

I. Income Tax

a. Procedure for claiming Refund of Excess deposit of TDS

Bringing in a relief to all assesseees who are required to deduct TDS, the Central Board of Direct Taxes has prescribed the procedure for adjusting and obtaining refund of excess tax deposited by the deductor. As per the prescribed procedures, an assessee can adjust the excess tax paid with subsequent payments during the same financial year. Any excess TDS deposited still remaining at the end of the financial year can be claimed as refund from the Assessing Officer (TDS) within a period of two years from the end of financial year in which tax was deductible at source.

b. No TDS required to be deducted on payments made to C & F Agents

In a recent judgment, the Mumbai ITAT has held that no TDS is deductible on payments made to Carrying & Forwarding agents. Limiting the scope of definition of work to the 4 services specifically included in under Sec 194C, the Tribunal observed "*the contract between the assessee and C & F Agent is a service contract which has not been specifically included in definition of work as given in Explanation III below section 194C.*".

II. Delhi Value Added Tax

a. Compulsory e-payment of D-Vat

E-Payment of tax, interest, penalty or any other amount under D-VAT has been made compulsory for dealers having monthly tax period. The dealers can make the payment from the e-payment portals of the prescribed banks starting from the tax period of April 2011 and onwards. For list of prescribed banks, please refer the following link

http://delhi.gov.in/wps/wcm/connect/DoIT_TradeAndTaxes/tradeandtaxes/home/public+documents/notification/2010-2011/18.04.2011

III. Custom

a. Changes in recovery of Duty Drawback already paid

CBEC has amended Duty Drawback Rules to provide that duty drawback paid to an exporter shall not be recovered on account of non- realization of sale proceeds of an exporter within the period allowed under the '*Foreign Exchange Management Act, 1999*', where such non-realisation of sale proceeds is compensated by the '*Export Credit Guarantee Corporation of India Ltd.*' under an insurance cover and the '*Reserve Bank of India*'.

IV. Service Tax

a. Government withdraws exemption on representation services provided by CA, CS, CWA related to representation of client before any statutory authority

Vide the Notification No.32/2011, the Ministry of Finance has rescinded the earlier Notification no. 25/2006 dated 13th July 2006 with effect from May 1 ,2011 which exempted the levy on service tax with respect to services provided or to be provided by a

practicing chartered accountant, a practicing cost accountant and a practicing company secretary respectively, in his professional capacity, to a client, relating to representing the client before any statutory authority in the course of proceedings initiated under any law for the time being in force.

b. Life Insurance Services

The new definition will include all services provided by a life insurance company. The optional scheme available in rule 6(7A) of the Service Tax Rules, 1994 has been amended vide notification No. 35/2011-ST dated April 25, 2011. The assessee will have the option to pay tax on that portion of the premium which is not invested, when such break-up is given to the policy holder. Where the break-up is not so provided, tax amount shall be 1.5% of the gross premium. However, where the entire premium is only for the risk portion the same shall constitute the taxable value of the service.

c. Government exempts coaching and training services related to preschool and recognised educational qualification certificate / Degree

The Central Government exempted services of any pre-school coaching and training and any coaching or training leading to grant of a certificate or diploma or degree or any educational qualification which is recognised by any law for the time being in force provided provided by any commercial coaching or training centre from the whole of the service tax liability.

d. Exemption from Service Tax granted to Hospitals, Nursing Homes etc.

CBEC vide Notification No.30/2011 exempt taxable services provided or to be provided by any Hospital, Nursing Home, or Multi-specialty Clinic to an employee of a business entity or any person covered by Health Insurance Scheme.

V. Corporate Laws

a. PAN Mandatory for DIN

The Ministry of Corporate Affairs has made it mandatory to provide Income Tax Permanent Account Number (PAN) while issuance of fresh Director Identification Number (DIN). Further, existing DIN holders who have not provided their PAN while allotment of DIN shall submit their PAN to the ROC by filing DIN e-form latest by May 31, 2011. .

b. Amalgamation of Government Companies

The Ministry of Corporate Affairs has through a circular simplified the procedure under Section 396 of the Companies Act and Company (Court) Rules for amalgamation of Government Companies in Public Interest. The Government Companies with prescribed approvals and other conditions as mentioned in the circular can proceed for the simplified amalgamation procedure. This has been done with a view to ease the consolidation process of various Govt run undertakings and simplify their structures.

c. Service of notices/documents/financial statements through electronic mode

The MCA has clarified that a company can serve documents including its annual reports and financial statements through electronic mode to its members. For the same, the company should have obtained the e-mail addresses of its members for sending the

notice/documents through e-mail. A company is required to give an advance opportunity to every shareholder to register his e-mail address and changes therein from time to time with the company. This would be said to be in compliance with Section 53 of the Act.

d. Appointment of Cost Auditor

The Central Government has simplified the process for appointment of Cost Auditors under Sec 233B(2) of the Company's Act, 1956. The new process is more in line with that of the appointment of the statutory auditor. The Company is required to intimate the Central Govt in Form 23C. If the form is not rejected in 30 days by the Govt, the appointment shall be deemed to be approved by the Central Govt.

e. No stamp duty to be paid on increase of authorized capital

The Delhi High Court has recently held that a company is not required to pay the stamp duty on the increased amount of its authorised share capital in Delhi. The Court held that in the absence of a specific provision that permits the levy of stamp duty on the increase in authorised share capital, it would not be open to insist upon the Company to pay stamp duty for the increased authorised share capital.

VI. RBI

a. NBFCs not to be Partners in Partnership firms

In view of the risks involved in NBFCs associating themselves with partnership firms, RBI decided to prohibit NBFCs from contributing capital to any partnership firm or to be partners in partnership firms. In cases of existing partnerships, NBFCs may seek early retirement from the partnership firms.

b. Liberalisation of norms for realization of export proceeds

RBI has extended the period for realisation and repatriation to India, of the amount representing the full export value of goods or software exported, from six months to twelve months from the date of export until September 30, 2011.

The RBI had earlier extended the period for realisation and repatriation to India of the amount representing the full export value of goods or software exported from six months to twelve months from the date of export. This relaxation was upto March 31, 2011. On review, the RBI in consultation with the Government of India has decided to extend the above relaxation vide the circular of March 31, 2011 mentioned above.

c. Limit of investment by FIIs in infrastructure sector increased

The RBI has increased the limit of foreign investments by Foreign Institutional Investors (FIIs) in listed non-convertible debentures / bonds, with a residual maturity of five years and above, and issued by Indian companies engaged in the infrastructure sector by an additional limit of USD 20 billion increasing the limit from USD 5 billion to USD 25 billion.

The investment by FIIs in listed non-convertible debentures / bonds would have a minimum lock-in period of three years. However, FIIs would be allowed to trade amongst themselves during the lock-in period.

Relevant due dates for the month of May 2011**Income Tax**

7th May	Deposit TDS/TCS deducted/collected during the month ended April, 2011
15th May	Submit Statement of TDS/TCS for the Quarter ended 31 st Mar, 2011
30th May	Issue Quarterly TDS certificates (Form 16A) for other than salary Deductees. Issue Form 16 for Salary Deductees

Service Tax

5th/6th May	Deposit Service Tax liability (corporate assesseees) for the month ended April 30, 2011
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Excise Duty

5th/6th May	Deposit Excise duty liability for the month ended April 30, 2011
10th May	Submit return of Excise Duty for liability for the month ending April 30, 2011

DVAT

12th May	Submit half-yearly return in electronic form for the half-year ending March 31, 2011
15th May	Submit half-yearly return in manual form for the half-year ending March 31, 2011
25th May	Submit monthly return in electronic form for the month ending April, 2011
28th May	Submit monthly return in manual form for the month ending April 2011

Labour Law

15th May	Deposit Employee's & Employer's contributions to provident fund for the month ending April, 2011 (grace of 5 days)
21st May	Deposit ESI dues for the month ending April, 2011
25th May	Submit return of Provident Fund for the month ending April, 2011.

Corporate Law

31st May	Annual return of Limited Liability Partnership (LLP) for year ended March 31, 2011
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