

Tax & Corporate law Bulletin

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OCTOBER 2013

From the Editor's Desk...

Dear Reader,

Greetings for the season.

A time for celebration, victory of good over bad, A time when world see the example of power of good. Let us continue the same "true" spirit. Happy Dussehra.

Let's have a look on some important updates of the current month: Revision of instruction on Receipt/Revenue Audit Objections, Exemption from Service Tax in Uttarakhand, Amendment to Rule 3(5A) of the CENVAT Credit Rules, 2004 and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & Associates

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“Adapting swiftly to the
global business environment”



DIRECT TAX

➤ **Tax on distributed income by securitization trust—section 115TA**

The CBDT vide Notification No. 68 / 2013 dated September 4th, 2013 gives Income Tax (15th Amendment) Rules, 2013. It inserts Rule 12BA being statement u/s. 115TA (3) of the Income-Tax Act being statement to be furnished in respect of income distributed by the securitization trust. It prescribes the Form 63AA to be verified by the accountant in the manner indicated therein.

➤ **Payment to non-resident – Substitution of Rule 37BB & Form Nos. 15CA & 15CB.**

The CBDT vide Notification No. 67/2013 dated September 2nd, 2013 give Income tax (14th Amendment) Rules, 2013. It shall come into force from October 1st, 2013. It substitutes rule 37BB. It also substitutes new Forms 15CA & 15CB. The CBDT vide Notification No. 58/2013 dated August 5th, 2013 amended the Rule 37BB of the Income Tax rule with a view to broaden the requirement of collecting information & reporting requirement for remittances outside India.

The rule also provides that providing of information in cases where amounts are claimed as not liable to be taxed under the Income-Tax Act. Subsequently, the CBDT has issued this Notification No. 67/2013 dated September 2nd, 2013 in supersession of the Notification No. 58/2013. The new rule 37BB now provides that any payment including any interest or salary or any other sum chargeable to tax under the Act shall be required to furnish details in a prescribed form. The information with respect to the payment which is not chargeable to tax has been done away with. This amended rule will be applicable from October 1st, 2013.

➤ **Section 143 – Assessment – Revision of instruction on Receipt/Revenue Audit Objections**

The CBDT vide instruction No. 16/2013 dated October 31st, 2013 amended and supplemented its earlier instruction No. 9/2006 with effect from November 15th, 2013. The CBDT has earlier issued instruction No. 9 of 2006 dated November 7th, 2006 on Receipt/ Revenue Audit Objections. It was observed by the CBDT that despite a comprehensive procedure prescribed through the Instruction for action at different stages of Audit Objections, settlement track record is unsatisfactory and remedial action is delayed. There is also a need to provide that Internal Audit should normally precede Revenue Audit. The CBDT, therefore, decided to fine tune the procedure and strengthen the role of supervisory authorities and CIT (Audit).

The CBDT accordingly strengthened the role of CCIT (CCA)/ CCIT/ DGIT, Administrative CIT and CIT (Audit). The definition of the Major Audit Objections, for the purpose of Revenue Audit, is revised to the Revenue effect of ` 2, 00,000/- or more for the purpose of Corporation Tax and Income Tax. One may refer to the above magazine for detailed guidelines.

➤ **Internal Audit System – Revision of earlier instruction on New Internal Audit System – Strengthening of Role of Supervisory Authority**

The CBDT vide Instruction No. 15/2013 dated October 18th, 2013 amended and supplemented its earlier Instruction No. 3/2007 with effect from October 28th, 2013. The CBDT earlier issued Instruction No. 3 of 2007, dated March 17th, 2007 on New Internal Audit System. The CBDT observed the slow progress of work relating to settlement of Internal Audit Objections and also quality and coverage of internal audit have been a matter of serious concern. The Public Account Committee has also commented adversely on the present state of affairs and directed proper monitoring mechanism for desired improvement. The CBDT in order to streamline the system decided to strengthen the system, and the role of supervisory authority.

The CBDT prescribed the role of CCIT (CCA), jurisdictional CCIT/ DGIT, CIT (Audit) and Additional CIT (Audit). The CBDT also suggested the revision of classification of major and minor Audit Objections. Presently, the Audit Objections in case of Income Tax/ Corporation Tax exceeding 1,00,000/- and 30,000/- in case of Other Taxes are classified as Major and remaining as minor. The CBDT has revised the limit of Major Audit Objections, for the purpose of Internal Audit, to the revenue effect of 2,00,000/- or more for the purpose of Corporation Tax and Income Tax.

➤ **Treating e-return for the A.Y. 2013-14 as a deemed defective returns where unpaid self-assessment tax exists on the date of filing of return**

The CBDT vide Letter No. [F. No. Dit (S)-Iii/ CPC/ 2013-14/ Unpaid Self assessment Tax], dated October 22nd, 2013, directed to inform that number of e-returns have been submitted for A.Y. 2013-14 where unpaid self-assessment- tax existed on the date of submission of e-returns.

The Pan-wise data for A.Y. 2013-14 for assesseees who have not paid self-assessment-tax (100/- or more) on the day of filing of their e-returns is placed on i-Taxnet (<http://10.152.2.10/>) in the following path:

Resources > Downloads > DIT_SYSTEMS > Unpaid Self-Assessment-Taxes in e>Returns of A.Y. 2013-14

The CBDT directed the Assessing Officer in respective regions to issue notices and follow-up these cases to ensure that unpaid-self-assessment tax is deposited by the assessee at the earliest.

➤ **Refund – Set off of Refunds against tax remaining payables –Compliance of Section 245.**

- The CBDT vide Instruction No. 12/2013 dated September 9th, 2013 directed and covered that the provision of section 245 of Income-tax Act be strictly adhered to before making any adjustment of refund. It was also directed that

the procedure detailed in the notice may be adhered to while adjustments of refund payable by the CPC at Bengaluru. The Assessing Officer, in this regard should respond to CPC within 45 days from the date of communication of issuance of notice u/s. 245 by the CPC to the Assessing Officer.

- The CBDT issued above instruction in view of the direction of the Hon'ble Delhi High Court vide its judgment in case on its Own Motion vs. UOI in W.P (C) 2659/2012, dated March 14th, 2013 which has issued seven Mandamuses for action by the Income Tax Department. One Mandamus is on compliance of section 245 of the Income tax Act, 1961.
- The Hon'ble High Court in this context has issued interim directions vide its order dated August 31st, 2012 as under :-

We issue interim direction to the respondents that they shall in future follow the procedure prescribed under section 245 before making any adjustment of refund payable by the CPC at Bengaluru. The assessee must be given an opportunity to file response or reply and the reply will be considered and examined by the Assessing Officer before any direction for adjustment is made. The process of issue of prior intimation and service thereof on the assessee will be as per the law. The assesseees will be entitled to file their response before the Assessing Officer mentioned in the prior intimation. The Assessing Officer will thereafter examine the reply and communicate his findings, to the CPC, Bengaluru, who will then process the refund and adjust the demand, if any payable. CBDT can fix a time limit for communication of findings by the Assessing Officer. The final adjustment will also be communicated to the assessee."

- In compliance with the above directions of Hon'ble Court, CPC Instruction No. 1 dated November 27th, 2012 was issued explaining the step by step procedure for adjustment of

refunds to be followed by Assessing Officers and CPC, followed by the DIT (Systems)-III letter dated January 30, 2013.

- Vide its final order in writ petition dated March 14, 2013, Hon'ble High Court in Para 24 has confirmed its interim order and issued second Mandamus as under:-
- a) The said interim order is confirmed. We notice that the respondent have taken remedial steps to ensure compliance of section 245 of the act as they now give an option to the assessee to approach the Assessing Officer. This is the second mandamus which we have issued. As noticed above, the interim order passed in the writ petition dated August 31, 2012 has been implemented."

INDIRECT TAX

➤ **Mega Exemption Notification No.25/2012.**

Central Government vide Notification No.13/2013-ST dated September 10th, 2013 has amended Mega Exemption Notification No.25/2012-ST dated June 20th, 2012 by inserting Entry No. 9A granting exemption to any services provided by:-

- The National Skill Development Corporation (NSDC) set up by the Government of India;
- A Sector Skill Council (SKC) approved by the NSDC;
- An assessment agency approved by the SKC or the NSDC;
- A training partner approved by the NSDC or the SKC in relation to-
 - a) The National Skill Development Programme implemented by the NSDC; or
 - b) A vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or
 - c) Any other Scheme implemented by the NSDC.



➤ **Exemption from Service Tax in Uttarakhand.**

Central Government vide Ad-Hoc Exemption Order No.1/1/2013 dated September 17th, 2013 has granted exemption to following taxable services provided to any person in the State of Uttarakhand from the levy of whole of the service tax U/s.66B of the Finance Act, 1994 for the period from September 17th, 2013 to March 31st, 2014:-

- Services by way of renting of a room in a hotel, inn, guest house, club, campsite or other commercial place meant for residential or lodging purposes;
- Services provided in relation to serving of food or beverages by a restaurant, eating joint or mess.

➤ **Negative List-Educational Services.**

CBEC vide Circular No.172/7/2013-ST dated September 19th, 2013 has clarified that by virtue of entry (I) in the Negative List U/s.66D & Sr. No.9 of Mega Exemption Notification No.25/2012-ST dated June 20th, 2012, all services relating to education are exempt from service tax. There are many services provided to an educational institution. These have been described as "auxiliary educational services" and they have been defined in the exemption notification. Such services provided to an educational institution are exempt from service tax. For example, if a school hires a bus from a transport operator in order to ferry students to and from school, the transport services provided by the transport operator to the school are exempt by virtue of the exemption notification. In addition to the services mentioned in

the definition of "auxiliary educational services", other examples would be hostels, housekeeping, security services, canteen, etc.

➤ **Amendment to Rule 3(5A) of the CENVAT Credit Rules, 2004**

Till now, Capital goods removed as waste or scrap were treated at par with capital goods removed as capital goods and slab rates were provided to calculate reduced value of capital goods subject to minimum amount to be paid as equal to the duty leviable on transaction value.

Now, Rule 3(5A) of the CENVAT Credit Rules, 2004 is being amended and in case of capital goods removed as waste and scrap, the manufacturer shall pay an amount equal to the duty leviable on transaction value.

(Notification No. 12/2013-CE (NT) dated September 27th, 2013)

➤ **Clarification on arrest and bail under Central Excise Act, 1944.**

Vide Finance Act, 2013 duty evasion exceeding ` 50 lakh and contravention to any provisions of Central Excise Laws in relation to credit of any duty allowed to be utilized towards payment of excise duty exceeding ` 50 lakh, was made cognizable and non-bailable offence. Accordingly, this Circular is issued to provide a detailed procedure to be followed by Central Excise Officers in case of bailable and non-bailable offences. (Circular No. 974/08/2013-CX dated September 17, 2013).

CORPORATE LAW

➤ **Commencement of the Companies Act, 2013**

The MCA has issued a notification on September 12th, 2013 stating the provisions of the Companies Act, 2013 which would come into force from the said date. As many as 98 sections have been notified by the MCA.

➤ **Relaxation of last date and additional fee for filing Form 23C for appointment of Cost Auditor**



The MCA has issued General Circular No. 14/2013 on September 3rd, 2013 extending the last date of filing the Form 23C for appointment of Cost Auditor and relaxing the additional fee applicable on it up to October 31st, 2013. The e-form 23C can be filed for appointment of cost auditor with the normal applicable fee up to October 31st, 2013 or within 90 days of the commencement of the company's financial year to which the appointments relates, whichever is later.

➤ **Simplification of registration requirements for Stock Brokers**



The SEBI has issued **Circular no. CIR /MIRSD/ 8/ 2013 on September 30th, 2013** there by simplifying the registration requirements for Stock Brokers after amending the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. As per the amendment, the existing practice of obtaining multiple registrations for operating in different segments of a stock exchange / clearing corporation has been done away with and instead a single registration per stock exchange / clearing corporation shall be required. For operating in multiple segments, approval will be required from the stock exchange or clearing corporation.

➤ **Debt Allocation Mechanism for FII/QFI**

The SEBI has issued Circular No. CIR/ IMD/ FIIC/ 15/2013 on September 13th, 2013 stating the debt allocation mechanism for FII/QFIs. It has been decided that FIIs/QFIs can now invest in Government Debt without purchasing debt limits till the overall investment reaches 90% after which the auction mechanism shall be initiated for allocation of the remaining limits, as currently in place for FII investments in Corporate Debt. Consequent to the above changes, the facility of re-investment provided as well as the restrictions on re-investment shall no longer apply in respect of limits held/investments made by FIIs in the Government Debt category, till the limits are available on tap. Further, those FIIs which had obtained Government Debt limits in the debt limit auctions held on August 20, 2013, the time period for utilization of limits allocated through the bidding process shall be in terms of the SEBI circular CIR/IMD/FIIC/11/2013 dated July 31st, 2013.

➤ **KYC Requirements for Eligible Foreign Investors**

The SEBI has issued Circular no. CIR/ MIRSD/ 07/ 2013 on September 12th, 2013 modifying the Know Your Customer requirements in case of foreign investors viz. Foreign Institutional Investors, Sub Accounts and Qualified Foreign Investors. Eligible foreign investors investing under Portfolio Investment Scheme (PIS) route shall be classified as Category-I which includes Government and Government related foreign investors, Category-II which includes appropriately regulated broad based funds such as Mutual Funds, Investment Trusts, Insurance/Reinsurance Companies, Other Broad Based Funds, etc., appropriately regulated entities, Broad based funds whose investment manager is appropriately regulated, University Funds and Pension Funds, University related endowments already registered with SEBI as FII/Sub Account and Category-III consisting of all other eligible foreign investors investing in India under PIS route not

eligible under Category-I and II. The provisions of this circular are applicable for both the new and existing clients.

➤ **Amendments to SEBI (Alternative Investment Funds) Regulations, 2012**



The SEBI has issued **Notification No. LAD-NRO/GN/2013-14/24/6573 issued on September 16, 2013** amending Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as per the following:-

- The existing funds which do not propose to accept any fresh commitments after commencement of the regulations shall not be required to obtain registration under the regulations subject to submission of information on their activities to the Board in the manner as may be specified.
- An Alternative Investment Fund that has been granted in-principle approval may accept commitments from investors but shall not accept any monies till it is granted registration.
- Further provisions relating to Angel Funds, Registration of Angel Funds, Investment in Angel Funds, Its schemes, Investment by Angel Funds, Obligations of Sponsors and Managers of Angel Fund, Prohibition of Listing, etc. have been suitable amended.

FEMA

➤ **Clarifications on rationalization of Overseas Direct Investments (ODI)**

Press Release no. 2013-2014/483 dated September 4th, 2013 and A.P. (DIR Series) Circular No.30 dated

September 04th, 2013 RBI has issued following clarifications on amendment to Notification No. FEMA 120/ 2004 - RB dated July 7th, 2004 made vide A.P. (DIR Series) Circular No.23 dated August 14th, 2013 and Notification No.283/2013-RB dated August 14th, 2013.

- RBI has clarified that all the financial commitments made on or before August 14th, 2013, in compliance with the earlier limit of 400% of the net worth of the Indian Party under the automatic route will continue to be allowed. In other words, such investments shall not be subject to any unwinding or approval from the RBI.

In terms of Regulation 6 of the Notification *ibid*, the limit of financial commitments for an Indian Party (presently 100% of its net worth) shall not apply to the financial commitments funded out of EEFC account of the Indian Party or out of funds raised by way of ADRs / GDRs by the Indian Party, as hitherto.

The limit of 400% of the net worth of the Indian Party for the financial commitments funded by way of eligible External Commercial Borrowing (ECB) raised by the Indian Party as per the extant ECB guidelines is retained.

- ODI by an Indian Party for the purpose of A.P. (DIR Series) Circular No. 23 dated August 14th, 2013 and this Circular would mean the total financial commitment as laid down in Regulation 2 (f) of Notification No. FEMA.120/RB-2004 dated July 7th, 2004, as amended from time to time, by an IP and includes investment in equity, loan, corporate guarantee or bank guarantee [backed by a collateral or guarantee by the IP], performance guarantee (upto 50% of the performance guarantee), creation of charge over movable and immovable assets, pledge of shares, etc. For further detail on clarifications, refer circular available on RBI website.

- **ECB from the foreign equity holder. Press Release no. 2013-2014/483 dated September 04th, 2013 and A.P. (DIR Series) Circular No.31 dated September 04th, 2013**

As per the existing ECB policy, borrowings in the form of ECB cannot be utilized for general corporate purpose.

RBI has now permitted eligible borrowers to avail of ECB under the approval route from their foreign equity holder company with minimum average maturity of 7 years for general corporate purposes subject to the following conditions:-

- Minimum paid-up equity of 25% should be held directly by the lender;
- Such ECBs would not be used for any purpose not permitted under extant the ECB guidelines (including on-lending to their group companies step-down subsidiaries in India); and
- Repayment of the principal shall commence only after completion of minimum average maturity of 7 years. No prepayment shall be allowed before maturity. The above modifications to the ECB guidelines will come into force with immediate effect.

- **Export and Import of Currency. A.P. (DIR Series) Circular No. 39 dated September 6th, 2013 and Notification no. 258/2013-RB dated February 15th, 2013**

Presently, any person resident in India is allowed to take outside India or having gone out of India on a temporary visit, to bring into India (other than to and from Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.7,500 per person.

As part of providing greater flexibility to the resident individuals travelling abroad, the existing limit, mentioned above, has been enhanced to Rs. 10,000 per person. Accordingly, any person resident in India:-

- May take outside India (other than to Nepal and Bhutan) currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.10,000 (Rupees ten thousand only) per person; and
- Who had gone out of India on a temporary visit, may bring into India at the time of his return from any place outside India (other than from Nepal and Bhutan), currency notes of Government of India and Reserve Bank of India notes up to an amount not exceeding Rs.10,000 (Rupees ten thousand only) per person. The RBI has issued a **notification no.258/2013-RB dated February 15th, 2013** to amend the Foreign Exchange Management (Export and Import of Currency) Regulations, 2000 [Notification No. FEMA 6/2000-RB dated May 3, 2000] to give effect to the above amendment.

➤ **Enhancement of limit for Overseas Foreign Currency Borrowings by Authorised Dealer Banks. A.P. (DIR Series) Circular No. 40 dated September 10th, 2013**

AD Category - I banks are allowed to borrow funds from their Head Office, overseas branches and correspondents and overdrafts in nostro accounts up to a limit of 100% of their unimpaired Tier I capital as at the close of the previous quarter or USD 10 million (or its equivalent), whichever is higher, as against the existing limit of 50% (excluding borrowings for financing of export credit in foreign currency and capital instruments). To give effect to the above amendment, the RBI has issued a notification no.286/2013-RB dated September 5, 2013 to amend the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 [Notification No. FEMA 3/2000-RB dated May 3rd, 2000].

➤ **Clarifications on ECB proceeds for acquisition of shares under the Government's disinvestment programme of PSUs A.P. (DIR Series) Circular No. 57 dated September 30th, 2013**

As per the extant regulations, ECB proceeds are permitted to be used in the first stage acquisition of shares in the disinvestment process and also in the mandatory second stage offer to the public under the Government's disinvestment programme of the public sector undertakings (PSUs) shares.

RBI has now clarified that ECB is allowed for all subsequent stages of acquisition of shares in the disinvestment process under the Government's disinvestment programme of the PSU shares; in other words, facility of ECB is available for multiple rounds of disinvestment of PSU shares under the Government disinvestment programme.

➤ **Refinancing / Rescheduling of ECB**

A.P. (DIR Series) Circular No. 59 dated September 30th, 2013

As per the extant guidelines, the eligible borrowers desirous of refinancing an existing ECB can raise fresh ECB at a higher all-in-cost /reschedule an existing ECB at a higher all-in-cost under the approval route subject to the condition that the enhanced all-in-cost does not exceed the all-in-cost ceiling prescribed as per extant guidelines. RBI has decided to discontinue the above facility of allowing eligible borrowers to raise ECB at a higher all-in-cost to refinance / reschedule an existing ECB with effect from October 1st, 2013. The scheme of refinance of existing ECB by raising fresh ECB at lower all-in-cost, subject to the condition that the outstanding maturity of the original ECB is either maintained or extended, shall continue as hitherto under the automatic route and approval route as the case may be.

POLICY WATCH

➤ **FII's infuse INR 130 billion in Indian stock market during September 2013**

FOREIGN Institutional Investors (FIIs) have invested INR 130 billion in the Indian stock market during September 2013, after the announcement of new measures by Reserve Bank of India to boost

economic growth. Inflows in equities were about INR 132.28 billion during September 2013. The US Federal Reserve's decision to continue with its



monthly USD 85 billion bond-buying programmes has encouraged FIIs to invest in the Indian equity market. Since the beginning of 2013, FIIs have infused INR 733.98 billion in equities.

➤ **Government clears 15 FDI proposals worth INR 20 billion**

Government has approved 15 foreign investment proposals totaling INR 20 billion. It has also recommended two Foreign Direct Investment (FDI) applications, including that of US drug major Mylan. The proposals cleared include that of Jubilant Pharma Pte, Singapore (INR 11.45 billion), Lotus Surgical Specialties (INR 1.50 billion), Symbiotec Pharmalab (INR 3.06 billion) and Advanced Enzyme Technologies (INR 2 billion). Mylan Inc proposes to acquire Agila Specialties Pvt. Ltd which is a subsidiary of pharma firm Strides Arcolab. It involves an FDI worth INR 51.68 billion.

➤ **IFC launches USD 1 billion bond programmes for India**

The International Finance Corporation (IFC), a member of the World Bank Group has announced the launch of a USD 1 billion offshore rupee bond programme to strengthen India's capital markets and attract greater foreign investment. This is a new initiative for the intermediation of international savings for development in India. It will also help deepen the capital markets in India and establish an Indian rupee benchmark in the global markets. India accounted for USD 4.5 billion of IFC's committed investment portfolio as of June 30, 2013 more than

any other country. In 2013, IFC invested USD 1.38 billion in India to achieve several strategic priorities such as promoting inclusive growth in India's low-income states, addressing climate change, and supporting global economic integration.

➤ **SEBI permits put & call options in M&A deals**

The Securities and Exchange Board of India (SEBI) has permitted listed companies to use options, which give an entity the rights to sell or purchase a security at a future date, in Merger and Acquisition (M&A) transactions. SEBI has also allowed use of other popular preferential clauses such as 'right of first refusal, tag along, and drag along. The markets regulator has amended the Securities Contracts Regulation Act (SCRA), which originally prohibited use of these clauses. SEBI'S move will permit India Inc's long-awaited wish to incorporate put and call options clauses in their share purchase Agreements. Put and call options are the most popular exit mechanism in M&A transactions.

➤ **India and Japan sign MoU for feasibility study of high speed railway system**

India and Japan have signed a Memorandum of Understanding (MoU) to undertake a joint feasibility study of High Speed Railway system on the Mumbai - Ahmedabad route. The objective of the Joint study is to prepare a feasibility report of High Speed Railway system on the Mumbai-Ahmedabad route with speed of 300-350kmph. The cost of the study will be shared equally between India and Japan. The study shall be completed within 18 months from its commencement. The study will have traffic forecasting and alignment surveys.

INDUSTRY WATCH & CORPORATE HIGHLIGHT

➤ **Indian tablet PC market revenue to cross USD 2 billion in 2013**

The Indian tablet PC market is expected to cross USD 2 billion revenues by the end of 2013. The increasing usage and preference for tablets in the

education sector, private enterprises and growing demand from the smart phone and laptop users would drive the market for tablet PC over the coming years. Tablet sales in 2012-13 stood at 1.9 million units as against 0.36 million units in 2011-12 witnessing a growth of 427%.

➤ **Infosys & IBM bag INR 25 billion UK bank deal**

IBM and Infosys have won a major deal from UK-based bank Williams & Glyn's, which is a part of the Royal Bank of Scotland Group (RBS). The deal, which is valued at INR 25.35 billion, is for building a new technology system for Williams & Glyn's. The new bank will have 314 branches with a customer base of 1.7 million customers, located mostly in north-west England, and is scheduled to start operations in the London market in 2015. Infosys will be developing some aspects of core banking systems, which would include mobile banking applications.

➤ **Jaguar-Land Rover partners with Genpact to optimize procurement**

Genpact has partnered with Jaguar-Land Rover (JLR) to help the British automaker optimize its procurement operations. As per the agreement, Genpact is managing JLR's end-to-end Request for Quotation (RFQ) process for their model launches and engineering changes, thereby enabling its purchasing staff to focus on strategic aspects of the business. Genpact will help the automaker to standardize its RFQ process and also scale its business in new and existing markets while ensuring efficiency and compliance.

➤ **Tata Power to set up coal-fired plant in Myanmar**

TATA Power has forayed into Myanmar and has begun feasibility studies to set up a coal-fired power station. The project is expected to be commissioned in 2019-20. This would be the first project by the Tata Group Company in Myanmar. Tata Power has executed a Memorandum of Understanding with the government of Myanmar for setting up an imported

coal-based power plant. Tata Power is aggressively looking to expand its portfolio overseas and is building hydroelectric projects in Bhutan, Georgia and Zambia. The firm is also developing two wind power projects in South Africa.

➤ **Volkswagen India begins exporting Vento to Mexico**





Volkswagen India (VWI) has commenced exporting the Volkswagen Vento to Mexico. In the years to come, this will become the single largest export market for VWI's Pune plant. Volkswagen India commenced export of cars manufactured at Pune in 2011 with exports to South Africa. It entered the Left-Hand Drive (LHD) market in 2012 with exports to West Asian countries. The next big step in the growth strategy of Volkswagen India is the expansion of exports of the Left-Hand Drive Vento to the Mexican market. The production of LHD Vento cars for the Mexican market has commenced with the first lot of cars having already reached there. The model will be officially introduced in early November this year.

TCS bags multi-million deals from Bombardier



TATA Consultancy Services (TCS) has announced that it has been selected by Bombardier transportation, a global leader in rail transportation technology, to manage its IT infrastructure for newly commissioned data centers. The multi-year, multi-million deals, is the first that TCS has signed with a rail-transportation technology provider.

Statutory compliance calendar for the month of October 2013

Due date	Statutory compliance under Act	Particulars	Governing Authority
			
06/10/2013	Service Tax	Payment of monthly service tax for the month of September by all tax payers electronically	Central Board of Excise and Custom
	Central Excise	Payment of monthly central excise duty for the month of September on goods by assesses other than SSI units and quarterly payment by SSI units electronically	Central Board of Excise and Custom
07/10/2013	Income Tax	Deposit of Income Tax TCS and TDS deducted in September	Central Board of Direct Tax.
	SEBI	Quarterly report for grievances of beneficial owners related to depository services to depositories	The securities and exchange board of India Act-1992
	NBFC-D	Monthly return of exposure to capital markets in form NBS-6 by NBFC having total assets of 100 crore and above	Reserve Bank of India.
	NBFC-ND-SI	Monthly return of source and application of funds, profit and loss account, asset classification	Reserve Bank of India.
	SEBI	Quarterly certificate on demat/remit shares to depositories	The securities and exchange board of India Act-1992
10/10/2013	Central Excise	(a) Monthly central excise return in form ER-1/ER-2 by other than SSI. (b) Quarterly return by SSI in form ER-3 (c) Quarterly return by assesses paying 1%/2% excise duty and not manufacturing any other goods in form ER-8.	Central Board of Excise and Custom
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6	Central Board of Excise and Custom
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM1	Reserve Bank of India.
	NBFC-D	Quarterly submission of Monetary and Supervisory return in form NBS-5 by NBFC having public deposits of ` 20 crore and above as per last audited balance sheet	Reserve Bank of India.
15/10/2013	Income Tax	(a) Quarterly Income Tax TDS/TCS statement in form 24Q/26Q/27EQ (Other than Government) (b) Quarterly return in form 27Q in respect of	Central Board of Direct Tax.

		TDS from interest, dividend or any other sum payable to non-residents	
	Income Tax	(a) Payment of monthly dues of Provident Fund for the month of September (b) Monthly return in form 5 for employees joining Provident Fund during September along with declaration in form 2 furnished by the employees (c) Monthly return of Provident Fund in form 10 of employees leaving the service during September	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
	Central Excise – Dealers	First stage dealer and second stage dealer to submit return for the quarter July to August	Central Board of Excise and Custom
21/10/2013	Provident Fund	Monthly contribution statement (abstract) in form 12A, along with copy of receipted challans regarding payment of contribution.	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
	ESIC	Monthly contribution statement (abstract) in form 12A, along with copy of receipted challans regarding payment of contribution.	The employees' state insurance Act-1948. Ministry of labour and employment.
25/10/2013	Service Tax	Half Yearly filling of service tax return in Service Tax-3	Central Board of Excise and Custom
30/10/2013	Income Tax	(a) Quarterly certificate of tax deducted from income other than salary in form 16A (other than Government). (b) Quarterly certificate of TCS (Tax Collected at source) in form 27D.	Central Board of Direct Tax.
31/10/2013	31/10/2014	Quarterly return by Non-deposit taking NBFCs with asset size of ` 50 crore and more but less than ` 100 crore in form annexed to RBI circular dated 24-9-2008.	Reserve Bank of India.

Glossary

AAR	Authority of Advance Rulings
ADR	American Depository Receipt
ALP	Arm's Length Price
AO	Assessing Officer
AP	Association of Persons
APA	Advance Pricing Agreement
ATM	Automated Teller Machine
AY	Assessment Year
BCD	Basic Customs Duty
BI	Body of Individuals
BP	Balance of Payments
CA	Chartered accountant
CAD	Current Account Deficit
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
CENVAT	Central Value Added Tax
Customs Act	Customs Act, 1962
CIT	Commissioner of Income Tax
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CD	Countervailing Duty
DDT	Dividend Distribution Tax
DTA	Domestic Tariff Area
ECB	External Commercial Borrowings
ESI	Employee's state insurance
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investment
FTS	Fees for Technical Services
FY	Financial Year
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of chartered accountant
IFRS	International Financial Reporting Standard
IDR	Indian Depository Receipt
IIP	Index of Industrial Production
IRDA	Insurance Regulatory Development Authority
ITR	Income tax return

LCD	Liquid-crystal Display
MP	Madhya Pradesh
MP	Market price
MF	Mutual fund
MSME	Micro Small and Medium Enterprises
NBFC	Non Banking Finance Company
NHAI	National Highway Authority of India
NPS	National Pension Scheme
NRI	Nonresident in India
NABARD	National Bank for Agriculture and Rural Development
OEM	Original Equipment Manufacturer
OET Act	Odessa Entry Tax Act, 1999
PSU	Public Service Undertakings
P&L	Profit & loss
PF	Provident fund
POTR	Point of Taxation Rules
QE	Quantitative Easing
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
REF	Renewable Energy Fund
REIT	Real Estate Investment Trust
Rules	Income-tax Rules, 1962
SA	Standard on Auditing
SAD	Special Additional Duty
SC	Scheduled Caste
SC	Supreme Court
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
ST	Scheduled Tribes
ST	Service Tax
STP	Software Technology Park
STR	Service Tax Rules
STCG	Short Term Capital Gain
TIN	Transaction identification number
TNNM	Transactional Net Margin Method
Tribunal	Income tax Appellate Tribunal
TDS	Tax Deducted at Source
TPO	Transfer Pricing Officer
TED	Terminal Excise Duty
VAT	Value Added Tax
VCC	Venture Capital Companies
VCF	Venture Capital Fund
WPI	Wholesale Price Index
WT	Wealth tax
WB	World bank

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