

Tax & Corporate law Bulletin

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NOVEMBER 2012

From the Editor's Desk...

Dear Reader,

Greetings for the season...

May the divine light of Diwali enlighten you on the path of success, wealth and prosperity. We wish u a happy prosperous and safe Diwali.

Updates of this month are as follows: Appointment of Shri H. L. Karwa, Vice-President of ITAT as President of ITAT, Reforming the regulatory environment for doing business in India, SEZ units continue to be exempt from MAT and read many more...

We eagerly await your feedback on the bulletin.

Yours truly,

Rajput Jain & Associates
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“Adapting swiftly to the
global business environment”



DIRECT TAX

- **Appointment Of Shri H. L. Karwa, Vice-President of ITAT As President Of ITAT In Officiating Capacity W.E.F. 1-9-2012**

Notification No. A-12023/2/2011-ADM.III (LA) dated 13/9/2012

The Central Government has appointed Shri H.L. Karwa, Vice-President of Income Tax Appellate Tribunal (ITAT), as President of that Tribunal in of officiating capacity with effect from the forenoon of 1stSeptember, 2012 till the post is filled on regular basis.

- **Income Tax (Eleventh Amendment) Rules, 2012 – Insertion of Rules 31ACB, 37J, Form Nos. 26A & 27BA**

Notification No. 37/2012 [F. No. 142/18/2012-SO (TPL)] dated 12/9/2012

CBDT has inserted rule 31ACB therein notifying Form 26A as the Form for furnishing certificate of accountant under the first proviso to Section 201(1) and also inserted Rule 37J therein notifying Form 27BA as the Form for furnishing certificate of accountant under the first proviso to Section 206C(6A)

- **Rajiv Gandhi Equity Savings Scheme (RGESS) – Finance Minister Approves Operational Features**

Press Release dated 21/9/2012

The Union Finance Minister – Shri P. Chidambaram approved a new tax saving scheme called “Rajiv Gandhi Equity Savings Scheme” (RGESS) exclusively for first time retail investors in securities market. This scheme would give tax benefits to new investors who invest up to RS 50,000/- and whose annual income is below RS 10 lakh. The investor would get a 50% deduction of the amount invested from the taxable income for that year. Under the scheme, those stocks listed under BSE 100 or CNX 100 or those public sector undertakings which are Navratnas, Maharatnas and Miniratnas would be eligible. In addition,

Exchange Traded Funds (ETFs) and Mutual Funds (MFs) that have RGESS eligible securities as their underlying and are listed and traded in stock exchanges and settled through a depository mechanism have also been brought under RGESS. Investments are allowed to be made in installments in the year in which tax claims are made. The total lock-in period would be 3 years including an initial blanket lock-in period of 1 year commencing from the date of last purchase of securities under RGESS. Department of Revenue will notify the scheme and SEBI will issue the relevant circulars to operationalise the scheme.

- **Accounting standards u/s 145(2) of Income-Tax Act**



The Central Board of Direct Taxes (CBDT) constituted a committee comprising of departmental officers and professionals in December, 2010 to inter alia suggest AS for the purpose of notification u/s 145(2) of the Act. Section 145(2) provides that the Central Government may notify Accounting Standard (AS) for any class of assesseees or for any class of income.

The Committee submitted its first Interim Report in August, 2011. A discussion paper containing the main recommendation of the committee was issued in October, 2011 for inviting comments/suggestions from all stakeholders. The Committee has submitted its Final Report in August, 2012. The Committee recommended that the AS notified under the Act should be made applicable only to the computation of taxable income and a taxpayer would not be required to maintain books of account on the basis of AS notified under the Act. The Committee examined all the 31 AS issued by the ICAI and recommended notification of AS on 14 issues under the Act and formulated drafts of AS on these issues. The

Committee has termed them as “Tax Accounting Standards” (TAS) to distinguish from the AS issued by the ICAI/notified under the Companies Act, 1956.

The Final Report of the Committee (including draft of the 14 TAS submitted by the committee) is uploaded on the Finance Ministry website

➤ **Extension of Time Limit for Filing ITR-V Forms For A.Y.S 2010-11 And 2011-12**

The CBDT vide Notification No. 1/2012 under CPR scheme 2011 dated 23/10/2012 extends the time limit for filing ITR-V forms relating to income tax return filed electronically (without digital signature certificate) for A.Y. 2010-11 (filed during F.Y. 2011-12) and for A.Y. 2011- 12 (filed on or after 1st, April 2011). These ITR – V forms can now be filed up to 31st December, 2012 or within a period of 120 days from the date of uploading of the electronic return data, whichever is later.

This direction is issued to mitigate the hardship and grievance of the taxpayers who have been prevented by reasonable cause to file the ITRV in time.

➤ **Capital Gains Account (First Amendment) Scheme, 2012**

The Central Government vide notification no. 44/2012 dated 25/10/2012 hereby amends the Capital Gains Account Scheme, 1988. The scheme may be called Capital Gains Account (First Amendment) Scheme, 2012. It amends paragraphs 1, 2, 3, 4, 10, 13 and Forms A, C & G of the scheme. The amendment is broadly made to incorporate the provisions of exemption u/s 54 GB of the Income-Tax Act which are applicable for Assessment Year 2013-14. The provisions of the section 54 GB have been introduced by the Finance Act, 2012. Section 54 GB provides for an exemption on capital gain on transfer of residential property in certain cases where net consideration is utilized for subscription in the equity shares of an eligible company.

RECENT JUDGEMENTS

➤ **Section 24(b) & 48: Interest paid on borrowing for acquiring house loan.**

The assessee borrowed funds for purchasing a house. The interest paid on the said loan was claimed as a deduction u/s 24(b). When the house was sold, the interest paid on the said loan was treated as “cost of acquisition” and claimed as a deduction u/s 48 in computing the capital gains. Deduction u/s 24(b) and computation of capital gains u/s 48 are altogether covered by different heads of income i.e., income from ‘house property’ and ‘capital gains’. Neither of them excludes the other. A deduction u/s 24(b) is claimed when the assessee computes income from ‘house property’, whereas, the cost of the same asset is taken into consideration when it is sold and capital gains are computed under section 48. There is no doubt that the interest in question is expenditure in acquiring the asset. Since both provisions are altogether different, the assessee is entitled to include the interest at the time of computing capital gains u/s 48.

➤ **Section 115JB: SEZ units continue to be exempt from MAT.**

The assessee had two undertakings, one of which was a SEZ unit and the other which was a STPI unit. Both units were eligible for deduction u/s 10A. By the Special Economic Zone Act, 2005, section 10AA was inserted w.e.f. 10.2.2006 to provide deduction in respect of units established in SEZs. By the same Act, sub-sec (6) was inserted in section 115JB to provide that the profits of an SEZ unit would not be liable to MAT. On appeal by the assessee, held allowing the appeal: section 115JB (6) does not refer to either 10A or 10AA but simply provides that the MAT provisions shall not apply to income arising from SEZ. Consequently, despite the fact that an amendment was made in clause(f) of Explanation (1) to section 115JB(2) to provide that MAT shall apply to units eligible for section 10A or 10B, a unit which is situated in a SEZ will continue to be exempt from MAT by virtue of section 115JB(6). **SERVICE TAX**

➤ **Cenvat Credit on construction of commercial building**

The assessee was engaged in the business of constructing commercial malls, renting of space in

those malls in the market and also in the business of providing space for advertisement in the malls. The assessee constructed a mall during the year 2007-08 and during the construction availed different service and took service tax credit.

However, the assessee did not utilize the credit taken in respect of input services relating to 'construction of commercial building'. The Cenvat credit including construction of commercial building was denied by the department on the ground that the 'input service' are not used by the appellant for providing 'output service'. Further, revenue relied on Circular No. 98/1/2008-S.T., dated 4-1-2008 which states that 'commercial or industrial construction service' or 'works contract service' is an input service for immovable property and immovable property is neither subjected to excise duty nor to service tax and therefore credit is not admissible. The assessee submitted that 'input services' were used for construction of mall and the mall was owned by the assessee and the assessee has used the space in the mall for renting and leasing. It was submitted that without a mall there cannot be an 'output service' and therefore the services utilized by them during the construction of mall are to be treated as 'input service' only. It was held that without utilizing the service, mall could not have been constructed and therefore the renting of immovable property would not have been possible and the service tax demanded is not sustainable.

Navratna S.G. Highway Prop. Pvt Ltd. V. Comm of ST [2012] 28 STR 166 (Tri-Ahmd).

INDIRECT TAX

SERVICE TAX



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

CBEC vide Order No. 3/2012 dated 15th October, 2012 has extended the date of filing of the service tax returns for the period from 1st April, 2012 to 30th June, 2012 to 25th November, 2012.

CENTRAL EXCISE



- **Extension of the notification benefit to DVD ROMs**

Notification No. 37/2012

The Central Government, being satisfied that it is necessary in the public interest to do so, in the said Notification, in the Table, against Sl. No. 265, in the entry in column (3), for "CD-ROMs", "CD-ROMs or DVD-ROMs" shall be substituted.

FEMA



- **Foreign Exchange Management (Guarantees) (Third Amendment) Regulations, 2012**

Notification No. FEMA.251/2012-RB dated December 06, 2012

The Reserve Bank of India makes the following amendments/insertion in the Foreign Exchange Management (Guarantees) Regulations, 2000.

3A. Restriction on obtaining overseas guarantee

"No corporate registered under the Companies Act, 1956 (1 of 1956) shall avail domestic rupee denominated structured obligations by obtaining credit enhancement in the form of guarantee by

international banks, international financial institutions or joint venture partners, except with the prior approval of the Reserve Bank.

Provided howsoever that, a company resident in India engaged exclusively in development of infrastructure (infrastructure defined by the Reserve Bank from time to time in this regard) and infrastructure financial companies, as categorized by Reserve Bank from time to time, may obtain, without the prior approval of the Reserve Bank, credit enhancement in the form of guarantee from a person resident outside India for the domestic debts raised by such companies through issue of capital market instrument like bonds and debentures subject to satisfying the terms and conditions as may be stipulated by the Reserve Bank, from time to time, in this regard.”

➤ **Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Fourth Amendment) Regulations, 2012**

Central Office, Mumbai-400 001 Notification No. FEMA.249/RB-2012

Previously share holding Party has to submit to the Reserve Bank through the Authorised Dealer every year within 60 days from the date of expiry of the statutory period as specified by the respective laws of the host country an Annual Performance Report in Form ODI Part III in respect of each Joint Venture or Wholly Owned Subsidiary outside India set up or acquired by the Indian Party and other reports or documents as may be specified by the Reserve Bank from time to time shall be substituted by submission to the Reserve Bank, through the designated Authorised Dealer, every year on or before a specified date, an Annual Performance Report (APR) in Part III of Form ODI in respect of each JV or WOS outside India, and other reports or documents as may be prescribed by the Reserve Bank from time to time. The APR, so required to be submitted, has to be based on the audited annual accounts of the JV / WOS for the preceding year, unless specifically exempted by the Reserve Bank.

CORPORATE LAWS



➤ **Reforming the regulatory environment for doing business in India**

Circular No. 26/2012 dated 23/8/2012

The MCA has issued General Circular No. 26/2012 dated 23/8/2012 stating that it has formed a committee as above under the Chairmanship of M. Damodaran pursuant to a report of the World Bank and the International Finance Corporation, entitled “Doing Business 2012: Doing business in a very Transparent World”, where India has been ranked at a low of 132 amongst a sample of 183 countries. Although, there is a seven point improvement over 2010 ranking of 139, India continues to lag behind even the BRIC and SAARC countries on most of the parameters. So as to ease business environment which would mandate extensive examination of regulations in different areas of root functioning such as financial reforms, governance reforms, liberalized policy framework, process reforms, etc., and hence there is a need to conduct an in-depth study into the entire gamut of regulatory framework and come out with a detailed roadmap for improving the climate of business in India in a time bound manner.

➤ **Filing of balance sheet and profit & loss account in non-XBRL format – Date extended.**

Circular No. 34/2012 on 25/10/2012

The MCA has issued General Circular No. 34/2012 on 25/10/2012 referring to its earlier General Circular of 6/7/2012 which provided that all companies referred to in that circular would be allowed to submit their financial statements in XBRL mode without any additional fee/penalty up to 15th November, 2012. The date is now extended to

15th December, 2012 or within 30 days from the date of AGM of the company whichever is later, without any liability to additional fee or penalty. The

earlier circular had stated that currently certain select class of companies are required to submit their balance sheet and profit & loss account and other documents as required under section 220 of Companies Act, 1956 with the Registrar of Companies for the financial year ending on or after 31st March, 2011. It had mandated the following selected class of companies to submit their balance sheet and profit & loss account in XBRL mode for the financial year commencing on or after 1/4/2011:

- a) All companies listed with any Stock Exchange(s) in India and their Indian subsidiaries
- b) All companies having paid up capital of RS 5 crore and above
- c) All companies having turnover of RS 100 and above
- d) All companies who were required to file their financial statements

for FY. 2010-11, using XBRL mode.

➤ **Filing of Form 23B by statutory auditor for the accounting year 2012-13**

Circular No. 31/2012 on 28/9/2012

The MCA has issued General Circular No. 31/2012 on 28/9/2012 referring to fees imposed for filing of 23-B as per Schedule X of the Companies Act, 1956. So as to ensure smooth filing of the Forms 23-AC

(non-XBRL) and 23-ACA (non-XBRL), with the approval of the competent authority, the filing of e-Form 23-B is extended without any additional fees till 23.12.2012 or due date of filing, whichever is later. One may refer to the above citation for further details.

➤ **Amendment to Companies (Issue of Indian Depository Receipts) Rules, 2004**

The MCA has issued Notification on 1/10/2012 amending the Companies (Issue of Indian Depository Receipts) Rules, 2004 and now as per the amended rule 10(i), a holder of IDRs may transfer the IDRs, or may ask the domestic depository to redeem them or, any person may seek reissuance of IDRs by conversion of underlying equity shares,

subject to the provisions of the Foreign Exchange Management Act, 1999, Securities and Exchange Board of India Act, 1992, or the rules, regulations or guidelines issued under these Acts, or other laws for the time being in force. One may refer to the above citation for further details.

➤ **Public issues in electronic form and use of nationwide broker network of Stock Exchanges for submitting application forms**

Circular No. CFD/14/2012 dated 4 October 2012

The SEBI has issued Circular No. CFD/14/2012 dated 4/10/2012 referring to the announcement made by the Finance Minister in his speech while presenting the Union Budget 2012-13 that "Simplifying the process of issuing Initial Public Offers (IPOs), lowering their costs and helping companies reach more retail investors in small towns. To achieve this, in addition to the existing IPO process, I propose to make it mandatory for companies to issue IPOs of RS 10 crore and above in electronic form through nationwide broker network of stock exchanges". Taking this forward and in consultation with various market participants, SEBI has decided to introduce an additional mechanism for investors to submit application forms in public issues using the stock broker ("broker") network of stock exchanges, who may not be syndicate members in an issue. This mechanism can be used to submit ASBA as well as non-ASBA applications by investors. Stock exchanges shall provide for download of application forms on their websites/broker terminals, so that any investor or stock broker can download/print the forms directly. Stock exchanges shall ensure that the information relating to price band is pre-filled in such downloadable application forms. The facility to submit the application forms will be available in more than 1000 locations which are part of the nationwide broker network of the stock exchanges and where there is a presence of the brokers' terminals (hereinafter referred to as "broker centre"). Based on the feedback received from market participants in this regard, it has been decided to increase the number of broker centers, in a phased

manner such that in the first phase, around four hundred (400) broker centers would be covered by January 1, 2013, and in the second phase, the remaining centers would be covered by March 1, 2013. The details of locations including name of the broker, contact details such as name of the contact person, postal address, telephone number, e-mail address of the broker, etc., where the application forms shall be collected will be disclosed by the stock exchanges on their websites at least 15 days before the dates specified above. The stock exchanges should ensure that the details so disclosed on their websites are regularly updated.

More details of this mechanism and the indicative timelines for various activities under this mechanism are specified at Annexure A and B to the above circular. It is also stated that merchant bankers shall ensure that appropriate disclosures in this regard are made in the offer document. This circular shall be applicable for all offer documents filed with the office of the Registrar of Companies on or after January 1, 2013.

➤ **Amendment to Issue and Listing of Debt Securities Regulations**

Notification No. LAD-NRO/GN/2012-13/19/5392 dated 12/10/2012

The SEBI has issued Notification No. LAD-NRO/GN/2012-13/19/5392 dated 12/10/2012 amending the SEBI (Issue and Listing of Debt

Securities) Regulations, 2008 providing that where the issuer has disclosed the intention to seek listing of debt securities issued on private placement basis, the issuer shall forward the listing application along with the disclosures specified in Schedule I to this notification to the recognised stock exchange within fifteen days from the date of allotment of such debt securities. The amendment is also made by inserting regulation relating to filing of self disclosure document and it is provided that an issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a self disclosure document containing disclosures as provided in Schedule I to this notification. An issuer filing a self disclosure

document shall not be required to file disclosure document, while making subsequent private placement of debt securities for a period of 180 days from the date of filing of the self disclosure document – this will be subject to the fact that the issuer while making any private placement under self disclosure document, shall file with the concerned stock exchange updated disclosure document with respect to each tranche, containing details of the private placement and material changes, if any, in the information provided in self disclosure document. One may refer to the above citation for further details.

POLICY WATCH



➤ **ADB approves \$400 million loan to West Bengal**

The Asian Development Bank (ADB) has approved a \$400 million loan for West Bengal.

This will help the state tide over its debt cycle and development spending cuts. ADB will also provide a grant of \$ 0.7 million so that it can help the state to pursue reforms to effectively spend money, boost revenues, and manage its fast-growing public debt. These reforms will include computerizing teacher salary payments, streamlining drug procurement to reduce costs, simplifying and modernizing tax payment and property registration systems to boost revenues and helping the state manage its debt more efficiently to avoid spikes in future debt servicing.

➤ **Madhya Pradesh announces new policy for MSMEs**

The Madhya Pradesh government has announced incentives for the promotion of Micro Small and Medium Enterprises (MSMEs) in the state. This will help achieve the projected 12% growth rate and additional job creation during 12th five year plan.

The incentives include reservation of plots for MSMEs, proposed 27 industrial estates, 24x7 power supply under the feeder separation scheme, exemption in the payment of export tax imposed by local civic bodies and cluster development programme. Also, a special programme for technology development has also been announced for MSMEs which would be totally funded by the state government.

➤ **Convention on avoidance of double taxation amended by India and UK**

India and the United Kingdom (UK) have made amendments to the convention on avoidance of double taxation. This agreement will streamline the provisions on partnerships and dividends in both the countries. The pact also incorporates the provisions for effective exchange of information between the tax authorities of the two countries in line with latest international standards, including exchange of banking information and supplying of information irrespective of domestic interest. It also provides for sharing of information to other agencies with the consent of the supplying state.

➤ **Government works out pension plan for the poor**

The government is working out Rs 211 billion plan to raise pensions under social schemes to people below the poverty line. The move will involve 6.41 million people and widen eligibility norms for pensions. Recommendations also include raising the payment under the Indira Gandhi National Age Old Pension scheme to Rs 300 per month from Rs 200. This would cost the exchequer an additional Rs 23.46 billion per year.

➤ **RBI allows SIDBI to raise \$500 million via ECB for SME lending**

Reserve Bank of India (RBI) has allowed Small Industries Development Bank of India (SIDBI) to raise up to \$500 million per annum through External Commercial Borrowing (ECB) to fund Small and Medium scale units. The move would help SIDBI to access low cost funds from overseas market where interest rates are relatively low. Thus, the Micro,

Small, and Medium Enterprises (MSME) sector would also get access to funds at lower interest rate.

➤ **IRDA expands definition of infrastructure facility**

Insurance Regulatory and Development Authority (IRDA) has expanded the 'infrastructure facility' definition under its Registration of Indian Insurance Companies Regulations.

An infrastructure facility now includes highways, bridges, airports, ports, railways, road transport systems, water supply projects, irrigation projects, industrial parks, water treatment systems, and solid waste management systems. It also includes sanitation and sewage system, generation, distribution or transmission of power, telecommunication, and projects for housing. As per an amendment, the term 'infrastructure facility' will be replaced by 'harmonized master list of infrastructure sub-sectors'.

➤ **World Bank to finance \$37 million water development project**

Government has signed a \$37 million credit agreement with the World Bank for the ongoing Himachal Pradesh Mid-Himalayan Watershed Development Project to support the Government of Himachal Pradesh to build sustainable watershed treatment models. The project will be financed by a credit from the International Development Association (IDA) which is the World Bank's concessionary lending arm which provides interest-free loans with 25 years to maturity and a grace period of five years.

➤ **Government approval for 21 textiles parks in 12th Plan**

Government has approved the setting up of 21 integrated textiles parks. This envisages an investment of Rs 8.19 billion during the 12th Five Year Plan (2012-17). These parks were implemented during the 11th Five Year plan (2007-2012) under the Scheme of Integrated Textile Parks (SITP). Of the total outlay, the government has also approved the utilization of Rs 2 billion for setting up of

additional parks under the scheme in the current plan.

INDUSTRY WATCH



➤ **Cabinet approves \$5.7 billion mobile airwave surcharge**

THE Cabinet has approved a plan to levy a \$5.7 billion surcharge on airwaves held by long-established telecom operators. This policy will affect companies such as Bharti Airtel and Vodafone's local unit and two state-run carriers. The surcharges are aimed at creating a level playing field between old and new operators. The Cabinet has also approved a proposal that companies buying a carrier that paid a low price for airwaves must match a price to be determined at an upcoming auction and pay the difference to the government. This move is expected to make acquisitions more expensive in India.

➤ **Government releases Rs 12.76 billion for MSME projects in 2012-13**

The government has released Rs 12.76 billion for Micro, Small and Medium Enterprises (MSME) projects in the current fiscal 2012-13. This will support 53,826 projects that are expected to generate about 431,000 jobs. The MSME sector contributes to about 45% of the total manufactured output and nearly 40% to India's exports Under the Prime Minister's Employment Generation Programme (PMEGP), urban and rural entrepreneurs in the general category can avail a subsidy of 15% and 25% on the project cost.

➤ **IT BPO sector in India set to grow 11% in 2012-13**

THE National Association of Software and Services Companies (Nasscom) has said that the Information Technology (IT) and Business Process Outsourcing

(BPO) sector would meet the lower end of its growth expectation for this financial year, owing to the currency volatility, low growth for global in-house centers, and differentiated growth for various players. Nasscom has estimated that the sector would record a growth of 11% and achieve revenue of \$75-77 billion.

➤ **Service exports rises 6.3% at \$11.94 billion in September 2012**

Cumulative service exports during April-September of 2012-13, amounted to \$ 67.74 billion. The services sector contributes about 55% to the country's gross domestic product. Service imports stood at \$ 39.74 billion in the first six months of the fiscal. Service exports in September 2012 stood at USD 11.94 billion, up to 6.3% from that in the same month last year when it was \$ 11.23 billion. Imports of services during the month fell by 9.6% to \$ 6.14 billion compared with \$ 6.79 billion in the year ago period.

➤ **Delhi Government and Moscow sign MoU on cooperation**

The Government of Delhi and Moscow has signed a Memorandum of Understanding (MOU) on cooperation in 11 key areas, including culture, healthcare, education, transport management, trade, and housing. This partnership will also facilitate cooperation between the Delhi Government and Government of Moscow for the next three years.

➤ **Infrastructure sector grows by 5.1%**

The eight core industries' output grew 5.1% in September 2012. The production of coal, petroleum refinery products, and cement registered double digit growth. These industries had expanded by mere 2.3% in August 2012 and 2.5% in September 2011. This has raised the hopes that the index of Industrial Production (IIP) numbers for September, 2012 which are expected around mid-November, will be much better than the 2.7% growth seen in August 2012.

➤ **Citibank, HSBC, and Kotak get mandate for managing Oil India disinvestment**

The government has selected Citibank, HSBC, and Kotak Securities to manage the auction of its 10% equity in Oil India. This offer for sale is likely to kick-start the disinvestment programme for this fiscal before December end 2012.

The government's share in the company will reduce to 68.43% from 78.43% after the proposed disinvestment, which is part of the plan to raise Rs 300 billion in 2012-13 by shedding stake in state-run firms. The government has finalized a timeline for stake sale in about a dozen listed firms, including the blue-chip NTPC, BHEL, NMDC, Power-Grid, and NHPC.

CORPORATE HIGHLIGHT

➤ **Havells commissions new state-of-art plant in Rajasthan**

HAVELLS India Limited, a fast moving electrical goods company and power distribution equipment manufacturer has set up India's first large scale lighting fixture plant at Neemrana Rajasthan. Set up at an investment of Rs 1 billion, the state-of-the-art plant will manufacture over 60 designs along with 300 Stock Keeping Unit (SKUs) and employs about 250 people. The number of designs and SKUs will get enhanced from time to time. The plant will cater to both consumer and industrial lighting applications.



➤ **Government approval for 21 textiles parks in 12th Plan**

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➤ **GE completes its first wind farm in India**

GENERAL Electric (GE) has announced the commissioning of the 25.5 Mega Watt (MW) Yelisorur project of Bhoruka Power Corporation in Karnataka. The project will generate 62 million units of electricity per year. The facility will focus on energy products and technologies driven by the industry needs for power generation, transmission & distribution, Oil & Gas as well as measurement and control. The site will enable assembly and production support for any GE business that needs local manufacturing capability in India.

➤ **New Quest Capital Partners to invest \$140 million**

NEWQUEST Capital Partners the Hong-Kong based private equity firm expects to invest about \$140 million in India. This is nearly a third of its \$400 million corpus fund. New Quest's current India portfolio includes a logistics company, software and systems design company and a fertilizer manufacturer. The firm will explore buying stakes in firms three to five years after the original investment.


➤ **India and Afghanistan to boost economic ties**

INDIA and Afghanistan have taken a step further to boost economic ties and signed four pacts including those for cooperation in development of coal and mineral resources. Also, the focus will be on agriculture, mining and promoting small businesses. India has also committed aid for implementing the next phase of small development projects in Afghanistan and is helping rebuild its police forces, judiciary, and diplomatic services.

➤ **Wipro to demerge non-IT businesses**

WIPRO Ltd is demerging its non-IT businesses including Wipro Consumer Care & Lighting (including the furniture business), Wipro Infrastructure Engineering (hydraulics & water businesses) and the medical diagnostic products & services business (through its strategic joint venture). The new company is to be named Wipro Enterprises Ltd and will be an unlisted firm. This will make Wipro an IT-focused company.

Statutory compliance calendar for the month of November 2012

Due date	Statutory compliance under Act	particulars	Governing Authority
			
06/11/2012	Service Tax	Payment of monthly service tax for the month of October by all tax payers electronically	Central Board of Excise and Custom
	Central Excise	Payment of monthly central excise duty for the month of October on goods by assesses other than SSI units electronically	Central Board of Excise and Custom
07/11/2012	Income Tax	Deposit of Income Tax TCS and TDS deducted in October	Central Board of Direct Tax.
	NBFC-ND-SI	Monthly return of source and application of funds, profit and loss account, asset classification	Reserve Bank of India.
	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.
10/11/2012	Central Excise	Monthly central excise return in form ER-1/ER-2 by other than SSI	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM1	Reserve Bank of India.
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6	The securities and exchange board of India Act-1992
11/11/2012	ESIC	Filing half yearly ESIC return	The employees' state insurance Act-1948. Ministry of labour and employment.
15/11/2012	Provident Fund	(a) Payment of monthly dues of Provident Fund for the month of October (b) Monthly return in form 5 for employees joining Provident Fund during October 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 October	The Central Board of Trustees , The Employees' Provident Fund Scheme, 1952
21/11/2012	ESIC	Payment of ESIC contribution for the month of October	The employees' state insurance Act-1948. Ministry of labour and employment.
25/11/2012	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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