

# Tax & Corporate law Bulletin

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**MAY 2012**

**From the Editor's Desk...**

**Dear Reader,**

Greetings for the season.

We wish you a very happy month. May you be blessed with courage and strength for every happening of life.

Let's have a look on them: Issuance of TDS Certificates in Form 16a Downloaded From Tin Website, CBEC vide Circular No. 155/6/2012-ST dated 9th April, 2012 has clarified the Point of Taxation Rules for the Airlines companies and read many more...

We eagerly await your feedback on the bulletin.

**Yours truly,**

**Rajput Jain & Associates**  
**Chartered Accountants**

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“Adapting swiftly to the  
global business environment”



## DIRECT TAX



### ➤ Issuance of TDS Certificates in Form 16A Downloaded From Tin Website

**Circular No. 01/2012 [F.No.276/34/2011 IT (B)] Dated April 9, 2012.** The CBDT has issued certain administrative clarifications as:

#### **Issue of TDS Certificate in Form No. 16A**

- For deduction of tax at source made on or after 01.04.2012: All deductors (including government deductors who deposit TDS in the Central Government Account through book entry) shall Issue TDS certificate in Form No. 16A generated through TIN central system.
- For deduction of tax at source made between 01.04.2011 to 31.03.2012: The stipulation prescribed in para. 4.1 of the Circular No. 3/2011 dated 13<sup>th</sup> May, 2011 shall continue to apply.

#### **Authentication of TDS Certificate in Form No. 16A**

- The deductor, issuing the TDS certificate in Form No.16A by downloading from the TIN website shall authenticate such TDS certificate by either using digital signature or manual signature.
- Where the deduction has been done between 1st April, 2011 and 31st March, 2012 and the deductor being other than a company/bank or banking Institution/a cooperative society engaged in carrying the business of banking and who do not issue the TDS Certificate in Form No.16A by downloading from the TIN website shall

authenticate such TDS certificate in Form No.16A by manual signature only.

### ➤ **Judicial Forums; Revision Of Their Schedule Of Fees And Related Matters**

Instruction No. 3/2012 [F.No.279/MISC/M-75/2011-ITJ] dated April 11, 2012. Detailed revision on above subject matter, after consolidating all the earlier instructions can be found at above citation.

### ➤ **Income tax (Fifth Amendment) Rules, 2012 – Insertion of Rule 2F**

Notification No. 16/2012 [F.No.149/72/2011-SO (TPL)] dated April 30, 2012 guidelines for setting up an infrastructure Debt Fund for the purpose of Exemption u/s 10(47) has been provided by inserting Rule 2F.

## RECENT JUDGEMENTS

### ➤ **Section: 2(14),28(i),45&111A: Business Income vs. Capital Gains**

Looking to the voluminous transactions in shares with repetition and continuity, profits there from were rightly treated as business income and not short-term capital gains.

*P.V.S Raju & Ors. Vs .Addl. CIT (2012)247CTR (AP) 583*

### ➤ **Section: 5 Accrual of income & raising of Pro-for main voices**

Entire income representing pro-forma invoices raised by assessee on Government departments could not be treated as income since merely a meager sum had actually been received; matter is remanded back to the AO to determine the taxability of pro-forma invoices in respect of those parties who have been remitting part payments and have accepted their liability and not in respect of those Government agencies who have never paid any amount .Airport Authority of India vs. Commissioner of Income Tax(2012)247CTR(Del) (FB)149.

➤ **Section-17(2), 192, 201(1) & 201(1a); IT rule 3(5) : requisite Value of Free /concessional education**

In computing the requisite value of free/concessional education provided by assessee towards its teachers/ staff, the cost of education per student exceeded 1,000 per month, and therefore entire requisite value shall be reckoned to be included in the hands of receipt and assessee having deducted 1,000 per month per child in determining such requisite there occurred a resultant short deduction of tax at source making the assessee liable to be treated as assessee in default under section 201(1) and to interest u/s 201(1A).

*CIT vs. Director, Delhi Public School (2012)247CTR (P&H) 308*

➤ **Section- 68 & 69: Unexplained cash credit**

Once adequate evidence/material is given, which would prima facie discharge the burden of the assessee in providing the identity of shareholders, genuineness of the transaction and creditworthiness of the shareholders, thereafter in case such evidence is to be discarded or it is proved that it has “created” evidence, the Revenue is supposed to make thorough probe before it could nail the assessee and fasten the assessee with such a liability u/s 68; AO failed to carry his suspicion to logical conclusion by further investigation and therefore addition u/s 68 was not sustainable.

*CIT vs. Kam dhenu Steel & Alloys Ltd. & Ors. (2012)248CTR Reports (Del) 33.*

➤ **Section-80HHC, 80HHC(3), third proviso & 80HHC, Exp in (baa) : DEPB and export Deduction**

When DEPB accrues to the assessee in one previous year and it transfers the DEPB certificate in another previous year, only ninety per cent of the profits on the transfer of the DEPB covered u/cl. (iii)(d) of section 28 and not ninety per cent of the entire sale value including the face value of the DEPB has to be excluded to arrive at the “profits of the business”

u/cl. (baa) of Explanation to s. 80HHC where the export turnover of an assessee exceeds 10 crores.

It does not get the benefit of addition of ninety per cent of export incentives u/ cl. (iii d) of s. 28 to its export profits, but it would have the benefit of exclusion of a smaller figure from the “profits of the business” u/cl. (baa) of Explanation to s. 80HHC which would ultimately result in computation of a bigger export profit. *Top man Exports vs. CIT (SC) (2012)247CTRReports355*

➤ **Section- 143,260A&261: Each year is a separate year**

Merely because the order of the Special Bench of the Tribunal relating to earlier assessment years was not assailed in appeal by the Department itself, it cannot take away the right of the Revenue to question the correctness of the assessment order on the same issue in the relevant assessment year, particularly when a question of law is involved which goes to the very root of the matter. *Catholic Syrian Bank Ltd. vs. CIT (2012)248CTRReports (SC) 1.*

## **INDIRECT TAX**

### **SERVICE TAX**

➤ **CBEC vide Circular No. 155/6/2012-ST dated 9<sup>th</sup> April, 2012 has clarified the Point of Taxation Rules for the Airlines companies**

Rule 4 of the Point of Taxation Rules 2011 deals with the situations of change in effective rate of tax. In case of airline industry, the ticket so issued in any form is recognised as an invoice by virtue of proviso to Rule 4A of Service Tax Rules 1994. Usually in case of online ticketing and counter sales by the airlines, the payment for the ticket is received before the issuance of the ticket. Rule 4(b)(ii) of the Point of Taxation Rules 2011 addresses such situations and accordingly the point of taxation shall be the date of receipt of payment or date of issuance of invoice, whichever is earlier. Thus the service tax shall be charged @10% subject to applicable exemptions

plus cesses in case of tickets issued before 1st April 2012 when the payment is received before 1st April 2012.

In case of sales through agents (IATA or otherwise including online sales and sales through GSA) the payment is received by the agent and remitted to airlines after some time. When the relationship between the airlines and such agents is that of principal and agent in terms of the Indian Contract Act 1872, the payment to the agent is considered as payment to the principal. Accordingly as per Rule 4(b) (ii), the point of taxation shall be the date of receipt of payment or date of issuance of invoice, whichever is earlier.

However, to the extent airlines have already collected extra amount as service tax and do not refund the same to the customers, such amount will be required to be paid to the credit of the Central Government under Section 73A of the Finance Act 1994 (as amended).

➤ **CBEC vide Circular No.156/7/2012-ST dated 9th April, 2012 Review of Service tax paid on taxable services used for export of goods and refund**

CBDT announced a committee constituted with DGST as Chairperson to review the scheme for electronic refund of Service Tax paid on various taxable services used for export of goods as notified by Notification No. 52/2011-ST dated 30<sup>th</sup> December, 2011. As a part of the review, the committee has been instructed to (a) evolve a scientific approach for the fixation of rates in the schedule of rates for service tax refund; and (b) propose a revised schedule of rates for service tax refund, taking into account the revision of rate of service tax from 10% to 12% and also movement towards 'Negative List' approach to taxation of services.

**CENTRAL EXCISE**



➤ **Filing of quarterly return in respect of assessee providing services in relation to certain goods falling under Notification No.12/2012**

The assesses availing the exemption in respect of goods falling under Sl. No.

- 67(coal, ovoid's etc),
- 128(All goods, other than those which are clearly not to be used as fertilizers),
- 199(I) (Articles of jewellery, silver jewellery) and
- 200(I) (Articles of goldsmiths) of notification No.12/2012-Central Excise, dated the 17th March, 2012;

And do not manufacture any other excisable goods; he shall file a quarterly return in the form specified by notification by the board, of production and removal of goods and other relevant particulars, within ten days after the close of the quarter to which the return relates.”

(Notification No.23/2012–Central Excise (Nontariff) dated 18<sup>th</sup> April, 2012)

➤ **CENVAT credit taken or utilized in respect of processes related to Aluminum foils**

Where an assessee has paid duty of excise on the process of cutting, slitting and printing of aluminium foils (final product), the CENVAT credit taken or utilized, of the duty or tax or cess paid on inputs, capital goods and input services used in the making of the final product, shall not be required to be reversed, notwithstanding that the process of cutting,

slitting and printing of aluminium foils have been held as not amounting to manufacture by the Central Excise and Service Tax Appellate Tribunal, subject to the following conditions, namely:–

- The said non-reversal shall be allowed only for the CENVAT credit taken up to the 15th of March, 2012.
- The said non-reversal shall be allowed only when excise duty has been paid on removal of the said final product.
- The said assessee shall not prefer a claim of refund of the excise duty paid by him on the said final product:

If the CENVAT credit is taken by the buyer of the excise duty paid by the said assessee on the final product made and cleared up to the 15th March, 2012 shall not be required to be reversed.

(Notification No. 24/2012–Central Excise (Non tariff) dated 19<sup>th</sup> April, 2012)

➤ **Clarification regarding classification of structural components of Boiler and admissibility of CENVAT credit on these structural components**

The circular provides clarifications in respect of the structural components of boiler which essentially form a part of boiler system would be classified as Boiler under heading 8402 of the Tariff. It is further clarified that these structural components are nothing but the parts and accessories of the Boiler; they would be covered by the definition of inputs.

(Circular No. 964/07/2012, dated 17<sup>th</sup> April, 2012)

➤ **Clarification regarding admissibility of area-based exemption (Notification No. 56/2002-CE) dated November 14<sup>th</sup>, 2002**

Notification No. 56/2002-CE provides exemption from the duty of excise to specified goods cleared from industrial units in the State of Jammu & Kashmir to the extent of duty paid in cash by way of a refund mechanism, for a period of ten years from the date of publication of the notification or from The

date of commencement of commercial production, whichever is later.

It has been clarified that the exemption period of ten years is to be computed from the date of publication of the notification when a new unit commences commercial production or an existing unit undertakes substantial expansion and commences commercial production from such expanded capacity during the period from 14<sup>th</sup> June, 2002 to 14<sup>th</sup> November, 2002. It has been further clarified that if a new unit commences commercial production or an existing unit undertakes substantial expansion and commences commercial production from such expanded capacity after the date of publication of the Notification, i.e., 14<sup>th</sup> November, 2002, the ten year exemption period is to be computed from the date of commencement of commercial production in the case of new units and from the date of commencement of commercial production from the expanded capacity in the case of existing units.

(Circular No. 965/08/2012, dated 17<sup>th</sup> April, 2012).

**FEMA**



➤ **Creation of charge on immovable / movable property and other financial Assets**

Presently, creation of charge on the immovable / movable property and other financial assets (except shares of JV / WOS) of the Indian Party is not envisaged under the current ODI Regulations. It has

now been decided that proposals from the Indian party for creation of charge in the form of pledge / mortgage / hypothecation on the immovable /movable property and other financial assets of the Indian Party and their group companies shall be considered by the RBI under the approval route within the overall limit fixed (presently 400%) for financial commitment subject to submission of a 'No Objection' by the Indian Party and their Group companies from their Indian lenders.

➤ **Submission of Annual Performance Report (APR)**

Where the law of the host country does not mandatorily require auditing of the books of account of JV / WOS, the APR may be submitted by the Indian party based on the un-audited annual accounts of the JV /WOS provided:

- The Statutory Auditors of the Indian party certifies that 'The un-audited annual accounts of the JV /WOS reflect the true and fair picture of the affairs of the JV /WOS' and
- That the un-audited annual accounts of the JV /WOS has been adopted and ratified by the Board of the Indian party.

➤ **Acquiring qualification shares of an overseas company incorporated Outside India for holding the post of a Director**

Presently, resident Individual is permitted to acquire foreign securities as qualification shares up to 1% of the paid-up capital of the company. Since the necessity of having certain qualification shares by an individual to be appointed as a Director of the company is governed by the law of the host country, RBI has removed the existing cap of 1% on the ceiling for resident individuals to acquire qualification shares for holding the post of a Director in the overseas company.

Accordingly, henceforth, remittance shall be allowed from resident individuals for acquiring the

qualification shares for holding the post of a Director in the overseas company to the extent prescribed as per the law of the host country where the company is located. The limit of remittance for acquiring such qualification shares shall be within the overall ceiling prescribed for the resident individuals under the LRS in force at the time of acquisition

➤ **Acquiring shares in a foreign company through ESOP Scheme**

Presently resident individual is permitted to purchase equity shares offered by a foreign company under its ESOP Schemes, if he is an employee, or, a Director of an Indian office or branch of a foreign company, or, of a subsidiary in India of a foreign company, or, an Indian company in which foreign equity holding, either direct or through a holding company/Special Purpose Vehicle (SPV), is not less than 51%. It has now been decided that resident employees or Directors may be permitted to accept shares offered under an ESOP Scheme globally, on uniform basis, in a foreign company irrespective of the percentage of the direct or indirect equity stake in the Indian company subject to:

- The shares under the ESOP Scheme are offered by the issuing company Global 1 on a uniform basis, and
- An Annual Return is submitted by the Indian company to the RBI through AD Category – I banking details of remittance / beneficiary etc.

➤ **Overseas direct investments–liberalization /rationalization**

**A.P. (DIR series) circular no. 101 dated 2<sup>nd</sup> April , 2012**

Presently, an Indian Party is required to obtain prior permission of the RBI to open, hold and maintain Foreign Currency Account (FCA) in a foreign country for the purpose of overseas direct investments in that country, in case the regulation of the host country requires that the investment in the country is to be made through a particular account to be opened with the commercial bank of the country.





available. However, such names will be put to online check by the system for ascertaining similarity with trademarks. If there is similarity of proposed name with any existing trademark, the work item will be transferred for processing in non-STP mode. All the name applications submitted in STP mode will be put for system check and if there is exact match of any of the two words (other than the words private limited/limited) proposed in new company's name with any existing company's name, then such name will also be processed in non-STP mode. All the names approved in STP mode will be made available on the dash-board of the concerned ROC for immediate examination. Such STP approved names will Not be available for filing of incorporation documents up to:-

- 1900 hrs. of the same day, if the name through STP mode is approved by the system up to 1100 hrs. on any working day.
- 1900 hrs. of the any next working day if the name is approved after 1100 hrs. on any working day or on holiday / non-working day.

Name approval application in case of single word (other than words private limited/limited) shall not be processed in STP mode. The new process will be implemented effective from May 20<sup>th</sup>, 2012.

#### **Companies amendment rules - new forms notified:-**

The MCA has issued Notification No. G.S.R. 313(E) dated April 24<sup>th</sup>, 2012 notifying and substituting new forms 23C (Form of application to the Central Government for appointment of cost auditor) and 23D (Information by cost auditor to Central Government).

## **POLICY WATCH**

### **➤ RBI makes it mandatory for banks to allow transfer of accounts**

**The Reserve Bank of India (RBI)** has made it mandatory for banks to allow transfer of accounts

from one branch to another without insisting on opening a fresh account or making the customer undergo the full Know Your Customer (KYC) process again. Earlier, since the account holder's information was maintained with local branches, banks used to insist that customers go through the account opening procedure all over again when they shifted to a different location.

It has been brought to notice that some banks are insisting on opening of fresh accounts by customers when customers approach them for transferring their accounts from one branch of the bank to another branch of the same bank. Such insistence on opening of fresh account or making the customer undergo full KYC process again causes inconvenience to them resulting in poor customer service. In its monetary policy on April 17, RBI had asked banks to have a central customer ID to facilitate portability of accounts and ensure that all customer information is centralized. Some banks are seeing this as a precursor to having a central identity which will help customers transfer accounts across banks without having to repeat the KYC procedure.

### **➤ India gives 26% stake in DMICDC project to Japan government**

**INDIA has agreed to give the Japanese government a 26% stake** in the much-delayed Delhi-Mumbai Industrial Corridor Development Corporation (DMICDC) to accelerate the project. The Union government will hold a 49% stake in DMICDC and the balance 25% will be held by government-owned financial institutions such as India Infrastructure Finance Co. Ltd, Life Insurance Corporation of India and Housing and Urban Development Corporation Ltd. Japan has already committed to investing \$4.5 billion in DMICDC project. The Japan government's intent to take an equity stake in DMICDC is a sign of the country's commitment to the project. The advantage is Japan will bring in a high level of scrutiny to the project. DMICDC proposes to develop what it calls self-sustainable smart cities on either side of the 1,483 km-long western dedicated rail freight corridor

between Dadri in Uttar Pradesh and Jawaharlal Nehru Port Trust in Navy Mumbai.

➤ **RBI permits HSBC deal for RBS's India retail and commercial operations**

The Reserve Bank of India (RBI) has permitted Hong kong and Shanghai Banking Corporation Ltd's (HSBC) deal to buy the Indian retail and commercial banking businesses of Royal Bank of Scotland Group Plc (RBS), two years after the deal was announced in July 2010. The deal gives HSBC, Europe's largest bank by market capitalization, access to the retail, and small and medium enterprise businesses of RBS in India, but more importantly it gives HSBC a large chunk of 31 branches at one shot, adding to the 50 it has. RBS wants to retain some branches, but it is likely to surrender a substantial part of its existing branches to RBI.

RBI has been very frugal in granting branch licenses to foreign banks in India, making branches a highly valued commodity for banks such as HSBC that want to tap into the large middle-class population in the world's second fastest growing major economy. In 2011, India contributed \$814 million towards HSBC's profit before tax, up 22% from 2010 and higher than China's \$705 million. In March 2012, RBS signed a memorandum of understanding with Malaysia's second biggest lender, CIMB Group Holdings Berhad, to sell the equity capital markets and corporate finance businesses in Asia, including in India. Getting the branches will help HSBC challenge Standard Chartered's leadership among foreign lenders in India, said Kajal Gandhi, assistant vice-president at ICICIdirect.com, the retail broking arm of ICICI Securities Ltd.

**INDUSTRY WATCH & CORPORATE HIGHLIGHT**

➤ **India focuses on Japanese pharma market**

In order to exploit the full potential of the Comprehensive Free Trade Agreement with Japan, India is likely to press the former for further opening



of the pharmaceutical sector. This would help the domestic industry to leverage Comprehensive Economic Partnership Agreement (CEPA) and increase its share in the Japanese market.

The Comprehensive Economic Partnership Agreement (CEPA) between India and Japan, which came into effect from August 1, 2011, is projected to boost bilateral trade to US\$ 25 billion by 2014. As per the agreement, the Government of Japan would accord no less favorable treatment to the applications of Indian companies than it accords to the like applications of its own persons for drug registration.

This would greatly help Indian pharmaceutical companies. The demand of generic medicines in the Japanese market and the capability of India to meet this demand will prove as a favorable situation for both the countries. Both the nations are also expected to emphasize on starting negotiations on nursing and healthcare professional service as soon as possible. The two-way trade between the countries has increased from US\$ 13.82 billion in 2010-11 to US\$ 18.31 billion in 2011-12. India's exports to Japan mainly include gems and jewellery, petroleum, transport equipment and machinery, while imports include chemicals and metals, electronic goods, iron and steel.

➤ **Power firms to be allowed to retain excess coal in allotted mines**

THE excess coal from blocks allotted to power companies should stay with them rather than being

given to Coal India Limited (CIL). It is power sector's coal and it should remain with the producers. In the same way steel or cement producers' fuel should remain with them. In the draft guidelines for usage of excess coal, the surplus should be made available to state-run Coal India. The Power Ministry follows Empowered Group of Ministers' (EGOM) decision that paved the way for Reliance Power to use the surplus from the coal mines awarded for the company's 4,000 MW ultra mega power project at Sasan in Madhya Pradesh. Also, the surplus fuel available after the primary usage that is power generation should remain with the developer, which would encourage more companies to enter into the sector.

A private power developer incurs expenditure on excavation of coal required for power generation. If the surplus fuel is given to another company, then the power developer stands to lose a portion of its original investment for developing the same mines. The policy would cover the surplus coal available from all the coal mines allotted for all sectors.

### ➤ **Power sector needs Rs 1,372 billion for 12th Five-Year Plan period**

The country's power sector requires Rs 1,372 billion in funding for the 12th Five-Year Plan (2012-17). The Working Group on Power for formulation of the 12th Five-Year Plan has estimated total fund requirement of Rs 13,725 billion for the power sector. Of the total, power generation would require about Rs 6,386 billion while requirement for electricity distribution would be Rs 3,062 billion.

During the 2012-17 periods, the capacity addition is expected to be around 76,000 MW. The target is yet to be finalized. During the 12th Five-Year Plan, the main sources of financing are commercial banks, public financial institutions, dedicated infrastructure/power finance institutions, insurance companies, overseas markets, bilateral/multilateral credit, bond markets and equity markets. Units having 660 MW capacity and above are referred to as super critical. Also, 52 super critical units totaling to

35,290 MW are presently under construction in the country for commissioning during the 12th Plan and one unit of 660 MW has been commissioned in the 12th Plan.

### ➤ **TRAI makes carriage fee transparent under new cable norms**

The Multi System Operators (MSOs) have now been allowed to charge a carriage fee from broadcasters under the new regulations decided by Telecom Regulatory Authority of India (TRAI). As per the new TRAI regulations, every MSO shall publish in its reference interconnect offer the carriage fee for carrying a channel of a broadcaster for which no request has been made by the MSO. The regulations also lay down that carriage fee shall be uniform for all the broadcasters and shall not be revised upwards for a minimum period of two years.

The News Broadcaster Association (NBA), however, expressed the view that if a clause was mandated, the question of carriage fee would not arise. However, the other carriage fee could also be regulated on parameters like subscriber base of the MSO, number of Set Top Box (STB) installed. MSOs and Local Cable Operator (LCO) did not favor the regulation. Considering all aspects, TRAI has now authorized MSOs to charge a carriage fee from broadcasters but stipulated that carriage fee would be transparent and any channel which wants to reach viewers can use the platforms offered by the MSO by paying the carriage fee. TRAI also has reserved the authority to intervene in case it is felt that the carriage fee is unreasonable.

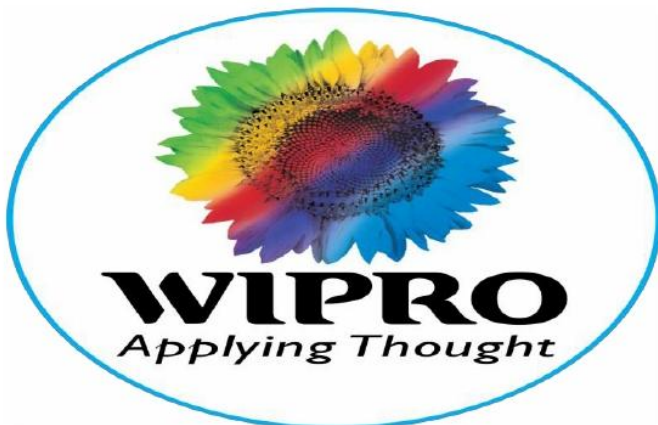
### ➤ **Maruti Suzuki exports one millionth vehicle**

Maruti Suzuki exported its one million vehicles on May 2<sup>nd</sup>, 2012. To be sold in Denmark red colored A-star left the Mundra coast line along with 2,200 other vehicles for various international destinations including Switzerland, Malta, Sweden in Europe and Algeria, Egypt and Morocco in the non European destinations. While the A-star, marketed under Suzuki Alto and Suzuki Celerio badge in international markets was doing well, we also worked on identifying alternate non-European markets.



This strategy worked in and helped to retain the export numbers after European nations withdrew the scrap page incentives. In 2009-10, Maruti Suzuki's total exports were over 14.7 billion. Of which over 75% were to Europe. By 2011-12 the share of Non-European Union export sales shot up sharply from 23% to 66%. In coming times, the Company plans to expand its presence in newer markets including the Association of South East Asian Nation (ASEAN) region.

➤ **Wipro to buy Australian analytics firm Promax for \$36 million**



The Information Technology (IT) services provider Wipro had signed an agreement to acquire Australian analytics company Promax Applications Group (PAG) for \$36 million. It expects the all-cash deal to be closed this quarter, though its impact on its revenues during the quarter will be negligible. The newly formed entity will be called Wipro Promax Analytics Solutions Pty Ltd. Promax derives its revenues by licensing software products and

solutions in trade promotion planning, management and optimization.

The company, which boasts of companies such as Johnson & Johnson, L'Oreal, Kraft, Kimberly Clark and Henkel as its customers, is estimated to close its accounting year ending July 30 with \$15-16 million in revenues. Analytics & information management practice within Wipro's IT services business employs 8,000 people.





The practice contributed about \$600 million to Wipro's IT services business in 2011-12, and is growing upwards of 20% annually. Analytics is a key growth driver of Wipro's growth strategy. The acquisition of Promax Applications Group will strengthen Wipro's positioning and capability in management, analytics & optimization of trade promotions, and further extends our leadership in analytics and information management services.

➤ **Abbott Laboratories to collaborate with Biocon to develop nutrition products**

ABBOTT Laboratories will collaborate with Bangalore-based Biocon to establish a research and development centre to develop nutrition products in India. Abbott Nutrition Centre, India will work with Syngene, the contract research arm of Biocon, to Develop affordable products for maternal, child nutrition and diabetes care, the companies said in a joint press release.

They consistently invested in India and this world-class research and development centre will allow leveraging local expertise and insights to develop products they need to successfully expand their portfolio here. Indian nutrition market is estimated to be about 15 billion. In the past three years, global foods companies have set eyes on the Indian nutrition market for its sheer size. In 2011, French dairy giant Danone had acquired nutrition business of India's Wockhardt Pharma for 15 billion, after an unsuccessful attempt by Abbott to buy the business. Currently, Abbott sells Pediasure, one of the oldest available nutrition products in India.

**Statuary compliance calendar for the month of May 2012**

<b>Due Date</b>	<b>Statuary Compliance Under Act</b>	<b>Particulars</b>	<b>Governing Authority</b>
			
06/05/2012	Service Tax	Payment of monthly service tax for the month of April by all tax payers electronically	Central Board of Excise and Custom
	Central Excise	Payment of monthly central excise duty for the month of April on goods by assesses other than SSI units electronically	Central Board of Excise and Custom
07/05/2012	Income Tax	Deposit of Income Tax TCS and TDS deducted in April	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.
10/05/2012	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.
11/05/2012	ESIC	Filing half yearly ESIC return	The employees' state insurance Act-1948. Ministry of labor and employment.
15/05/2012	Income Tax	(a) Income Tax TDS/TCS statement in form 24Q/26Q/27EQ (Other than Government) for the quarter January to February (b) Return in form 27Q in respect of TDS from interest, dividend or any other sum payable to non-residents for the quarter	Central Board of Direct Tax.

		January to March (c) Monthly return of Provident Fund in form 10 of employees leaving the service during April	
	Provident Fund	(a) Payment of monthly dues of Provident Fund for the month of April (b) Monthly return in form 5 for employees joining Provident Fund during April 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 April	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
21/05/2012	ESIC	Payment of ESIC contribution for the month of April	The employees' state insurance Act-1948. Ministry of labour and employment.
25/05/2012	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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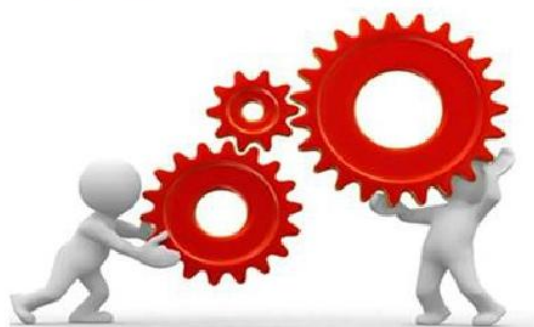
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