



Gateway

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President's Message



Dear Friends,

I am extremely happy to meet you in this issue and convey to all of you my warmest greetings and good wishes.

The new financial year has just begun and it is with a lot of enthusiasm and hope we put in the best of efforts to scale new heights in our economic milieu. I am happy to share with you the World Bank's prediction that India's economic activity is expected to accelerate from 7.5% in FY 2016 to 7.7% in FY 2017 based on the expectation of strong private investment, a push in infrastructure spending, an improved investment climate and improved corporate and financial balance sheets. According to the report, the GDP growth in India will be supported by a rebound in agriculture and stimulus from civil service pay reforms.

IJCCI has been actively involving in the cause of promoting economic activities between our two countries. The various Cells formed to facilitate interaction have now gained momentum. The Legal/Taxation Cell initiated its activities with a programme on the year's budget in early March. The Language School of IJCCI has inaugurated a Club to promote speaking skills and to understand and appreciate Japanese arts and culture.

We are lucky to have had the honour of receiving our Japanese Ambassador, His Excellency Mr Kenji Hiramatsu, to commemorate our Anniversary function on April 26, 2016. The Chamber will redouble its efforts to work more intensely for further strengthening Indo-Japan bilateral relations.

With warm regards,

N. Kumar

IJCCI Chamber Day



The Japanese Ambassador to India, His Excellency Mr. Kenji Hiramatsu delivered a Special Address on the occasion of the IJCCI Chamber Day. Hon'ble Mr. Seiji Baba, Consul General, felicitated.



Key Take-aways of the Union Budget 2016-17



A special seminar organised by the Legal Cell Convenor Mr. P.S. Suman, A.K. Mylsamy and Associates.

Union Budget 2016 has announced several policy-related measures to give the Indian economy the much needed boost.

Change in tax rates

There is no change in slab rates for personal taxation.

The tax rate for companies with a turnover up to 50 million INR has been marginally reduced.

Option to avail of reduced tax rate of 25% has been made available to manufacturing companies set up after March 1, 2016, if the company does not claim profit or investment-linked deductions.

No change in the peak rate of excise duty, customs duty and the base rate of service tax.

Krishi Kalyan Cess (KKC) is proposed to be levied with effect from June 1, 2016 at the rate of 0.5%.

Infrastructure cess is to be levied on the manufacture of motor vehicles at the following rates, without input tax credit of the proposed cess:

- Petrol/CNG/LPG vehicles not exceeding 1,200 cc: @ 1%.
- Diesel-driven motor vehicles not exceeding 1,500 cc: @ 2.5%.
- SUVs, sedans and others: @ 4%.

Clean Energy Cess levied on coal, lignite and peat has been renamed Clean.

Environment Cess increased from 200 INR per tonne to 400 INR per tonne. 1% service charge on purchase of luxury cars over Rs. 10 lakh and in-cash purchase of goods and services over Rs. 2 lakh. 4% high capacity tax for SUVs.

Companies with revenue less than Rs. 5 crore to be taxed at 29% plus surcharge.

Limited tax compliance window from Jun 1-Sep 30 for declaring undisclosed income at 45%.

Excise 1% imposed on articles of jewellery, excluding silver.

Dividend in excess of Rs. 10 lakh per annum to be taxed at additional 10%.

Make in India

Investment allowance allowing acquisition and installation before March 31, 2017.

To promote 'Make in India', various amendments have been made to the

rate of customs duty and central excise duty, in specific sectors like information technology, hardware, capital goods, defence production, textiles, chemicals and petrochemicals, and maintenance, repair and overhauling of aircraft and ships, etc.

Excise duty on ready-made garments with retail price of 1,000 INR or more will be levied @ 2% (without CENVAT credit) or 12.5% (with CENVAT credit).

Excise duty of 1% (without CENVAT credit) or 12.5% (with CENVAT credit) will be levied on certain articles of jewellery and exemption up to 60 million INR per year for preceding years' clearance of less than 120 million INR.

100% FDI under approval route in the marketing of food products produced and manufactured in India.

Energy

Rs. 3000 crore earmarked for nuclear power generation.

Govt to provide incentive for deep water gas exploration.

Greetings and good wishes to
INDO-JAPAN CHAMBER OF COMMERCE AND INDUSTRY
for success in all its endeavours.

- From a well-wisher

Financial Sector & infrastructure

Rs. 27,000 crore to be spent on roadways.

65 eligible habitats to be connected via 2.23 lakh kms of road.

Shops to be given option to remain open all seven days in a week across markets.

Rs. 55,000 crore for roads and highways. Total allocation for road construction (including PMGSY) – Rs. 97,000 crore.

India's highest-ever production of motor vehicles was recorded in 2015.

Total outlay for infrastructure in Budget 2016 now stands at Rs. 2,21,246 crore.

New greenfield ports to be developed on east and west coasts.

Revival of underserved airports for regional connectivity. Centre to partner with States to revive small airports.

MAT will be applicable for startups that qualify for 100% tax exemption.

Direct tax proposals result in revenue loss of Rs.1060 crore, indirect tax proposals result in gain of Rs.20,670 crore.

Ease of doing business

Processing of tax returns filed by taxpayers not to be withheld merely because the tax assessment has been initiated for that year.

A legislative framework has been introduced to create an electronic interface between taxpayers and tax authorities.

Introduction of the concept of place of effective management for the determination of residential status of foreign companies has been deferred to FY 2016-17.

Withholding tax provisions will be rationalised effective June 1, 2016 to provide relief to small taxpayers.

Double Taxation Avoidance Agreement (DTAA) benefit has been allowed for

withholding tax purposes on the distribution by alternate investment funds to non-resident investors.

A higher rate of withholding tax will not be applicable to a non-resident without PAN.

The threshold limit for presumptive taxation for businesses increased from 10 million INR to 20 million INR, for continuity in claiming presumptive base taxation for five years.

Presumptive taxation @50% for professionals with gross receipt not exceeding 5 million INR.

Thirteen returns to be filed by a central excise assessee (above the prescribed threshold) i.e. one annual return and twelve monthly returns.

The revised returns are to be filed by the end of the calendar month in which the original returns are filed.

Interest rates on delayed payment under service tax, customs and central excise have been rationalised at 15% and 24% if tax is not deposited.

Manufacturers with multiple manufacturing units have been allowed to maintain a common warehouse for inputs.

Relevant central excise rules have been revised to allow duty exemptions to importers/manufacturers based on self-declaration instead of obtaining permissions.

The period of warehousing has been extended for 100% EOU, EHTP, STPI or any warehouse wherein manufacture or other operations have been permitted:

- Capital goods: Till their clearance from warehouse (currently five years)
- Other than capital goods: Till consumption or clearance from the warehouse (currently three years)

Power of arrest under the service tax law is proposed to be restricted only to situations where tax more than 20 million INR has been collected but not deposited with the exchequer.

Proposal to accord residency status to foreign investors in the manufacturing sector.

The basket of eligible FDI instruments will be expanded under Foreign Exchange Management Act (FEMA) regulations to rationalise the policy framework for redeemable instruments such as redeemable preference shares and optionally convertible debentures.

A Bill will be introduced to amend the Companies Act, 2013, to simplify creation of startups.

An amendment will be made to the Foreign Contribution Regulation Act, 2010, to exclude domestic companies with more than one-half capital held by foreign companies.

Agriculture

Total allocation for agriculture and farmer welfare at Rs. 35984 crore.

28.5 lakh hectares of land will be brought under irrigation.

5 lakh acres to be brought under organic farming over a three-year period.

Rs 60,000 crore for recharging of ground water.

Dedicated irrigation fund of Rs. 20,000 crore in NABARD.

Nominal premium and highest compensation for crop loss under the Prime Minister Fasal Bima Yojna.

Banking

Banks get a big boost: Rs 25,000 crore towards recapitalisation of public sector banks.

Target of disbursement under MUDRA increased to 1,80,000 crore.

Process of transfer of government stake in IDBI Bank below 50% started.

General Insurance companies will be listed in the stock exchange.

Government to increase ATMs, micro-ATMs in post offices in the next three years.



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Robot Suit

The Hybrid Assistive Limb (also known as HAL) is a powered exoskeleton suit developed by Japan's Tsukuba University and the robotics company Cyberdyne. It has been designed to support and expand the physical capabilities of its users, particularly people with physical disabilities. There are two primary versions of the system: HAL 3, which only provides leg function, and HAL 5, which is a full-body exoskeleton for the arms, legs, and torso.

HAL is designed to assist the disabled and elderly in their daily tasks, and can also be used to support workers in disaster rescue or construction work. Further scientific studies have shown that HAL Therapy can be effectively used for rehabilitation after spinal cord injury or stroke. In November 2011, HAL was selected to be used for cleanup work at the site of the Fukushima nuclear accident. In March 2013, ten Japanese hospitals conducted clinical tests of the newer legs-only HAL system. In late 2014, HAL exoskeletons



modified for construction use entered service with the Japanese construction contractor Obayashi Corporation.

The first HAL prototype was proposed by Yoshiyuki Sankai, a professor at Tsukuba University. In 1989, after receiving his Ph.D. in robotics, Sankai spent three years, from 1990 to 1993, mapping out the neurons that govern leg movement. It took him and his

team an additional four years to make a prototype of the hardware. The third HAL prototype, developed in the early 2000s, was attached to a computer. Its battery alone weighed nearly 22 kilograms (49 lb) and required two helpers to put on, making it very impractical. By contrast, later HAL-5 model weighs only 10 kilograms (22 lb) and has its battery and controlling computer strapped around the waist of the wearer.

Cyberdyne began renting out the HAL suit out for medical purposes in 2008. By October 2012, over 300 HAL suits were in use by 130 medical facilities and nursing homes across Japan. The suit is available for institutional rental, in Japan only, for a monthly fee of US\$2,000.

In December 2012, Cyberdyne was certified ISO 13485 – an international quality standard for design and manufacture of medical devices – by Underwriters Laboratories. In February 2013, the HAL suit became the first powered exoskeleton to receive a global safety certificate.

Inauguration of IJCCI Nihongo Kouryuu Kurabu (Japanese Language Interaction Club)



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