

I. Income Tax

a. Rajiv Gandhi Equity Saving Scheme

Much awaited equity savings scheme as envisaged in the Finance Act 2012 has been notified by CBDT to be effective from November 23, 2012 wherein deduction upto 25,000 would be allowed to the retail investors investing in security market having annual income of upto ₹ 10 lakhs. The deduction is available only to 'new retail investors' in the first financial year. 'New retail investor' is one who has not opened a demat account and has not made any transactions in the derivative segment.

Further, once an investor has claimed a deduction in a financial year, he will not be eligible to claim the deduction in any subsequent financial year.

b. Amendment in the DTAA between India, UK and Northern Ireland

Government of India, Government of United Kingdom of Great Britain and the Government of Northern Ireland have entered into a protocol amending the Convention signed in the year 1993 for streamlining various provisions including the taxation of dividends in both the countries and the effective exchange of information between the countries.

c. Treatment of the business loss shown in return as speculative at the time of reassessment – change of opinion

In the case of ACIT & Ors Vs ICICI Securities Primary Dealership Ltd., the Honorable Supreme Court held that assessee disclosing details of stocks and shares in his return showing business loss and AO reopening the same on the basis that the loss was speculative is clearly based on change of opinion and hence reassessment stands invalid.

d. Publishing educational magazines- charitable purpose

In the case of CIT vs. Vijaya Vani Educational Trust, the Honorable High Court of Andhra Pradesh held that publishing of magazines dealing with education is ancillary to the main object of the trust as the same being engaged in the educational activities and hence trust entitled to exemption under Section 11.

e. Application of income not to be checked at the time granting registration under 12AA

In the case of CIT & Anr. V. A.S. Kupparaju Brothers Charitable foundation Trust, Karnataka High Court has held that while granting registration u/s 12AA only charitable objects and genuineness of activities has to be seen not the application of funds. It was further held that application of funds is to be looked at the time granting exemption u/s 11. In order to claim exemption under section 11, 85% of the income earned has to be applied for the purpose of charitable activities. The decision is in line with the decision taken recently by Delhi High Court in the case of Foundation of Ophthalmic & Optometry Research Education Centre.

f. Bonds specified in 54EC could be in joint name

In the case of DIT (International: Taxation) and Another Vs. Mrs. Jennifer Bhide, Karnataka High Court held that benefit of exemption under section 54EC cannot be withdrawn on the ground that bond is in the joint name of the assessee and her husband. It was further held that assessee is entitled to exemption of full amount of investment in bonds as no provision prescribes that the investment should be in the name of the assessee exclusively. As per

section 54EC capital gain arising from transfer of long term capital assessee is exempt if the same is being invested within the prescribed period in the specified bonds.

II. Indirect Taxes

a. Authorized Economic Operator (AEO) Programme – Revised Guidelines

CBEC has issued revised guidelines for the Authorized Economic Operator (AEO) Programme as included in the SAFE Framework of Standards to secure and facilitate global trade initiated by the World Customs Organization (WCO). The objective of the AEO Programme is to provide businesses with an internationally recognized quality mark which will indicate their secure role in the international supply chain and that their Customs procedures are efficient and compliant.

b. Restoration of service specific accounting codes for payment of service tax

In view of Negative list approach, a single Accounting code for the purpose of payment of service tax ("All Taxable Services" 00441089] was prescribed. However, for the purpose of statistical analysis, service specific old accounting codes have been restored (as earlier) and thus, a list of 120 services for the purpose of registration and payment of service tax has been provided. Hence, all the new tax payers may register with the department by selecting the relevant descriptions among the new list of services provided. And those already registered under "all Taxable Services" should file amendment application in ACES and opt for descriptions as specified in the new list of 120 services.

III. MCA

a. Reminder to Defaulting Cost Auditors to file Form 23D

With the implementation of the revised procedure to be followed for the appointment of cost auditors, the cost auditors are required to file Form 23D along with the copy of appointment, wherein such appointment letter was issued by the company after the approval by MCA of Form 23C filed by the company within 90 days from the date of commencement of the Financial Year. However, large number of cost auditors has not filed the Form 23D. Thus, MCA has issued reminder through a general circular wherein the cost auditors are required to file the Form 23D by December 16, 2012 for the financial year 2011-12 else Disciplinary Proceedings could be initiated in case of non-compliance by the cost auditor and in case of non-compliance by the company, the company or every officer thereof found to be in default would be punishable as per the provisions of Companies Act, 1956.

Further, MCA has also issued guidelines for the appointment of Cost auditors for the Financial Year 2013-14 and onwards

IV. FEMA/RBI/SEBI

a. Non CTS-2010 cheques will not be allowed from January 1, 2013

To achieve standardisation of cheques, RBI has issued CTS-2010 standard for cheques wherein there are requirements of mandatory minimum security features on cheques like quality of paper, watermark, bank's logo in invisible ink, void pantograph, etc., and standardisation of field placements on cheques. These standards are to be implemented by December 31, 2012. Thus, w.e.f January 1, 2013 Non-CTS-2010 would not be allowed and cleared by RBI.



NBFCs have also been advised to ensure the replacement of Non-CTS-2010 standard compliant cheques with CTS-2010 before December 31, 2012.

b. No bank finance available for purchasing gold

RBI has extended a guideline that no advances should be granted by banks other than working capital requirements against gold bullion to dealers/traders in gold if, in their assessment, such advances are likely to be utilised for purposes financing gold purchase at auctions or speculative holding of stocks and bullion. However, banks can provide finance for genuine working capital requirements of jewellers.

c. Liberalisation of period for realisation and repatriation of exports proceeds enhanced further

The Reserve bank has extended the period of realisation and repatriation for exporters of goods and software from 6 months to 12 months w.e.f. October 01, 2012 till March 31, 2013 (earlier upto September 30, 2012) to help them deal with the global economic slowdown. However, the above extension doesn't apply to Special Economic Zone Units (SEZ) as well as exports made to warehouses established outside India.

d. Prudential Limits on debt oriented schemes for Housing Finance Companies enhanced.

The limit on sectoral exposure in debt oriented mutual fund schemes for Housing Finance Companies (HFCs) has been enhanced from 30%. It has been decided that an additional exposure not exceeding 10% of net assets of the scheme shall be allowed only to HFC's as part of financial services sector.

V. DVAT

a. Default Assessments u/s 9(2) of the CST Act

Department of Trade and Taxes has clarified that default assessment u/s 9(2) of the CST Act, 1956 in all cases for the year 2008-09 (for tax periods that are not yet time-barred), 2009-10 and 2010-11, where deficiency of forms exists shall be undertaken and completed by January 31, 2013. The default assessments for one dealer should be taken up together for all these years. Saturday will remain a working day during this period.



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

- 7th December Deposit TDS/ TCS deducted/ collected during the month ended November 30, 2012.
- 15th December Due date for deposit of third installment in case of corporate and second installment in case of non-corporate of advance income tax for financial year 2012-13.

Service Tax

- 5/6th December Deposit Service Tax liability of corporate/other assesses for the month ended November 30, 2012.

Excise Duty

- 5th December Deposit Excise duty liability for the month ended November 30, 2012.
- 10th December Submit return of Excise Duty for liability for the month ended November 30, 2012.

DVAT

- 21st December Deposit DVAT/CST for the month ended November 30, 2012.
- 25th December Submit monthly return in electronic form for month ended November 30, 2012.
- 28th December Deposit monthly return in manual form for the month ended November 30, 2012.
- 31st December File DVAT 51 along with statutory forms for the Financial Year 2011-12.

Labour Law

- 16th December Deposit Employee's & Employer's contributions to provident fund for the month ended November 30, 2012.
- 21st December Deposit ESI dues for the month ended November 30, 2012.
- 26th December Submit return of Provident Fund for the month ended November 30, 2012.

MCA

- 15th December File Financial Statements for FY 2011-12 in XBRL mode in Form 23AC and 23ACA without additional fee.
- 23rd December File Form 23B for appointment of Auditors without additional fee.

