

Tax & Corporate law Bulletin

RAJPUT JAIN & ASSOCIATES **CHARTERED ACCOUNTANTS**

RJA

COMMITTED TO
PROVIDE
INNOVATIVE
SOLUTIONS



Rajput Jain & Associates is a Chartered Accountant firm offers its clients a full range of services. The firm has been setup by a group of young, enthusiastic highly skilled and motivated professionals who have taken experience from the top consulting firm and are extensively experienced in their chosen fields has providing a wide array of accounting , auditing , taxation , assurance and business advisory service to various clients and other stakeholders .

We are the exclusive member in India of the Association of International Tax Consultants , an association of independent professional firms represented throughout Europe, US, Canada, South Africa, Australia and Asia.

JUNE 2010

From the Editor's Desk...

Dear Reader,

Greetings for the season.

We wish you success, happiness and peace in this month. May all good come to your way. This month provides us some updates, let's have an eye on them:

Amendment in the Rules of TDS, Exemption to specified goods, Compounding of Contraventions under FEMA, 1999, Govt planning to amend laws to rein in honour killings, India's awesome growth, Synopsis of notifications, circulars and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & Associates
Chartered accountants



Your partners
for success

**For further details,
Please contact....**

CA. Swatantra Singh

singh.swatantra@carajput.com

CA. Sushil Singh

sks_978@carajput.com

CA. Navneet Gupta

info@carajput.com

CA. Manoj Kumar Singh

support@carajput.com

Corporate office: P-6/90,
Connaught circus, Connaught
Place, New Delhi-110001.

Phone No:- 011-23343333,
011-43520194

Table of contents

DIRECT TAX 3

RECENT JUDGEMENT 4-5



INDIRECT TAX

❖ SERVICE TAX 6-7

❖ CENTRAL EXCISE 7



FEMA 7-8

CORPORATE LAWS 8



INDIAN ECONOMY AT A GLANCE

POLICY WATCH 8-9



INDUSTRY WATCH & CORPORATE HIGHLIGHT 9-10

GLOSSARY

“Adapting swiftly to the
global business environment”



DIRECT TAX



➤ Scientific research expenditure – Approved social science or statistical research associations or institutions

Notification No. 42/2010 [F.No. 203/55/2009/ITA-II], dated 1st June 2010: The organization Kashba Youth, Egra, Purba Medinipur, West Bengal has been approved by the Central Government for the purpose of clause (iii) of sub-section (5) of section 35 of the Income-tax Act, 1961 (said Act), read with Rules 5C and 5E of the Income-tax Rules, 1962 (said Rules), from Assessment year 2010-11 onwards in the category of 'Other Institution', partly engaged in research activities subject to the following conditions, namely:-

- The sums paid to the approved organization shall be utilized for research in social sciences;
- The approved organization shall carry out research in social science or statistical research through its faculty members or its enrolled students;
- The approved organization shall maintain separate books of accounts in respect of the sums received by it for scientific research, reflect therein the amount used for carrying out research, get such books audited by an accountant as defined in the explanation to sub-section (2) of section 288 of the said Act and furnish the report of such audit duly signed and verified by such accountant to the Commissioner of Income-tax or the Director of Income-tax having jurisdiction over the case, by the due date of furnishing the return of income under sub-section (1) of section 139 of the said Act;
- The approved organization shall maintain a separate statement of donations received and amounts applied for research in social science and a copy of such statement duly certified by the auditor shall accompany the report of audit referred to above.

➤ Gratuity - Exemption limit specified under section 10(10)(iii)

Notification No. 43 / 2010 [F. NO. 200 / 33 / 2009-IT(A-I)]/S.O. 1414(E), dated 11th June 2010: The Central Government, having regard to the maximum amount of any gratuity payable to employees, hereby specifies ten lakh rupees as the limit for the purpose of the said sub-clause in relation to the employees who retire or become incapacitated prior to such retirement or die on or after the 24th day of May, 2010 or whose employment is terminated on or after the said date.

➤ CBDT amends Rules relating to TDS

Press Release No. 402/92/2006-MC (27 OF 2010), dated 2nd June 2010: The Central Board of Direct Taxes (CBDT) have amended the Rules relating to TDS provisions date and mode of payment of Tax Deducted at Source (TDS), TDS certificate and filing of 'statement of TDS' (TDS return) vide Notification No. 41/2010 SO No. 1261(E), dated 31-5-2010. The amended rules will apply only in respect of tax deducted on or after 1st day of April, 2010.

Due date for furnishing TDS return for the last quarter of the financial year has been modified to 15th May (from earlier 15th June). The revised due dates for furnishing TDS return are :

<i>Sl. No.</i>	<i>Date of ending of the quarter of the financial year</i>	<i>Due date</i>
1.	30th June	15th July of the financial year
2.	30th September	15th October of the financial year
3.	31st December	15th January of the financial year
4.	31st March	15th May of the financial year immediately following the financial year in which deduction is made

RECENT JUDGEMENT

➤ **Permanent Establishment Profits not taxable as Fees for Technical services u/s 9(1)(vii)**

Rio Tinto Technical Services v. DCIT (ITAT Delhi)

Fact of the case

The assessee, an Australian company, set up a permanent establishment (PE) in India to render technical services for evaluation of coal deposits and conducting feasibility studies for transportation of iron ore. The AO accepted that the income was business profits under Article 7 of the DTAA but held that as no rate of tax was prescribed in the DTAA and the nature of the income was “fees for technical services”, the income was assessable u/s 115A & 44D.

Held

The assessee was not rendering simple technical or consultancy services but was rendering specific activities through the PE. Accordingly, Article 12 of the DTAA was not applicable. Income attributable to a PE is assessable under Article 7 of the DTAA. Under Article 7(2), the PE is deemed to be a wholly independent enterprise and under Article 7(3) deduction in accordance with the subject to the law relating to the tax in India is allowable. Since Article 7 of the DTAA comes into play, section 9(1)(vii) is not applicable. Since Article 7 (2) of the DTAA specifies that the PE in India is to be treated as a wholly independent enterprise in India, sections 44D and 115A will not apply in so far as they relate to foreign companies.

➤ **Retrospective amendment after passing order does not lead to “apparent mistake”**

ACIT v. GTL Ltd (ITAT Mumbai)

Fact of the case

Following HCL Comnet 305 ITR 409 (SC), the Tribunal took the view vide order dated 17.3.2009 that provision for bad debts debited to the P&L A/c could not be added to the “book profits” u/s 115JA. To supersede HCL Comnet, clause (g) was inserted in the Explanation to section 115JA by the Finance Act, 2009 w.r.e.f 1.4.1998. The amendment received the assent of the President on 19.8.2009, after the order of the Tribunal was passed. The department filed a MA contending that in view of the said retrospective amendment, there was a “mistake apparent from the record”

Held

As per the law laid down in Sudhir Mehta 265 ITR 548 (Bom), where an order is passed as per the prevailing law, a retrospective amendment which comes into force after the date of the passing of the order does not show any mistake in the order.

➤ **Despite TDS u/s 195, payer is liable as “agent” u/s 163. However, if payee is assessed, payer cannot be assessed as “representative assessee”**

Hindalco Industries v. DCIT (ITAT Mumbai)

Fact of the case

The assessee purchased shares of an Indian company from Alcan Inc, Canada. Alcan filed an application u/s 197(1) for issue of a TDS certificate on the basis that the capital gains was Rs. 317.71 crores and tax at 10% was chargeable. The AO issued a certificate directing the assessee to withhold Rs. 40 crores on a provisional basis subject to regular assessment. The assessee complied with the same. During the pendency of the assessment proceedings against Alcan, the AO issued an order u/s 163 treating the assessee as Agent of Alcan in respect of the capital gains. Thereafter, on 15.3.2004, the AO passed an order assessing the capital gains in the hands of the assessee as agent of Alcan in which the rate of tax was taken at 20%. On 16.3.2004, an assessment order was passed in the case of Alcan itself assessing the capital gains in its hands at the rate of 20%. Alcan’s appeal was allowed by the Tribunal (Alcan Inc vs. DDIT 110 ITD 15 (Mum)) and the rate of tax was held to be 10%. The assessee filed an appeal on the point that

- As it had deducted tax u/s 195, it could not be treated as an “agent” u/s 163;
- As more than 2 years had passed after the remittance, the assessee could not be treated as an “agent” as it was not in the position to exercise its rights u/s 162(1) and retain funds
- As the department had assessed Alcan, the assessee could not be assessed as representative assessee.

Held

The contention that the assessee having duly deducted tax u/s 195 cannot be treated as an Agent of Alcan u/s 163 is not acceptable because section 163 is merely intended to ensure that a person can be regarded as a representative assessee if certain conditions are fulfilled. The section

163 order does not fasten liability on the representative assessee. Therefore, the fact that the Agent has deducted tax u/s 195 is not a bar to treat him as an Agent u/s 163;

The contention that there has been a delay in initiating proceedings u/s 163 which has resulted in prejudice to the Agent is also not acceptable as the law does not contemplate any time limit for initiating proceedings u/s 163. The proceedings for assessing income of the principal were also not barred by time;

However, while the department has the option u/s 166 to assess either the non-resident principal or the representative assessee, once the choice is made and the income is brought to tax in the hands of the principal, the same income cannot be again assessed in the hands of a representative assessee. Consequently, the assessment order on the assessee had to be annulled.

➤ **Unabsorbed depreciation of AYs 1997-98 to 2001-02 not eligible for relief granted by amended section 32(2) in AY 2002-03**

DCIT v. Times Guaranty (ITAT Mumbai Special Bench)

Fact of the case

Till AY 1996-97 unabsorbed depreciation could be set off against income under any head. From AY 1997-98 to 2001-2002 unabsorbed depreciation could be set off only against business income. From AY 2002-2003 onwards unabsorbed depreciation could again be set off against income under any head of income.

The question before the Special Bench was whether in AY 2003-04, the unabsorbed depreciation relating to AY 1997-1998 to 1999-2000 could be set off against non-business income. The assessee claimed that law prevailing in the year of set-off should apply and as in AY 2002-03 unabsorbed depreciation is permitted to be set-off against non-business income, that should apply to the earlier years' brought forward depreciation as well.



Held

The amendment made to section 32(2) w.e.f AY 2002-03 is substantive. A substantive amendment is normally prospective in operation. Section 32(2) is a deeming provision which by legal fiction provides that the unabsorbed depreciation allowance u/s 32(1) is deemed to be depreciation allowance for the succeeding year(s). A deeming provision has to be strictly interpreted and cannot extend beyond the purpose for which it is intended.

Section 32(1) deals with depreciation allowance for the current year and section 32(2) uses the present tense to refer to allowance to which effect 'cannot be' and 'has not been' given. This indicates that section 32(2) speaks of depreciation allowance u/s 32(1) for the current year starting from AY 2002-03. Brought forward unabsorbed depreciation of earlier years cannot be included within the scope of section 32(2). If the intention of the legislature had been to allow such b/f unabsorbed depreciation of earlier years at par with current depreciation for the year u/s 32(1), section 32(2) would have used past or past perfect tense and not the present tense. Further, the unabsorbed depreciation for the period from AY 1997-1998 to 1999-2000 has been referred to as "unabsorbed depreciation allowance" and given a special name and cannot fall within section 32(1) in AY 2002-03.

➤ **Even section 143(1)(a) cannot be reopened u/s 147 without proper "reasons to believe"**

Pirojsha Godrej Foundation v. ADIT (ITAT Mumbai)

Fact of the case

The assessee, a charitable trust claimed exemption u/s 10(23C)(vi). The return was processed u/s 143(1)(a). No assessment order u/s 143(3) was passed. Subsequently, the AO issued a notice u/s 147 on the ground that as the assessee had not invested a sum of Rs. 1.02 crores in investments u/s 11(5), the said sum of Rs. 1.02 crores was chargeable to tax. The reopening was upheld by the CIT(A).

Held

The recorded reason that the violation of section 11(5) read with section 13(1)(d) by the assessee led the amount of Rs 1.02 crores to be included in the assessee's total income is clearly contrary to the legal position that while the assessee may lose exemption u/s 10(23C) for not adhering to the conditions of section 11(5), this does not result in the said amount being chargeable to tax in the

hands of the assessee. The fact that the amount was not invested in the prescribed manner does not mean that it can be assessed as income;

INDIRECT TAX

Service Tax

Synopsis of notifications and circulars on Service Tax

- **Regarding exemption for passengers embarking on a journey originating or terminating in an airport located in specified States of India.**

Notification No. 27/2010 - Service Tax dated 22nd June 2010 : The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service referred to in sub-clause (zzzo) of clause (105) of section 65 of the said Act, for passengers embarking on a journey originating or terminating in an airport located in the state of Arunachal Pradesh or Assam or Manipur or Meghalaya or Mizoram or Nagaland or Sikkim or Tripura or at Bagdogra located in West Bengal, from the whole of service tax leviable thereon under section 66 of the said Act.

This notification shall come into force on the 1st day of July, 2010.



- **Regarding exemption to construction of complex when provided to Jawaharlal Nehru National Urban Renewal Mission and Rajiv Awaas Yojana**

Notification No. 28/2010 - Service Tax dated 22nd June 2010: The Central Government, on being satisfied that it

is necessary in the public interest so to do, hereby exempts the taxable service of construction of complex referred to in sub-clause (zzzh) of clause (105) of section 65 of the Finance Act, when provided to Jawaharlal Nehru National Urban Renewal Mission and Rajiv Awaas Yojana, from the whole of the service tax leviable thereon under section 66 of the Finance Act.

This notification shall come into force on 1st day of July, 2010.

- **Regarding exemption for tournaments or championships**

Notification No. 30/2010 - Service Tax dated 22nd June 2010 : The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the services referred to in clause (zzzn) of sub-section (105) of section 65 of Finance Act, 1994, when provided for:-

- Tournaments or championships organized by any of the National Sports Federations or Federations affiliated to such National Sports Federations, where the participating teams or individuals represent any District, State or Zone;
 - Tournaments or championships organized by Association of Indian Universities - Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India (for the physically challenged), Special Olympics Bharat (for the mentally challenged);
 - Tournaments or championships organized by the Central Civil Services Cultural and Sports Board;
 - Tournaments or championships organized as part of National Games, by the Indian Olympic Association;
 - Tournaments or championships organized under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKKA) Scheme from the whole of the service tax leviable thereon under section 66 of the Finance Act.
- **Regarding exemption to the taxable service provided for distribution of electricity**

Notification No. 32/2010 - Service Tax dated 22nd June 2010: The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service provided to any person, by a distribution licensee, a distribution franchisee, or any other person by whatever name called, authorized to distribute power under the Electricity Act, 2003(36 of

2003), for distribution of electricity, from the whole of service tax leviable thereon under section 66 of the said Finance Act.

This notification shall come into force on the date of its publication in the Official Gazette.

CENTRAL EXCISE

➤ **Seeks to exempt the Education Cess**

Notification No. 28/2010 - Central Excise dated 22nd June 2010: The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods specified in the Tenth Schedule to the Finance Act, 2010 (14 of 2010) from the Education Cess leviable thereon under the said sections 91 and 93 of the said Finance (No.2) Act.

➤ **Seeks to exempt the Higher Education Cess**

Notification No. 29/2010-Central Excise dated 22nd June 2010: The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods specified in the Tenth Schedule to the Finance Act, 2010 (14 of 2010) from the Higher Education Cess leviable thereon under the said sections 136 and 138 of the said Finance Act.

➤ **Exemption to specified goods**

Notification No. 04/2010-Clean Energy Cess dated 22nd June 2010: The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts all goods falling under Central Excise Tariff headings 2701, 2702, 2703 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), other than raw coal, raw lignite and raw peat, from the clean energy cess leviable under section 83 of said Finance Act

Provided that the said exemption shall be applicable subject to the condition that applicable clean energy cess has been paid at the stage of raw coal, raw lignite or raw peat from which said goods are produced or manufactured.

FEMA

➤ **Export of Goods and Software – Realisation and Repatriation of export proceeds- Liberalisation**

RBI/2009-10/513 A.P. (DIR Series) Circular No.57 dated 29th June 2010: Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to A.P.(DIR Series) Circular No.70 dated June 30, 2009 increasing the period of realization and repatriation to India of the amount representing the full export value of goods or software exported, from six months to twelve months from the date of export, subject to review after one year.

The issue has since been reviewed and it has been decided, in consultation with the Government of India, to extend the above relaxation up to March 31, 2011.

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 remains unchanged.



➤ **Compounding of Contraventions under FEMA, 1999**

RBI/2009-10/508 A.P. (DIR Series) Circular No. 56 dated 28th June 2010: The compounding of the contravention under the FEMA, 1999 was implemented by the Reserve Bank by putting in place the simplified procedures for compounding with effect from February 1, 2005 with a view to providing comfort to the citizens and corporate community by minimizing transaction costs, while taking a serious view of the willful, *malafide* and fraudulent transactions. It has been decided to put in place an updated procedure for compounding of contravention/s under FEMA on the basis of observations made over the last few years on the compounding process on a continuous basis and the experience gained in dealing with compounding applications. The objective is rationalization and streamlining of the process and the procedure for compounding and to enhance transparency and effect smooth implementation of the compounding process. The directions contained in the compounding of contravention/s issued vide A.P. (DIR Series) Circular No.31 dated February 1, 2005 are superseded by this circular.

➤ **Deferred Payment Protocols dated April 30, 1981 and December 23, 1985 between Government of India and erstwhile USSR**

RBI/2009-10/492 A.P. (DIR Series) Circular No.55 dated 15th June 2010: AD Category-I banks is invited to A.P. (DIR Series) Circular No.48 dated April 26, 2010, wherein the Rupee value of the special currency basket was indicated as Rs.60.897378 effective from April 09, 2010.

AD Category-I banks are advised that a further revision has taken place on May 26, 2010 and accordingly, the Rupee value of the special currency basket has been fixed at Rs.63.0402 with effect from May 31, 2010.

The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

CORPORATE LAW

➤ **Certification of associated persons in the securities markets**

Notification No. LAD-NRO/GN/2010-11/12/10230 dated 29th June 2010 : The SEBI has issued circular approving the Series-IV: IRD ("NISM-Series IV: Interest Rate Derivatives Certification Examination") as issued by National Institute of Securities Markets ("NISM") as the required certification for approved users and sales personnel of the trading members who are registered as such in the currency derivatives segment of a recognized stock exchange and trading in interest rate derivatives for the purpose of regulation 16L(2) of the SEBI (Stock Brokers and Sub Brokers) Regulations, 1992 read with Circular No. SEBI/DNPD/Cir- 46/2009 dated August 28, 2009. It is also provided that such trading member shall ensure that all its existing approved users and sales personnel obtain Series-IV: IRD certification within 2 years from the date of this notification and that such trading member shall ensure that every approved user and sales personnel employed by it after the date of this notification obtains Series-IV: IRD certification within 1 year from the date of employment.

POLICY WATCH

➤ **India's awesome growth**

Over the last five years, per capita income has grown in India at an average rate of 7%, double the old Hindu rate of growth for the economy, which had left per capita income growth at just 0.7% in the seventies. Growing at 7% a year, per capita income stands to double in real terms in 10 years. And the last five years were not India's best years, with the global crisis and drought beating growth down in the last two years.



India's GDP growth is poised to accelerate further, and population growth, already down to 1.4% a year, to decelerate. The result would be to push up the rate of growth of per capita income even further. These are miracle numbers on a global plane, bettered only by China. This has huge implications for the world, for the rest of the developing world and its potential to overcome hunger and want.

➤ **Retirement benefits, including PF, not to be taxed: Govt**

The government today said provident funds would not be taxed on withdrawal and dropped a proposal to levy Minimum Alternate Tax from corporates based on their assets from the revised draft Direct Taxes Code.

The Code, released for public discussion, does not give any details on the Income Tax structure such as the slabs or rates, which were provided in the first draft released in August 2009.

Based on the outcome of discussion on the revised draft code, the government will bring in a new Income Tax legislation to replace the archaic Act of 1961.

Revenue Secretary Sunil Mitra said the taxation rates in the first draft, which suggested 10 per cent tax on income

from Rs 1.60-10 lakhs and 20 per cent on income between Rs 10-25 lakhs and 30 per cent beyond that, were illustrative. He said the tax rates would be made known only in the proposed Act, a bill for which will be introduced in Parliament in the coming monsoon session.

➤ **Govt planning to amend laws to rein in honour killings**

The government is planning to amend the Special Marriage Act and relevant laws to curb the menace of honour killings of young couples and kangaroo court rulings, which have seen a spurt in recent months.



"We propose an amendment to the Special Marriage Act to reduce the period of notice (required for court marriages) from 30 days to zero. No notice period is provided for that," Law Minister M Veerappa Moily said in Mumbai. Warning caste-based panchayats and similar groups against harassing couples marrying against family wishes, he said, "whatever the association of the group, if they parade these couple naked or the girl naked or try to harass them or effect a boycott against them in the village, that is also made punishable."

Moily had earlier said that as per the amendment, bodies like caste panchayats can be brought under the ambit of the crime as they are accused in many instances of ordering killings in the name of protecting honour of a community.

INDUSTRY WATCH & CORPORATE HIGHLIGHT

➤ **RIL may invest \$5 billion in telecom**

Mukesh Ambani-led Reliance Industries is likely to invest \$5 billion (approximately Rs 23,375 crore) in about two

years from now, as it completes its telecom rollout for broadband access across India, the company spokesman said.

The company will lease the so-called passive telecom infrastructure — such as towers used to connect cellular phones to networks — from existing players and are open to sharing it with the younger brother Anil Ambani-owned Reliance Communications.

India's largest private sector company will pay Rs 12,848 crore for the spectrum to the Indian government — making its total investment in the telecom foray about \$4 billion already. RIL is likely to spend further \$1 billion in building a broadband access network.

➤ **L&T to raise \$2 billion for power project**

Larsen & Toubro (L&T) will be raising \$2 billion for its Rajpura thermal power project in Punjab. India's largest engineering company will be raising this amount through its special purpose vehicles (SPV) - Nabha Power Limited. The state-of-the-art 1,320-mw mega thermal plant, which will come up in Rajpura is likely to be completed by January 2014.

Sources involved in the fund raising process told ET NOW that L&T is in talks with various banks & financial institutions for along term debt. The plant designed, developed and operated by L&T through its subsidiary Nabha-Power Ltd and will involve Rs 9,000-crore investment. L&T is setting up three power plants at a total cost of Rs 30,000 crore by 2015.



➤ **Videocon gets shareholders' nod to raise up to Rs 1,000 crore**

Diversified business firm Videocon Industries today said it has got shareholders' approval to raise up to Rs 1,000 crore through placement of shares.

The company also said its plan to raise up to Rs 161 crore through preferential issue of shares to a group of financial institutions has also been approved by shareholders.



In a filing to the Bombay Stock Exchange, Videocon Industries said shareholders at an Extraordinary General Meeting held today approved the proposal to raise up to Rs 1,000 crore by issuing equity shares on a qualified institutional placement basis.

It could be carried out through a follow-on public offering (FPO), or an issue of global depository receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), or a Depository Receipt Mechanism, the filing said.

➤ **Air India to resume flights to Australia**

Air India will be operating direct air services between Melbourne and Delhi from the winter schedule 2010.

The services will meet a long-felt demand for direct connectivity between India and Australia, a press release issued here today stated.

Air India will be resuming services to Australia after a lapse of over a decade.

Apart, from serving the Indian Diaspora in the region, the new link will cater to the growing demand of business travelers, not only between the two countries but also beyond India to the Gulf and Europe, the release said.

➤ **Toyota starts production of Europe's first hybrid car**

Toyota, the world's largest automaker, launched production of Europe's first full hybrid vehicle on Monday at its car factory in Burnaston, central England.





The first European-made hybrid version of Toyota's Auris hatchback rolled off the production line under the watchful eye of the government's business minister Vince Cable, handing a boost to Britain's battered auto industry. Toyota's decision to make Burnaston the only plant in the world to build the Hybrid Auris is a strong endorsement of the UK as a manufacturing base for the next generation of cars," said Cable, after touring the Burnaston plant.

"It is sending a signal to manufacturers that if you're not in the UK, then you're missing out on all the strengths and skills that the UK has to offer."

The new Auris Hybrid Synergy Drive car, which uses both a traditional petrol engine and an electric motor, will arrive at British car showrooms on July 1.



Statutory compliance calendar for the month of June 2010

Due date	Statutory compliance under Act	Particulars	Governing Authority
			
06/06/2010	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
07/06/2010	Income Tax	Deposit of 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.
10/06/2010	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-ALM I	Reserve Bank of India.
15/06/2010	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 <i>monthly dues</i> of Provident Fund for the month of May	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
		(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			
21/06/2010	ESIC	Payment of ESIC contribution for the month of May	The employees' state insurance Act-1948. Ministry of labour and employment.
25/06/2010	Provident Fund	Monthly contribution <i>statement</i> (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

BUSINESS ADVISORY

- Growth Planning
- Succession Planning.
- Strategic Decision Appraisal
- Risk, Uncertainty and Change Management Services
- Strategic Decision Implementation – National and Global Platform
- Wealth Management Services.

TAXATION SERVICES

- Direct Taxation Advisory
- Service Tax, Excise duty, VAT Registration Services
- Tax Planning Strategy– Optimum use of Corporate Tax Incentives.
- Implementing and Operating in the tax consolidation regime
- Preparation of return of Income Tax, Service Tax, Excise Duty and VAT.

AUDIT & ASSURANCE

- Statutory Audit including Tax Audit & VAT Audit
- Internal Audit and Concurrent Audit
- Management Audit and Operational Audit
- Cost Audit/Reviews
- System and process control reviews.
- Secretarial Audit.

OUTSOURCING ACCOUNTANTS

- Annual financial report preparation
- Preparation of general and special purpose statutory accounts
- Processing Payroll
- Cash management reporting
- Accounting system reviews
- Financial analysis
- General Accounting Support, as required by client.

RBI, FEMA, SEBI Services

- Setting up Liaison Office, Branch Office and Project Office.
- RBI Consulting
- Private Equity Finding Advisory.
- Project Financing.
- Credit Rating.
- Business Asset Valuation.
- Due Diligence.



We are the exclusive member of in India of the Association of International Tax Consultants, an association of independent professional firms represented throughout worldwide.



**Grow your
business with
one change**

DISCLAIMER

The contents of this document are for information purposes and general guidance only and do not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice.

No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication and Rajput Jain & Associates disclaims all responsibility for any loss or damage caused by errors/ omissions whether arising from negligence, accident or any other cause to any person acting or refraining from action as a result of any material in this publication.



CONTACT US!

BRANCHES / AFFILIATES:-

The head quarter of **Rajput Jain & Associates**, Chartered Accountant is located in Delhi, India. Beside this **Rajput Jain & associates** has presence all over India, with Nepal, and United States of America, Australia, through its associates / affiliates.

CORPORATE OFFICE

P-6/90, Connaught Place, Connaught Circus,
New Delhi-110001, India.

Phone No: -011-23343333

DELHI BRANCH

204, Prakash Chamber, 6 Netaji Subhash
Marg, Main Road Daryaganj, New Delhi-
110002, India.

Phone No: - +91-9871857333; 011-43520194,

UTTAR PRADESH BRANCH

B-2, Shanchar Vihar, ITI Mankapur, District
Ghonda, Uttar Pradesh, 271308241, India.

Phone No: - +91-9811322785.

NEPAL BRANCH

Building No:-65, Ward No: 10, Lakhe Chaur
Marg , Kathmandu Metropolitan Kathmandu,
Nepal.

FINANCE &
Accounting Solutions

Integrity, Service, Resources



While every care has been taken in the preparation of this Bulletin to ensure its accuracy at the time of publication, Rajput Jain & associates, chartered Accountant assumes no responsibility for any errors which despite all precautions, may be found therein. Neither this bulletin nor the information contained herein constitutes a contract or will form the basis of a contract. The material contained in this document does not constitute/substitute professional advice that may be required before acting on any matter.

All logos and trademarks appearing in the newsletter are property of their respective owners.

THANK YOU

FOR CHOOSING

