

I. Income Tax

a. CBDT prescribes form and contents of Certificate of Residency to claim double taxation relief

CBDT has prescribed Form No. 10FA and 10FB to claim double taxation relief under section 90 and 90A. Subsection 4 to section 90 and 90A have been inserted by Finance Act, 2012 wherein it is specified that in order to claim double taxation relief, non-resident assessee shall furnish a Certificate of Residency from the Government of the Country of which they are resident.

b. Rajiv Gandhi Equity Savings Scheme for deduction of upto Rs. 50,000 announced

Introduction of Rajiv Gandhi Equity Savings Scheme where for first time retail investors in security market having income upto 10 lakhs. A deduction of 50% of the amount invested in the specified securities shall be allowed under section 80CCG (inserted by the Finance Act, 2012). Maximum investment that can be made is Rs. 50,000 with a lock in period of 3 years.

c. Cost Inflation index for F.Y. 2012-13 notified at 852

The Cost Inflation Index for Financial Year 2012-13 has been notified at 852. Cost Inflation Index is used to compute the inflation adjusted Cost of Acquisition while determining Long Term Capital Assets.

d. Special drive by CBDT to rectify the incorrect demand uploaded

CBDT has launched a special drive to correct the wrong demand uploaded on the CPC Portal and to resolve all the incorrect arrear demand appearing in the database. Single window clearance cell have been created under each CCIT to receive, acknowledge and monitor grievance petition. Further CCITs have been directed to personally supervise the progress in such cases.

e. Forms prescribed for Certificate of Accountant in case of failure to deduct or deposit the TDS

CBDT has introduced Form No. 26A and 27BA (certificate of accountant) to be furnished in case of failure to deduct TDS/TCS. Earlier a proviso to section 201 was inserted by Finance Act 2012 according to which person responsible to deduct TDS/TCS shall not be treated as assessee in default in case of failure to deduct the same, if a certificate from accountant is furnished.

f. Investment in debt instruments of infrastructure finance companies allowed to charitable or religious institutions

Investment made in debt instruments issued by any infrastructure finance company registered with the RBI has been put under the purview of Section 11(5)(xii), hereby allowing any charitable or religious institution to invest any money accumulated or set apart for charitable or religious purposes in the said instruments.

g. No disallowance under Section 14A if funds utilized are interest free

In the case of Mohan Exports, Honorable ITAT Delhi Bench held that no disallowance of interest can be made under section 14A if the funds utilized, at the time of making investment, were interest free funds. As per Section 14A, expenses related to income (such as

dividend income) which is exempt under Income Tax are to be disallowed. The judgement has clarified that where no interest bearing funds were used, no disallowance can be made.

Similarly, the ITAT Chandigarh Bench has in the case of Spray Engineering Devices Ltd held that where the investment was not made with the purpose of earning dividend income, no disallowance can be made.

h. Losses incurred by the assessee cannot be the basis of disallowance of an expense

The Delhi High Court in the case of EKL Appliances Ltd. has held that Transfer Pricing Officer has no authority to disallow entire expenditure or part thereof on the ground that assessee has suffered continuous losses.

i. Commissioner of Income Tax (appeals) has power to grant stay on demand recovery

In the case of Maheshwari Agro Industries, Honorable Rajasthan High Court held that first appellate authority i.e. CIT(A) has inherent power to grant stay on demand recovery proceedings. It was further held that where appeal has been preferred by the assessee before CIT(A) then Assessing officer's discretion (for the purpose of granting stay) under section 220(6) to treat assessee as not in default should ordinarily be exercised in favor of assessee.

j. Additional claim can be raised before appellant authorities

The Bombay High Court in the case of Prithvi Brokers & Shareholders (P) Ltd. has held that an assessee is entitled to raise not only additional legal submissions before the appellate authorities, but is also entitled to raise additional claims before them.

II. Indirect Taxes

a. Mandatory E-Payment of Custom Duty

Central government has specified following classes of importers who shall pay customs duty electronically:-

- (i) Importers registered under Accredited Clients Programme.
- (ii) Importers paying customs duty of one lakh rupees or more per bill of entry.

b. CENVAT Credit of Basic Excise Duty can be utilised for NCCD

CBEC has clarified that the CENVAT Credit of Basic Excise Duty paid on inputs used in or in relation to the manufacture of final products can be utilized for payment of National Contingency Calamity Duty (NCCD) on said final products. The credit, however, will not be available when duty has been paid on any goods in respect of which the benefit of specified exemption is availed by the producer or manufacturer.

c. Service Tax to be charged on Rail Travel

Ministry of Finance has clarified that the Service Tax would be collected on the tickets issued/bookings made on or after October 1, 2012 on the fare of passenger services in specified classes. Relief is available in the form of abatement of 70% which has been permitted on the amount of passenger services.

III. MCA**a. MCA issues revised e-form 23AC and 23ACA**

The Central Government vide notification dated 21st September, 2012 has amended the Companies (Central Government's) General Rules and Forms, 1956 which shall be applicable w.e.f. 30th September, 2012 and issued revised e-forms 23AC and 23ACA. The forms have been revised to align them with the changes made in Revised Schedule VI. The due date of filing of e-forms has also been extended as per the following.

- (i) Company holding AGM or whose due date for holding AGM is on or before 20/09/2012, the time limit will be 03/11/2012 or due date of filing ,whichever is later.
- (ii) Company holding AGM or whose due date for holding AGM is on or after 21/09/2012, the time limit will be 22/11/2012 or due date of filing ,whichever is later.

b. MCA extends date of filing of Form 23B without additional fee for the accounting year 12-13

MCA has extended the due date of filing the appointment of auditor form (Form 23B) without additional fee to 23/12/2012.

IV. FEMA/RBI/SEBI**a. Liberalisation of FDI Policy**

In a step indicating major reforms in the economic environment, RBI has reviewed the Foreign Direct Investment Policy and permitted the following in the Foreign Direct Investment subject to the specific conditions as prescribed.

Particulars	FDI Limit	Route
i. Single-Brand Product Retailing (by one non-resident entity, whether owner of the brand or otherwise)	Upto 100%	Government Route
ii. Multi-Brand Product Retailing	Upto 51%	Government Route
iii. Civil Aviation Sector	Upto 49%	Automatic/ Government Route
iv. Broadcasting Carriage Services	Upto 49%	Automatic/ Government Route
v. Power Exchanges under Central Electricity Regulatory Commission (Power Market) Regulations, 2010	Upto 49%	Government Route

b. Reduction in CRR and SLR

RBI has reduced the CRR for Scheduled commercial banks/ Scheduled State Co-operative Banks/ Regional Rural Banks by 25 basis points from 4.75 per cent to 4.50 per cent of their Net Demand and Time Liabilities (NDTL) with effect from the fortnight beginning September 22, 2012.



Further, RBI has reduced the SLR for Local Area Banks from 25% to 23% of their Net Demand and Time Liabilities (NDTL) with effect from the fortnight beginning August 11, 2012.

c. Interest Subvention Scheme for short term crop loans

Giving effect to the announcement of Interest Subvention to farmers for short term crop loans has been extended for the year 2012-13. Interest subvention of 2% has been provided to the short term crop loans upto Rs. 3 lacs during the financial year 2012-13. Further, the prompt paying farmers would be eligible for additional 3% interest subvention that pays their loans within one year of disbursement.

d. Pricing guidelines for subscribers of MOA of an Indian Company.

RBI has amended the pricing guidelines of purchase shares or convertible debentures of an Indian company under Foreign Direct Investment Scheme such that non-residents (including NRIs) would now be allowed to invest at the face value of the shares/ convertible debentures subject to the eligibility under the FDI Scheme.

V. DVAT

a. Online submission of Goods Movement detail (Form T-2)

The Department of Trade and Taxes has made it mandatory for the Dealers to submit the details of Invoice and Goods Receipt Note in on-line Form T-2 in respect of all goods received from outside Delhi, (i.e., Interstate Purchases, Imports and Stock Transfers etc.) before the goods physically enter the boundary of Delhi with effect from October 1, 2012. (further re-extended to October 15, 2012)

b. Extension of due date for furnishing DVAT-51

Due date for furnishing of reconciliation return in form DVAT-51 and for furnishing declaration forms 'C', 'E-I' or 'E-II', 'F', 'I', 'J' and 'H' has been re-extended up to Oct 31, 2012 for the 1st, 2nd, and 3rd quarters of the year 2011-12.

Relevant due dates for the month of October 2012**Income Tax**

7th October	Deposit TDS/ TCS deducted/ collected during the month ended September 30, 2012.
15th October	Submit return of TDS for tax deducted for the quarter ended September 30, 2012.

Service Tax

5/6th October	Deposit Service Tax liability of corporate/other assesses for the month/quarter ended September 30, 2012.
25th October	Submit return of Service Tax liability for the quarter ended June 30, 2012.

Excise Duty

5th October	Deposit Excise duty liability for the month ended September 30, 2012.
10th October	Submit return of Excise Duty for liability for the month ended September 30, 2012.

DVAT

21st October	Deposit DVAT/CST for the month ended September 30, 2012.
25th October	Submit monthly return in electronic form for month ended September 30, 2012.
28th October	Deposit monthly return in manual form for the month ended September 30, 2012.
31st October	Deposit DVAT 51 along with statutory central forms for 1st, 2nd & 3rd quarters of financial year 2011-12.
31st October	Submit detail of closing stock for the financial year ended March 31, 2012.

Labour Law

16th October	Deposit Employee's & Employer's contributions to provident fund for the month ended September 30, 2012 (grace of 5 days).
21st October	Deposit ESI dues for the month ended September 30, 2012.
26th October	Submit return of Provident Fund for the month ended September 30, 2012.

