessable
Reassessment u/s 147	9 months from the end of the financial year in which notice u/s 148 is served	Notice served on or after 01.04.2019 12 months from the end of the financial year in which notice u/s 148 is served
An order of fresh assessment as result of an order u/s 254 or 263 or 264 setting aside or cancelling an assessment	9 months from the end of the financial year in which such order is received/passed by prescribed authorities	Order passed or received in FY 2019-20 and onwards 12 months from the end of the financial year in which such order is received/passed by prescribed authorities
Order u/s 250 or 254 or 260 or 262 or 263 or 264 requiring verification of an issue	No specific provisions	Time limit as above would apply
Assessment u/s 153A	21 months from the end of the financial year in which the last of the authorisations for search u/s 132 or for requisition u/s 132A was executed	Search conducted in FY 2018-19 18 months from the end of the financial year in which the last of the authorisations for search u/s 132 or for requisition u/s 132A was executed.
		Search conducted in FY 2019-20 and onwards 12 months from the end of the financial year in which the last of the authorisations for search u/s 132 or for requisition u/s 132A was executed
Assessment u/s 153C	21 months from the end of the financial year in which the last of the authorisation for search u/s 132 or requisition u/s 132A was executed	Period available in case of a person on whom search is conducted or 12 months from the end of the FY in which books or documents or assets are handed over to the AO having jurisdiction over such person, whichever is later.

PENALTY & TAXES

Fee for delayed filing of return

Return furnished after due date		In case income does not exceed Rs. 5 Lakhs
But before 31st Dec of AY	In any other case	Rs. 1,000/-
Rs. 5,000/-	Rs. 10,000/-	

Consequential amendment shall made in Sec. 140A to provide for inclusion in case of delay in furnishing of return of income, along with tax & interest, fee for delay in furnishing of return shall also be payable.

Consequential amendment shall be made to Sec. 143(1) to provide that in computation of amount payable or refund due, as the case may be, on account of processing of return under the said sub-section, the fee payable under section 234F shall also be taken into account.

Consequential amendment is proposed in Sec. 271F to provide that penalty for failure to furnish return shall not be applicable from AY 2018-19.

Penalty on professionals for furnishing incorrect information in statutory report or certificate

New Sec. 271J is inserted to provide that that if an accountant or a merchant banker or a registered valuer, furnishes incorrect

information in a report or certificate under any provisions of the Act or the rules made thereunder, the AO or the CIT (Appeals) may direct him to pay a sum of Rs. 10,000/- for each such report or certificate by way of penalty.

Consequential amendment shall be made in Sec. 273B to provide that if the person proves that there was reasonable cause for the failure, then penalty shall not be imposable in respect of the proposed section 271J.

This amendment will take effect from 1st April, 2017.

Interest on refund due to deductors

It is proposed to widen the scope of section 244A by insertion of a new sub-section (1B) in the said section to provide that where refund of any amount becomes due to the **deductor**, such person shall be entitled to receive, in addition to the refund, simple interest on such refund, calculated @ 1.5% for every month or part of a month from the date on which claim for refund is made or in case of an order passed in appeal, from the date on which the tax is paid, to the date on which refund is granted.

It is also proposed to provide that the interest shall not be allowed for the period for which the delay in the proceedings resulting in the refund is attributable to the deductor.

This amendment will take effect from 1st April, 2017.

MISCELLANEOUS

Scope of section 92BA of the Income-tax Act relating to Specified Domestic Transactions

It is proposed to amend the existing provisions of section 92BA of the Act so as to provide that expenditure in respect of which payment has been made by the assessee to a person referred to in section 40A(2)(b) are to be excluded from the scope of section 92BA of the Act. Accordingly, it is also proposed to make a consequential amendment in section 40(A)(2)(b) of the Act.

This amendment will take effect from 01.04.2017 and will apply to AY 2017-18.

Restriction on set-off of loss from House property

Section 71 of the Act relates to set-off of loss from one head against income from another.

It is proposed to insert sub-section (3A) in the said section to provide that set-off of loss under the head "Income from house property" against any other head of income shall be restricted to two lakh rupees for any assessment year. However, the unabsorbed loss shall be allowed to be carried forward for set-off in subsequent years in accordance with the existing provisions of the Act.

Rationalisation of section 211 and section 234C relating to advance tax

It is proposed to amend the section 211 of the Act to provide that the assessee who declares profits and gains in accordance with presumptive taxation regime provided u/s 44ADA shall be liable to pay advance tax in one instalment on or before the 15th of March.

Consequential amendment is made in section 234C to provide that in respect of an assessee referred to in section 44ADA, interest shall be levied, if the advance tax paid on or before the 15th March, is less than the tax due on the returned income.

It is further proposed to provide that that if shortfall in payment of advance tax is on account of under-estimation or failure in estimation of income of the nature referred to in section 115BBDA (taxation of dividend income), the interest under section 234C shall not be levied subject to fulfilment of conditions specified therein.

This amendment will take effect from 01.04.2017 and will apply to AY 2017-18.

Tax incentive for the development of capital of Andhra Pradesh

Section 10(37A) proposed to be inserted to provide that capital gain arising from the Land Pooling Scheme (LPS) as well as transfer of land pooling ownership certificates (LPOCs) or reconstituted plot or land of the scheme made by Government of Andhra Pradesh shall not be chargeable to tax in case of individual or HUF in following cases:-

Transfer of capital asset being land or building or both, under land pooling scheme. Sale of LPOCs by the said persons received in lieu of land transferred under the scheme. Sale of reconstituted plot or land by said persons within two years from the end of the financial year in which the possession of such plot or land was handed over to the said persons.

Section 49 is accordingly amended to provide that where reconstituted plot or land, received under land pooling scheme is transferred after the expiry of two years from the end of the financial year in which the possession of such plot or land was handed over to the said assessee, the cost of acquisition of such plot or land shall be deemed to be its stamp duty value on the last day of the second financial year after the end of financial year in which the possession of such asset was handed over to the assessee.

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अपेरेल एवं गारमेन्ट पेकेज पर कार्यशाला

22 फरवरी 2017 को मेवाड चेम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्री, वस्त्र आयुक्त के क्षेत्रीय कार्यालय नोएडा एवं उद्योग विभाग राजस्थान सरकार के संयुक्त तत्वावधान में मेवाड चेम्बर भवन में टेक्सटाइल पॉलिसी एवं अपेरेल एवं गारमेन्ट पेकेज पर कार्यशाला आयोजित हुई। कार्यशाला में उद्योग विभाग के अतिरिक्त निदेशक श्री एल सी जैन ने कहा कि भीलवाडा में यार्न स्पिनिंग से लेकर फेब्रिक्स, निटेड फेब्रिक्स, डेनिम निर्माण आदि की सभी तरह की इकाईयां हैं लेकिन गारमेन्ट सेक्टर में विकास नहीं है। भीलवाडा का 50 प्रतिशत धागा निर्यात हो रहा है। बड़ी मात्रा में डेनिम कपडा निर्यात हो रहा है। उसी जगह हम रेडीमेड गारमेन्ट जीन्स आदि बनाकर निर्यात करे तो उत्पाद की कीमत एवं मेहनत का नतीजा कई गुणा अच्छा निकल सकता है। उन्होंने कहा कि गारमेन्ट सेक्टर में फेक्ट्री निर्माण से उत्पादन की अवधि अन्य सेक्टर के मुकाबले काफी कम है, गारमेन्ट के लिए केन्द्रीय सरकार ने स्पेशल पेकेज घोषित किया है। साथ ही राज्य सरकार की ओर से इस उद्योग के लिए स्कील डवलपमेन्ट योजना भी चलाई जा रही है। अतः इन सबका उपयोग करके अब भीलवाडा के उद्यमियों को रेडीमेड गारमेन्ट उद्योग की ओर बढ़ना चाहिए।

आपसी परिचर्चा में चेम्बर के पूर्वाध्यक्ष डॉ पी एम बेसवाल ने कहा कि अब तो भीलवाडा में सलजर लूम भी विदाई की ओर है। उद्यमी अच्छी कीमत के कपडे एवं डेनिम आदि निर्माण के लिए रेपीयर एवं एयरजेट लूम लगा रहे हैं। लेकिन डेनिम यूनिट के लिए डाईंग इकाईयां स्थापना की इजाजत नहीं मिल रही है जबकि इस तरह के उद्योग में पानी का उपयोग बहुत कम है। राज्य सरकार को पहल कर केन्द्रीय भूजल विभाग से इस तरह की इकाईयों की स्थापना की सहमति दिलवानी चाहिए। राज्य सरकार को गारमेन्ट उद्योग के विकास के लिए कुद बडे उद्योग समूहों को यहां लाकर स्थापित करना चाहिए। ताकि उनके साथ अन्य उद्यमी भी उनके साथ बढ़ सकें। उद्यमियों ने कहा कि गारमेन्ट उद्योग की स्थापना में मशीनरी के मुकाबले जमीन एवं भवन निर्माण का लागत बहुत ज्यादा है, ओर इस पर कोई कपीटल सबसिडी नहीं है। राज्य सरकार को भी इस तरह के उद्योग के लिए भवन एवं भूमि केपीटल सबसिडी सहित कोई विशेष पेकेज लाना चाहिए। उद्यमियों ने बताया कि जमीन व भवन निर्माण की अधिक लागत से वर्तमान में स्थापित रेडीमेड गारमेन्ट इकाईयां पूंजी की कमी से स्वयं की मार्केटिंग नहीं कर पा रही है एवं उन्हें जोब वर्क करने पर विवश होना पड रहा है।

कार्यशाला में उद्योग विभाग के अतिरिक्त निदेशक श्री डी सी गुप्ता एवं वस्त्र आयुक्त के क्षेत्रीय कार्यालय के अधिकारी श्री विकास वर्मा ने भी अपने विचार रखे। श्री विकास वर्मा ने अपने प्रजेन्टेशन में विभिन्न योजनाओं की जानकारी दी। कार्यशाला में चेम्बर के मानद महासचिव श्री सूर्य प्रकाश नाथानी, संयुक्त सचिव श्री आर के जैन, भीलवाडा टेक्सटाइल ट्रेड फेडरेशन के श्री अतुल शर्मा के साथ कई उद्यमी उपस्थित थे।



ईएसआईसी - 2.0
चिंता से मुक्ति

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हम एक यूनिट एक पहचान संख्या की ओर अग्रसर हैं

भारत सरकार भिन्न श्रम प्रवर्तन एजेंसियों जैसे ई.एस.आई.सी. /ई.पी.एफ.ओ./ मुख्य श्रमायुक्त (केन्द्रीय) एवं खान सुरक्षा महानिदेशालय द्वारा जारी किए जा रहे अलग-अलग नियोक्ता कोडों की जगह केवल एक श्रम पहचान संख्या (LIN) जारी कर इनसे छुटकारा देने जा रही है। आपके व्यावसायिक इकाई को एक LIN आबंटित किया जा चुका है जिसे आप <http://tinyurl.com/whatismylin> खोल कर जान सकते हैं। इससे पहले की वर्तमान में प्रचलित नियोक्ता कोड बेकार हो जाएं कृपया अपने लिन के साथ जुड़ी जानकारी को जांच कर सत्यापित कर दें। सत्यापित करने के लिए प्रक्रिया <http://tinyurl.com/shramsuvindhahowto> पर दी गई है। किसी भी सहायता के लिए कृपया websupport-mol@nic.in पर सम्पर्क करें।

CBEC LAUNCHES GST MOBILE APP & INVITES SUGGESTIONS ON AIR DUTY DRAWBACK RATES UNDER GST

Striving towards implementation of Goods and Services Tax (“GST”) from July 1, 2017, the Central Board of Excise and Customs (“CBEC” or “the Board”) has launched a mobile application for GST, in step with the government's Digital India initiative.

Taxpayers can readily access a host of GST information such as:

- Migration to GST-Approach and guidelines for migration
- Draft Law-Model GST Law, IGST Law and GST Compensation Law
- Draft Rules - Rules related to Registration, Returns, Payment, Refund and Invoice
- Frequently Asked Questions (FAQs) on GST
- Various resources on GST such a videos, articles etc.
- Related Website Links
- Helpdesk/Email Contact

The mobile application enables taxpayers to be well informed of the latest updates on GST. Taxpayers can also provide feedback and contact CBEC's 24x7 helpdesk “CBEC Mitra” through a toll-free number or email, at the touch of a button.

The mobile application can be downloaded free of cost on Android platforms. The iOS version will be made available shortly.

CBEC invites suggestions on AIR Duty Drawback rates under GST

Further, the CBEC vide letter F. No. 609/23/2017-DBK dated February 23, 2017, has invited suggestions from Export Promotion Councils/ Commodity Boards/ Trade and Industry Associations/ Chambers of Commerce on All Industry Rates (“AIR”) of Duty Drawback under the GST framework.

Suggestions in this regard can be submitted by March 15, 2017 via email sent to the mentioned id therein. Further, the list of Export Promotion Councils/ Commodity Boards/ Trade and Industry Associations/ Chambers of Commerce, have been specifically provided, who can submit the suggestions.

It is worthwhile to note that under GST, imports and exports of goods and services would be treated as Inter-State supply of goods or services and thereby, Integrated GST (“IGST”) would be payable along with Basis Customs Duty (“BCD”) on import of goods and IGST on import of services. It is likely that under GST, rate of Duty Drawback could be limited to the amount of BCD paid on imported inputs used for manufacturing exported goods.

To access the letter, please click on the link below:

<http://www.cbec.gov.in/resources//htdocs-cbec/draft-circ/suggestions-from-EPC.pdf>

Contributed by Shri Bimal Jain, New Delhi

Employees Enrolment Campaign 2017 offers opportunity to employers to voluntarily declare details of all employees.

EPFO settles 19,114 grievances in January, 2017

EPFO launched **Employees Enrolment Campaign 2017** offering opportunity to the employers to voluntarily declare details of all employees hitherto deprived of social security benefits under EPFO. The declaration scheme is operational between January 1st 2017 to March 31st 2017. Under the Scheme: The employees' share of contributions if declared by the employer as not deducted shall stand waived. The damages to be paid by the employer in respect of the employer in respect of the employees for whom declaration has been made under this campaign shall be at the rate of Rupee One per annum. No administrative charges shall be collected from the employer in respect of the contribution made under the declaration. A declaration can be made under the Campaign for the period for which no inquiry under Section 7A has been initiated.

EPFO has provided facility for online declaration under the Principal Employer section of EPFO portal which facilities the implementation of the Employees' Enrolment Campaign. After declaration, the payments are to be remitted by the employer through month-wise ECRs for the entire past period of enrolments.

To facilitate enhanced services, furnishing of Aadhar has now been made mandatory for members and pensioners of the Employee's Pension Scheme. Furnishing of Aadhar seeded bank accounts as well as Aadaar by EPF members would facilitate better identification as well as consolidation of EPF accounts linked with various spells of employment of EPF members. This would allow offering any time anywhere services to EPF members.

ECR 2.0 has been operationlized and the principal employer can view details of contractor establishment's compliance status. This will help all employees, particularly contract employees, becoming aware of any non-compliance by their employer/contractor as they shall be immediately receiving SMSs whenever a contribution is credited into their account.

In January 2017, EPFO settled 19,114 grievance leaving 2,556 as pending. Out of the pending grievances, 2,206 were pending for less than seven days.

As a part of next phase of computerization, EPFO is moving towards a centralized receipt and payment, system. EPFO has entered into banking arrangements with multiple banks. Once operationized, this would also facilitate automation of compilation of financial information as required for compiling the organizational balance sheet and other monitoring reports.

INDIA: A LUCRATIVE MARKET FOR TEXTILE CHEMICALS

Textile chemicals have a close association with the textile industry; the growth in textiles market along with the growth of textile trade is expected to have a positive influence on the India textile chemicals market. An increasing thrust for export of quality textiles to Western countries is also positively driving the textile chemicals market. In addition, increasing investments by the industry players for the development of eco-friendly chemicals will also contribute to the growth of the India textile chemicals market.

Textile chemicals are a class of specialty chemicals that are used for dyeing and processing of textiles in order to obtain the final product with required characteristics. The India textile chemicals market is highly fragmented with a presence of more than 300 small and large players. The presence of a large number of players is attributed to the heavy subsidies provided by the Government of India to small players for setting up business operations. This accounts for the majority share being held by minor players. However, the share of small textile chemical manufacturers is expected to decline in the coming years due to the increasing preference for quality products and the increasing penetration of technical textiles.

Increasing Export of Quality Textiles Exhibit Demand for Auxiliaries Textile Chemicals

The production of textiles involves numerous water and chemical intensive processes. These chemicals, which are broadly classified into colourants and auxiliaries, are used during textile processing and manufacturing processes.

Auxiliaries will account for a major share of the India textile chemicals market owing to the increasing demand for quality textiles and technical textiles in both domestic and international markets. The increasing exports of high-quality textiles in the U.S. and Western Europe are also exhibiting an increasing demand for auxiliaries.

Chemicals such as azo dyes and formaldehyde that are used in textile processing pose a risk to the environment. To address this, textile chemical manufacturers are investing in R&D and striving to develop green products that are environmentally sustainable. Producers of textile chemicals are also stressing upon the use of bio-auxiliaries and alternate environment-friendly materials to curb the overall pollutant concentration.

The Indian textile chemicals industry is a major consumer of water and energy. The use of novel textile processing techniques such as beck dyeing modification, dye bath reuse, close cycle textile dyeing, foam process, mach nozzle fabric drying, and ink and film application can reduce water and energy consumption in the textile chemicals industry.

Launch of 'Technology Mission' for Textiles by Government of India Encourages Entry of New Players

The India textile chemicals industry is witnessing a sea of change in terms of product innovation. Top players in the India textile chemicals market such as Clariant and Huntsman and BASF are striving for the development of eco-friendly products as well as high-end products that impart functional properties to textiles. These companies are extensively utilising bio-auxiliaries and other eco-friendly chemicals to curb the overall pollution caused by textile processing plants. Other than this, product manufacturers are implementing functional solutions such as negative ion therapy, anti-microbial effect, novel effect, and stain releases.

In this regard, the Government of India has introduced 'Technological Mission' in the bid to encourage new players to participate in the technical textiles industry and allied industries. The programme aims to educate new players and share knowledge about technical textiles.

Apparel, home furnishing/textiles, and industrial textiles are the major end users of textile chemicals. Among these, apparel accounts for the largest share owing to the increasing demand for fashionable and eco-friendly products. The expeditious growth of the apparel industry is a major factor supporting the growth of the India textile chemicals market.

The information presented here is sourced from Future Market Insights latest report on the Asia Textile Chemicals Market. A free sample of this report is available upon request.

(Source: OilVoice, February 15, 2017)

BANGLADESH : TEXTILE MILLERS FEAR LOSING GLOBAL COMPETITIVENESS

Textile millers fear losing competitiveness in the global market as the government's move for using Liquefied Natural Gas (LNG) in the manufacturing sector will hike the production cost.

Bangladesh Textile Mills Association (BTMA) President Tapan Chowdhury made the remark while addressing a press conference on the upcoming Dhaka International Textile and Garment Machinery Exhibition (DTG)-2017 in the city on Sunday.

A four-day mega expo on textile machinery is set to kick off at Bangabandhu International Conference Center (BICC) in the city on Thursday.

Besides, the sector people claimed that scarcity of lands and insufficient gas and electricity connection are the key barriers to the private sector investment growth.

The government is going to establish a LNG terminal in Kutubdia Island to supply imported gas to the industry people as the country fears of finishing its natural gas stock in near future.

BTMA along with Yorkers Trade and Marketing Services, Chan Chao International will organise the show where a total of 1,000 machinery manufacturers from 33 countries will take part.

“It would be very difficult to remain competitive in the global markets after using LNG in the manufacturing units as it would increase the production cost,” said Tapan in response to a question.

He continued as saying: “We are yet to get any clarification about the possible LNG pricing and other related process although we have heard that per unit gas may cost Tk 14, which would hit hard the spinning industry.”

Despite political stability and comparatively low bank interest rates, the private sector investment growth is still not up to the expected level, said Tapan, also a former advisor to a caretaker government.

He explained that scarcity of land and insufficient gas and electricity connections are now being considered as the barriers to the private sector investment in the country.

As the sector people are not getting the connection for the expansion of their existing business, it would hurt the apparel industry as the textile industry is the source of raw materials for the sector, he added.

Currently, country's textile industry has an investment of US\$6 billion while RMG and textile sector contribute about 86% of total export and textile industry's contribution to GDP is 13%.

(Source: Dhaka Tribune, February 20, 2017)

CHAMBER PRESIDENT VISITS POLAND FOR PROMOTION OF EXPORTS

Mr Anil Mansinghka, President of Mewar Chamber of Commerce & Industry visited Poland for promotion of exports of textiles and other products to Poland during last week of February 2017. During his visit he met Ms. LUCYNA JAREMCZUK, Counsellor General, Ministry of Economic Development, Department of International Co-operation, Poland and Mr. Ajay Bisaria, Ambassador of India to Poland and Lithuania.

On his initiative the Hon'ble Ambassador talked to Hon'ble Chief Minister of Rajasthan Smt Vasundhara Raje and requested her to visit Poland for promotion of international trade between Poland and Rajasthan state and for investment in Rajasthan. It is likely that Hon'ble C.M. may visit Poland in near future, with a trade delegation.



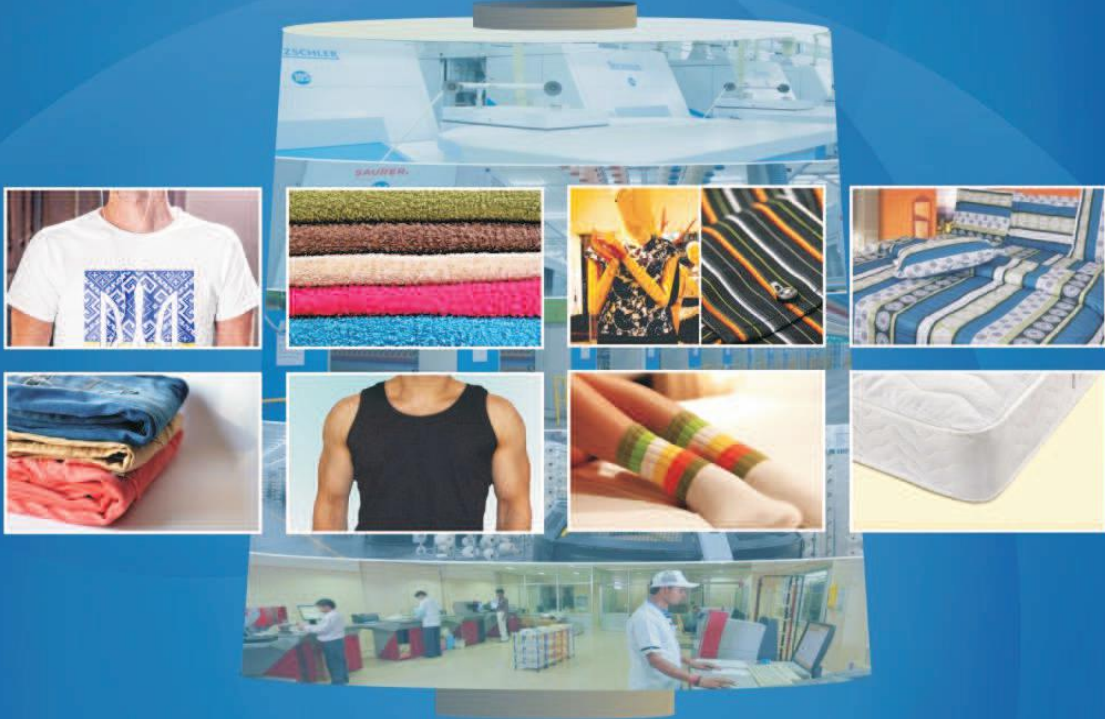
Mr. Anil Mansinghka with Mr. Ajay Bisaria Ambassador of India to Poland and Lithuania



Mr. Anil Mansinghka with Ms. LUCYNA JAREMCZUK
Counsellor General, Ministry of Economic Development, Department of International Co-operation, Poland



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