

Tax & Corporate law Bulletin

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JUNE 2013

From the Editor's Desk...

Dear Reader,

Greetings for the season.

May the sun of the new month brings success and happiness for you. Wishing you a shiny Month.

Some important updates of this month are as follows: Substitution of form no. 3 CEB, Changes in the effective rate of duty, Reporting under Liberalized Remittance Scheme for Resident Individuals, Pharma exports rise 10.50% to USD 14.6 billion in 2013 and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & Associates

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GLOSSARY

“Adapting swiftly to the
global business environment”



DIRECT TAX

- **Clarification on proposed amendment to section 206C of Income-tax Act dealing with TCS on sale of bullion or jewellery in cash, press release dated May 1st, 2013.**

Currently, sale in cash of bullion (excluding coin or any other article weighing 10 grams or less) in excess of 2 lakh or jewellery in excess of 5 lakh is subject to tax collection at source (TCS) @ 1%. As coins were neither included in bullion nor in jewellery, therefore, coins, even when amounting to more than 2 lakh in value, were being sold in cash without TCS. The Finance Bill, 2013 proposes to delete "exclusion of coins/articles weighing 10 grams or less from bullion". Hence, the sale of bullion (including coins/articles) in cash in excess of 2 lakh shall be subject to TCS @1%. Similarly, sale of jewellery in cash in excess of Rs. 5 Lakh shall be subject to TCS @1%. It is not a new levy of tax but continuation of old levy except withdrawals of exemption in the case of coins/articles weighing 10 grams or less.

- **Furnishing of return electronically under digital signature or transmitting the data in the return electronically without digital signature.**
 - By virtue of the amendment, not only individual or HUF but all the persons other than companies and the person filing ITR-7 will be required to furnish return of income electronically under digital signature or transmitting the data in the return electronically without digital signature if their income exceeds 5,00,000/- for the assessment year 2013-14 & subsequent Assessment year.
 - By virtue of the amendment, the person who is required to file ITR - 7, has option to furnish the return of income electronically with digital signature or transmitting data in the return electronically without digital signature.
 - All the tax payers who are claiming relief of tax in accordance with the section 90 or 90A or 91

of the Income-tax Act will be required to furnish their income tax return electronically under digital signature or transmitting the data in the return electronically without digital signature.

- **Substitution of form no. 3 CEB – Amendment in Rules 10A, 10AB, 10B,10C,10D&10E.**

The CBDT vide Notification No. 41/2010 dated June 10, 2013 gives Income Tax (Sixth Amendment) Rules, 2013. It has come into force 01/4/2013. IT substitutes Form 3 CEB being Report from an accountant to be furnished u/s 92 E relating to international transactions and specific domestic transactions. It also amends Rules 10A, 10AB, 10B, 10C, 10D & 10E so as to cover the provision relating to specific domestic transaction.

INDIRECT TAX

Service Tax

- **Synopsis of Notifications, Circulars & Letters.**

Central Government vide Notification No. 9/2013-ST dated May 8th, 2013 has amended Entry No. 12 of Notification No. 26/2012-ST dated June 20th, 2012 whereby the existing abatement of 75% for services provided by builders/developers in respect of construction of residential complex as well as commercial or industrial construction is revised as follows.

Construction service in respect of	Abatement
Residential unit where carpet area is less than 2,000 Sq. Feet and gross amount charged is less than 1 Crore	75%
Other constructions	70%

Note:

The Notification No. 2/2013-ST dated March 1st, 2013 Restricted abatement to 70% in respect of a residential unit only in cases where the carpet area of such residential unit was more than 2,000 Sq. Feet and gross amount charged was more than 1 Crore.

Central Government vide Notification No.10/2013-ST dated May 31st, 2013 has notified Service Tax Voluntary Compliance Encouragement Rules,

- Any person wishing to make declaration under Voluntary Compliance Encouragement Scheme (VCES) shall take registration under Rule 4 of the Service Tax Rules, 1994, in case he is not already registered.
- The declaration of tax dues to be made in Form VCES-1 in duplicate verified in the prescribed manner giving inter alia details such as name, address, telephone, email ID, STC no. & details of tax dues.
- The declaration in Form No. VCES-1 to be accompanied by calculation sheet of service tax dues (calculated in the manner prescribed under Sr. No. 3F (I) or Part B of Form ST-3, as the case may be, for the relevant period). Such calculation sheet to be furnished return period wise and service wise, in case the tax dues relate to more than one service.
- Designated authority to issue an acknowledgement of such declaration in Form No.VCES-2 within 7 working days from the date of receipt of declaration.
- No CENVAT Credit to be utilized for payment of tax dues under this Scheme
- Designated authority to issue acknowledgement of discharge of dues to the declarant in Form No.VCES-3 within 7 working days from furnishing the details of full payment of declared tax and interest, if any.

CBEC vide Circular No.169/4/2013-ST dated May 13th, 2013 has issued various clarifications in connection with VCES.

- Besides Interest & Penalty, a declarant would also get immunity from any other proceedings such as payment of late fees for non filing of return or penalty for delay in obtaining registration.

- In terms of Section 106 (1) of the Finance Act, 2013 and second proviso thereto, the tax dues in respect of which any show cause notice or order of determination u/s. 72, 73 or 73A has been issued or which pertains to the same issue for the subsequent period are excluded from the ambit of the Scheme. Any other tax dues could be declared under the Scheme subject to the other provisions of the Scheme.
- The provision of Section 106 (2)(a)(iii) of Finance Act, 2013 pertaining to rejection of declaration shall be attracted only in such cases where accounts, documents or other evidences are requisitioned by the authorized officer from the declarant under the authority of any of statutory provisions of Section 14 of the CE Act, 1944 (issuance of Summons) or Section 72 of the Finance Act, 1994 (requisition of documents & evidence in case of failure to furnish return) or Rule 5A of the Service Tax Rules, 1994 (requisition of specified records & documents) and the inquiry so initiated against the declarant is pending as on the 1st day of March, 2013. No other communication from the department would attract the provisions of section 106 (2) (a) (iii) and thus would not lead to rejection of the declaration.

Central Excise



➤ Changes in the effective rate of duty

- Notification No. 1/2011 lists out goods eligible to concessional rate of duty 2% ad valorem without CENVAT credit facility. The changes have been detailed on WIRC website.

- Notification No. 2/2011 provides for list of goods eligible to concessional rate of duty @ 6% with CENVAT credit facility. The changes have been detailed on WIRC website.

➤ **New Procedure for getting duty free goods by Duty free shops at Ports prescribed**

Notification no. 145/1989 CE dated May 19th, 1989 granting duty exemption to Duty free shops subject to certain conditions, has now been withdrawn. However, a new Notification prescribing new procedure and conditions forgetting the exemption has been prescribed. The salient features are as under.

- The owner of the Duty free shop shall follow the procedure specified in the Circular No. 970/04/2013-CX, dated May 23th, 2013
- The passenger or member of crew arriving from abroad shall be allowed clearance of excisable indigenous goods in his bona fide baggage, free of duty, subject to the maximum permissible allowance as applicable to such passenger or member of crew under the provisions of the Baggage Rules, 1998.
- The permissible allowance including the restrictions and prohibitions, if any, shall be determined under the said Baggage Rules read with all websites about the company to promote good corporate governance and to enhance investors' awareness and advocacy for adoption of Corporate Social Responsibility (CSR) by companies for inclusive growth of the corporate sector. Based on a number of suggestions received by the MCA from corporate and investors, it is advised that a company having paid-up capital of not less than 10 crores or having more than 100 members may maintain a functional website containing inter alia the following basic information about the company as at the close of the previous year stating the date thereof within three months in order to boost investor confidence and to foster economic growth of the country.

➤ **Clarification on Revised requirements for Listed Companies undertaking a Scheme of Arrangement**

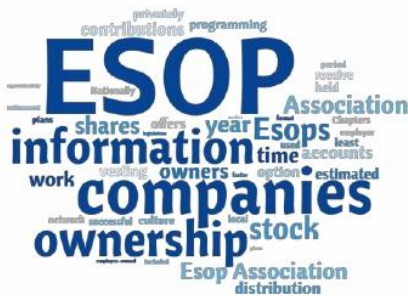
The SEBI has issued Circular No. CIR/CFD/DIL/8/2013 dated. May 21st, 2013 based on queries/representations from market participants expressing operational difficulties in implementing certain provisions of SEBI's earlier Circular of February 2013 and hence SEBI now provides clarifications and modify certain provisions of the earlier Circular as under:-

- On applicability – the earlier circular is applicable to all listed companies undertaking a scheme of arrangement under the Companies Act, 1956 (amalgamation / merger / reconstruction etc.) and even to cases where no exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 is sought from SEBI.
- In relation to requirement of submission of valuation report from independent chartered accountant, it is clarified that the report need not be required in cases where there is no change in the shareholding pattern of the listed company/resultant company. Detailed analysis of what constitutes 'change in shareholding pattern' is provided in the above circular.
- In relation to choosing stock exchanges with nation-wide terminals, it is clarified that if a company is listed on any stock exchange having nationwide terminals and/or regional stock exchange, it shall choose the stock exchange having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI. For companies listed solely on regional stock exchange, wherein exemption from Rule 19(2) (b) of Securities Contracts (Regulation) Rules, 1957 is sought, the company shall obtain in-principle approval for listing of equity shares on any stock exchange having nationwide trading terminals.

- Listed companies shall ensure that the scheme submitted with the High Court for sanction provides for voting by public shareholders through postal ballot and e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to specific resolutions. One may refer to the detailed requirements provided in the above Circular.

CORPORATE LAWS

- **Amendments to SEBI ESOP Guidelines, 1999 and Equity Listing Agreement**



The SEBI has issued Circular No. CIR/CFD/DIL/7/2013 dated May 13th, 2013 referring to the amendment to the equity listing agreement through insertion of clause 35-C which mandated that all employee benefit schemes involving the securities of the company shall be in compliance with SEBI (ESOS and ESPS) Guidelines, 1999 and any other guidelines, regulations, etc. framed by SEBI in this regard. This clause also required that all the employee benefit schemes already framed and implemented by the company involving dealing in the securities of the company, before the insertion of this clause shall be aligned with and made to conform to SEBI (ESOS and ESPS) Guidelines, 1999 by June 30, 2013 which also provided that no ESOS/ESPS schemes shall involve acquisition of securities of the company from the secondary market. One may refer to the above citation to know more about

Applicability of the Circular, Extension of time, holding of securities additional disclosures & other details.

- **SEBI Issues Frequently Asked Questions on 'Business Responsibility Reports'**

The SEBI has issued Press Release No. 48/2013 dated May 10th, 2013 providing frequently asked questions (FAQs) on Business Responsibility Reports (BR Reports) providing clarifications / interpretations to various queries received on SEBI's earlier circular on BR Reports. The FAQs are available on www.sebi.gov.in. SEBI has stated that in the larger interest of public disclosure regarding steps taken by listed companies from Environmental, Social and Governance (ESG) perspective, SEBI had mandated inclusion of BR Reports as part of the Annual Reports of listed companies and it was made mandatory for top 100 listed companies, based on market capitalisation at BSE and NSE as on March 31, 2012, to disclose the BR Reports from financial year ending on or after December 31st, 2012. Other listed companies can voluntarily disclose BR Reports as part of their Annual Reports. One may refer to the above citation for further details.

- **Amendment to Name Availability Guidelines, 2011-Registration of Electoral Trusts**

The MCA has issued General Circular No. 12/2013 dtd. June 28th, 2013 in relation to registration of electoral trusts as companies under section 25 of the Companies Act, 1956 and has clarified that if it includes the words indicative of a separate type of business constitution or legal person or any connotation thereof, the same shall not be allowed, for example, cooperative, sehkari, trust, LLP, partnership, society, proprietor, HUF, firm, Inc., PLC, GmbH, SA, PTE, Sdn, AG, etc. It is also clarified that the name including the phrase 'electoral trust' may be allowed for registration of companies to be formed under section 25 of the Companies Act, 1956 under the Electoral Trusts Scheme, 2013 as notified by the Central Board of Direct Taxes (CBDT).

However, the company to be formed under section 25 of the Act, shall be the new company and such company will be required to comply with section 293-A of the Act. Further, the name application may be accompanied with an affidavit to the effect that the name to be obtained shall be only for the purpose of registration of companies under Electoral Trust Scheme as notified by the CBDT.

➤ **Amendment to NBFC directions**



The RBI has issued Circular No. DNBS.(PD) 257/PCGM(NSV)-2013 on June 27th, 2013 amending the definition of 'public deposit' by removing the option to convert any amount raised by the issue of bonds or debentures making it compulsory to convert the same into equity. Also, in the said definition, in relation to any amount received as hybrid debt or subordinated debt the minimum maturity period of which is not less than sixty months, it is now provided that there is no option for recall by the issuer within that period

➤ **No person shall act as an investment adviser without obtaining SEBI certificate of registration**

The SEBI has issued Circular dated May 29th, 2013 referring to the SEBI (Investment Advisers) Regulations, 2013 (IA Regulations) whereby no person shall act as an investment adviser or hold itself out as an investment adviser unless he has obtained a certificate of registration from the Board or he is specifically exempt. It is now clarified that

for operational convenience and as part of decentralization of work, the application for registration as an investment adviser under IA Regulations shall be filed with the concerned Regional Office (RO)/Local Office (LO) of the SEBI under the jurisdiction of which the registered address of the applicant falls.

FEMA

➤ **Import of Gold by Nominated Banks/Agencies A.P. (DIR Series) Circular No.103 dated May 13th, 2013.**

Nominated banks/agencies were permitted to import gold on loan basis, Suppliers Credit/Buyers Credit basis, consignment basis as also on unfixed price basis.

The Working Group on Gold under the Chairmanship of Shri K. U. B. Rao, has recommended aligning gold import regulations with rest of the imports for creating a level playing field between gold imports and other imports. To moderate the demand for gold for domestic use, RBI has restricted the import of gold on consignment basis by banks, only to meet the genuine needs of exporters of gold jewellery.

➤ **Foreign Direct Investment in India – Issue of equity share under the FDI scheme against pre-operative /pre-incorporative expenses.**

Issue of equity shares/preference shares against pre-operative /pre-incorporative expenses is permitted under the Government route, subject to specified terms and conditions. One of the conditions is that the payments should be made directly by the foreign investor to the company and payments made through third parties citing the absence of a bank account or similar such reasons will not be eligible for issuance of shares towards FDI. This condition has been reviewed and it has been decided to revise the said condition as 'payments should be made by the foreign investor to the company directly or through the bank account opened by the foreign investor as provided under FEMA Regulations.

➤ **Reporting under Liberalized Remittance Scheme for Resident Individuals**

AD Category-I banks were required to furnish information on the number of applications received and the total amount remitted under the Liberalized Remittance Scheme (LRS), on a monthly basis, in the prescribed format in both hard copy as well as soft copy in Excel format. All AD banks were also advised to submit the monthly statement before 5th of the succeeding month to the RBI. Since October 2008, AD Banks were required to submit the LRS data through the Online Returns Filing System (ORFS) of Reserve Bank, in addition to submitting the same in hard copy.

RBI has now decided to collect the data in soft form only and to dispense with the submission of hard copies of the monthly statements by the AD banks. Accordingly, with effect from July 1st, 2013, AD Category-I banks are required to upload the data in ORFS on or before fifth of the following month. Where there is no data to furnish, AD banks are advised to upload nil figures in the ORFS system.

➤ **Export of Goods and Software—Liberalization in realization and repatriation of export proceeds.**

The period for realization and repatriation to India, of the amount representing the full value of goods or software exported was enhanced from six months to twelve months from the date of export. This relaxation was available up to March 31st, 2013

RBI has now, in consultation with the Government of India, decided to bring down the above stated realization period from twelve months to nine months from the date of export, with immediate effect, valid till September 30th, 2013.

The provisions in regard to period of realization and repatriation to India of the full export value of goods or software exported by a unit situated in a Special Economic Zone (SEZ) as well as exports made to warehouses established outside India shall remain unchanged.

INTERNATIONAL TAXATION



➤ **Commissioner of Income-Tax Vs. Sikandarkhan N Tunvar [2013] 33 Taxmann.Com 133 (Gujarat) dated May 2nd, 2013**

Issues

Whether disallowance under section 40(a)(ia) of the Income-tax Act, 1961 could be made only in respect of such amounts which are payable as on 31st March of the year under consideration?

Whether decision of Special Bench of the Tribunal in the case of M/s. Merilyn Shipping & Transports vs. ACIT (supra) lays down correct law?

Facts

The term used in section 40(a)(ia) is interest, commission, brokerage, etc. is payable to a resident or amounts payable to a contractor or sub-contractor for carrying out any work.

The language used is not that such amount must continue to remain payable till the end of the accounting year. Any such interpretation would require reading words which the legislature has not used.

The Courts in India have been applying the “principle of deliberate or conscious omission”. Such principle is applied mainly when an existing provision is amended and a change is brought about.

The Tribunal committed an error in applying the principle of conscious omission in the present case. Firstly, there is serious doubt whether such principle can be applied by comparing the draft presented in

Parliament and ultimate legislation which may be passed. Secondly, the statutory provision is amply clear.

Held

Section 40(a) (ia) would cover not only to the amounts which are payable as on 31st March of a particular year but also which are payable at any time during the year. Of course, as long as the other requirements of the said provision exist in the result, Revenue's appeal allowed.

➤ **Asstt. Dit (It) - 1(2) Vs. M/S Clifford Chance 2013-Tii-81-Itat-MumSB- Intl Dated May 13, 2013**

Issues

Whether the amendment made by the Finance Act, 2010 in section 9 with retrospective effect from 1st June, 1976, is applicable only in the cases covered under clauses (v), (vi) or clause (vii) of section 9(1) and not clause (i) of section 9(1)?

Whether Article 7(1) of the India-UK DTAA read with Article 7(3) thereof, are akin to the provisions of sections 7(1) (b) and 7(1) (c) of the UN Model Convention?

Whether the Bombay High Court decision in the assessee's own case holds good notwithstanding the retrospective amendment in the Explanation to sec. 9 vide Finance Act, 2010?

When the connotations of "profits indirectly attributable to permanent Establishment" are defined specifically in Article 7(3) of the India-UK there is any need to refer to the UN Model Convention?

Held

The tribunal held that, the amendment made by the Finance Act 2010 in section 9 with retrospective effect from 1st June, 1976, which is applicable only in the cases covered under clauses (v), (vi) or clause (vii) of section 9(1) and not clause (i) of section 9(1), thus has not negated the decision of Bombay High Court in the case of the assessee for A.Y. 1996-97

and the said decision rendered in the context of section 9(1)(i) still holds good even after the said amendment in so far as the assessee's case is concerned.

Article 7(1) of the India-UK DTAA is read with Article 7(3) thereof, we are of the considered view that the provisions thereof are not at all akin to the provisions of sections 7(1)(b) and 7(1)(c) of the UN Model Convention and it would not be correct to say that the connotations of "profits indirectly attributable to permanent establishment" extend to the two categories of income as specified in clause (b) and clause (c) of Article 7(1) of the UN Model Convention and incorporate a force of attraction rule as held by the Division bench of this Tribunal in the case of Linklaters LLP;

In our opinion, when the connotations of "profits indirectly attributable to permanent establishment" are defined specifically in Article 7(3) of the India-UK DTAA which clearly explains the scope and ambit of the profits indirectly attributable to the PE and the provisions of said Article being unambiguous and capable of giving a definite meaning, there is really no need to refer to the provisions of Article 7(1) of UN Model Convention which are materially different from the provisions of Article 7(1) of the India-UK DTAA read with Article 7(3) thereof.

POLICY WATCH

➤ **CCI signs MoU with Australian Competition and Consumer Commission.**

Competition Commission of India (CCI) has signed a Memorandum of Understanding (MoU) with the Australian Competition and Consumer Commission to strengthen cooperation and share information on various competition issues. The MoU provides for sharing information on significant developments in competition policy and enforcement developments in the respective jurisdictions. Both parties will work together in technical cooperation activities as well as cooperate in appropriate cases, consistent with the respective enforcement interests, legal constraints, and available resources.

➤ **DGFT signs agreement with Delhi government for use of e-BRC**

Directorate General of Foreign Trade (DGFT) has signed an agreement with the Delhi government for use of electronic Bank Realization Certificate (e-BRC). This will help in reducing the transactions cost of exporters. The e-BRC initiative leads to electronic transmission of foreign exchange realization certificate from the banks to the DGFT's server on a daily basis. With this facility, there will be minimum human interface between the Commerce Ministry and the exporting community for grant of benefits. It establishes seamless electronic data interchange connectivity among DGFT, banks and exporters. The government of Delhi has become the second state to sign the MoU after Maharashtra.

➤ **FDI inflows dip by 38% to \$22.4 billion in 2012-13**

Foreign Direction Investment (FDI) inflows registered a 38% decline to USD 22.42 billion in 2012-13 compared to the previous year. FDI inflows were worth USD 35.12 billion in 2011-12. The government had taken several policy decisions in the past few months to attract foreign investment. Important among these include allowing FDI in multi-brand retail and civil aviation sectors and seeking legislative approval for increasing FDI cap in insurance and pension sectors. India received maximum FDI from Mauritius (USD 9.49 billion), followed by UK (USD 7.87 billion), Singapore (USD 5.25 billion), Japan (USD 2.97 billion) and United States (USD 1.11 billion).

➤ **India & Singapore renew agreement on joint army training.**

India and Singapore have renewed a bilateral agreement for conducting joint army training and exercises for another five years. Its renewal allows the Singapore Army to train and exercise with the Indian Army in India for another five years. The two armies have jointly conducted bilateral armour and artillery exercises, codenamed Ex Bold Kurukshetra and Ex Agni Warrior respectively. The most recent

bilateral armour exercise was successfully conducted in March 2013 and both armies also carried out combined artillery live-firing in December 2012. Apart from the Army, the Republic of Singapore Air Force and the Republic of Singapore Navy engage their Indian counterparts in joint military training and exercises annually.

INDUSTRY WATCH

➤ **Cotton yarn exports expected to rise 7.7% to 1,150 million kg.**

Cotton yarn exports are estimated to rise 7.7% to 1,150 million kg in the current fiscal on higher output and rising demand from traditional markets. The Cotton Yarn Advisory Board has projected a 14.2% increase in cotton yarn production to 4,000 million kg in 2013-14. Besides, total demand is expected to increase by 44% to 3,900 million kg during this fiscal. Also, there is a surge in the number of export orders for cotton yarn not only from traditional markets like the US, China, South Korea and Bangladesh but also from emerging markets such as Latin America and Africa.

➤ **Chhattisgarh sees 33% jump in iron ore production this year**

Chhattisgarh, which is India's fourth-largest iron ore producing state, expects to raise production by a third to about 37 million tonnes this fiscal year. This is significant since mining restrictions in two other states has made India an importer of iron ore. Chhattisgarh produced 27.7 million tonnes in the year ended March 2013. All this output went to local steel mills. The higher production would benefit companies such as JSW Steel Ltd which have been forced to import iron ore amid steady steel demand and falling output of the raw material.

➤ **Pharma exports rise 10.50% to USD 14.6 billion in 2013.**

Pharma exports grew by 10.55% year-on-year to USD 14.6 billion during the financial year 2012-13. The US continues to remain a top destination for

pharma exports in 2013 with USD 3.7 billion, against USD 3.2 billion in 2012. UK stood at the second place in 2013 with USD 511 million exports against USD 491 million in the previous fiscal. The Indian industry is certainly geared up to encash some of the blockbuster drugs that will be off-patented this year and next year.

➤ **Goldman Sachs fund invests USD 135 million in India's Re New Power.**



A private equity fund run by Goldman Sachs has invested USD 135 million in unlisted Indian wind energy firm Re New Power Pvt. Ltd. This makes the company one of the largest renewable energy investors in India. The Wall Street bank's private equity arm had invested about USD 200 million in the same company two years ago. Re New Power has installed capacity of 200 MW as of April 30th, 2013. The company aims to have 1,000 MW capacities by 2015.

➤ **Karnataka wind farm registered under UN clean project.**

The 50.4 Mega Watt (MW) wind power project at Gadag in Karnataka has been registered under the Clean Development Mechanism (CDM) programme by the United Nations (UN) Framework Convention on Climate Change. The wind farm was commissioned in July, 2009. It has 63 wind turbine generators of 800 KW capacities each. The Gadag plant helps in reducing an annual average of 99,100 tonnes of carbon-dioxide equivalent, by producing 107,064 MWh per year (average) equivalent amount of clean energy. The plant is Tata Power's fourth CDM- Registered project after the 50.4-MW wind

project at Khandke, Maharashtra; 50.4-MW wind project at Samana, Gujarat and 25-MW solar project at Mithapur, Gujarat. CDM is an instrument established under the Kyoto Protocol to achieve both sustainable development and contribute to the cost effective mitigation of climate change.

➤ **TVS logistics acquires US-based Wainwright Industries.**

TVS Logistics has acquired 100% stake in US-based unlisted supply chain firm Wainwright Industries. The acquisition was done to build capabilities like cross docking. The revenues of Wainwright were INR 1.25 billion and TVS would pay INR 250 million initially for the deal. The remaining would be paid after two years, subject to performance of the unit. The second payment tranche could range between INR 250 to 500 million depending on performance milestone achieved by the unit.


➤ **Yamaha to make global models in India.**

Yamaha plans to take the made-in-India brand global. The company has decided to develop and manufacture 'global models' here that would be sold in emerging markets, European countries and Japan. The company also wants to make India a location for developing and manufacturing "commuter" bikes or those powered by engines ranging between 100cc and 200cc. The company is looking to launch new models aimed at both the domestic as well as overseas markets. Yamaha has also undertaken one of its most ambitious projects in India by kick starting the development for its cheapest motorcycle and scooter models.

➤ **TCS & Cognizant bag mega deal from UK Rail.**

UK's Network Rail has given out IT outsourcing deals worth 360 million pounds to Tata Consultancy Services (TCS), Cognizant Technology Solutions and three other multinational companies. The five 'framework agreements' will enable Network Rail, which owns and operates Britain's railway infrastructure, in 'simplifying its computing relationships' with over 270 individual IT suppliers.

Statutory compliance calendar for the month of June 2013

Due date	Statutory compliance under Act	Particulars	Governing Authority
			
06/06/2013	Service Tax	Payment of monthly service tax for the month of May by all tax payers electronically	Central Board of Excise and Custom
	Central Excise	Payment of monthly central excise duty for the month of May on goods by assesses other than SSI units electronically	Central Board of Excise and Custom
07/06/2013	Income Tax	Deposit of Income Tax TCS and TDS deducted in May	Central Board of Direct Tax.
	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.
10/06/2013	Central Excise	Monthly central excise return in form ER-1/ER-2 by other than SSI	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.
15/06/2013	Income Tax	Advance income tax under section 211 of Income Tax Act by corporate (first installment)	Central Board of Direct Tax.
	Provident Fund	(a) Payment of monthly dues of Provident Fund for the month of May (b) Monthly return in form 5 for employees joining Provident Fund during May 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 May	The Central Board of Trustees, The Employees' Provident Fund Scheme, 1952
21/06/2013	ESIC	Payment of ESIC contribution for the month of May	The employees' state insurance Act-1948. Ministry of labour and employment.
25/06/2013	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

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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