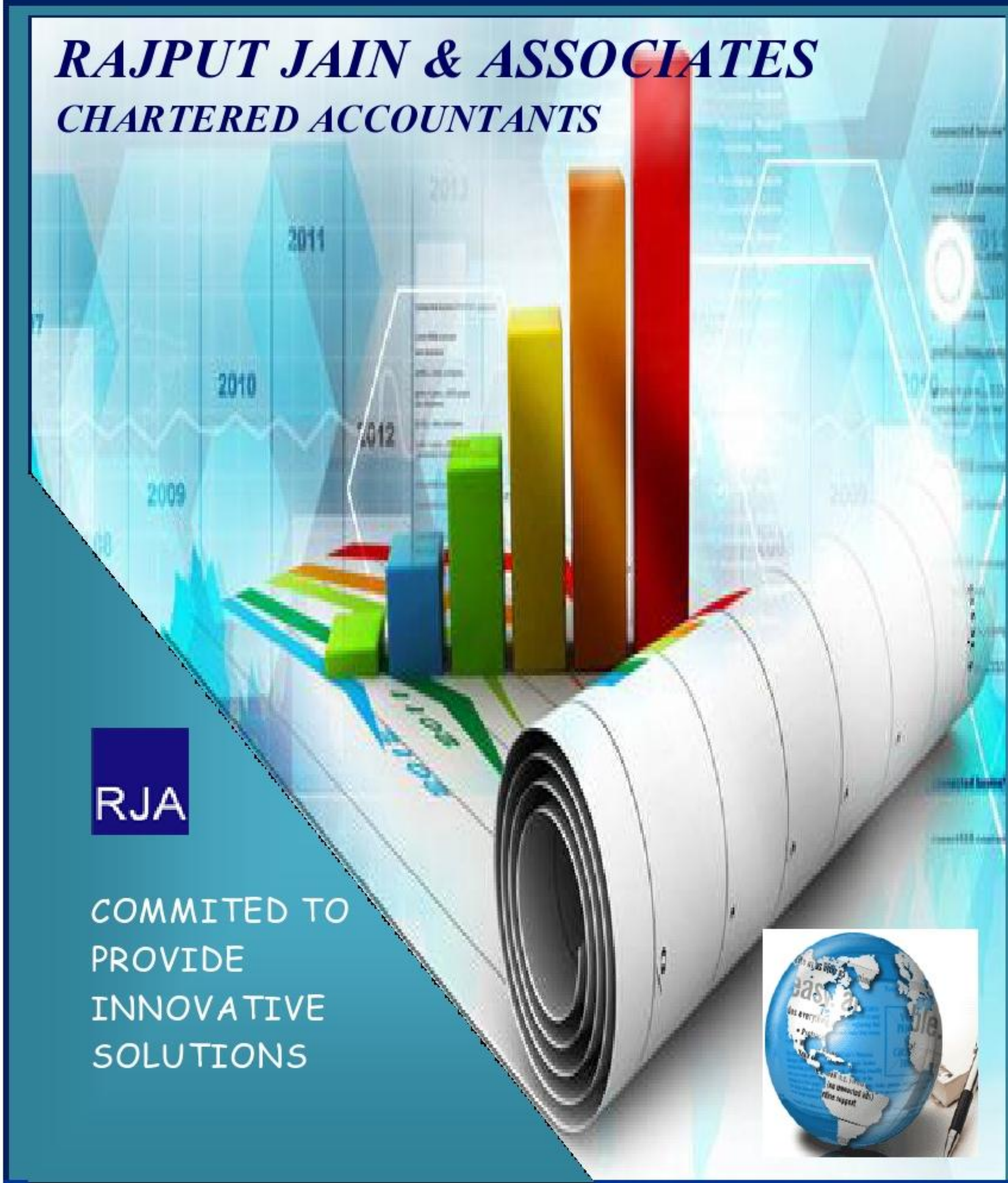
Tax & Corporate law Bulletin



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OCTOBER 2010

From the Editor's Desk...

Dear Reader,

Greetings for the season

Dussehra signifies the victory of good over evil. May all the evils in and around you vanish by the virtue of the goodness in and around you. We wish you a very happy Dussehra to our esteemed reader. Updates for the month of October are as:

Notified long term infrastructure bond for the purpose of section 80ccf of the income tax act, 1961, Non-filing of audit report with ROI not fatal to sec.11 exemption, $55 billion to flow into renewable energy and read many more……..

We eagerly await your feedback on the bulletin.

Yours truly,

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DIRECT TAX

- **Section 10(23C)(iv) of the Income-tax Act, 1961 - Exemptions - Charitable or religious trusts/institutions**

Circular No. 7/2010 [F. NO. 197/21/2010-ITA-I], dated 27th October, 2010

Sub-clauses (iv) and (v) of section 10(23C) were amended by Taxation Laws (Amendment) Act, 2006 by insertion of the following provison to that clause :
"Provided also that any (notification issued by the Central Government under sub-clause (iv) or sub-clause (v), before the date on which the Taxation Laws (Amendment) Bill, 2006 receives the assent of the President, shall at any one time, have effect for such assessment year or years, not exceeding three assessment years) (including an assessment year or years commencing before the date on which such notification is issued) as may be specified in the notification."

- **Notified Financial Institution For The Purpose Of Section 80E**

Notification No. 79/2010 dated 13th October, 2010

The Central Government specifies the “Credila Financial Services Private Limited” Mumbai as a “Financial Institution” for the purpose of section 80E(3)(b) of the Income-tax Act. The section 80E of the Income-tax Act provides for the deduction in respect of interest on loan taken for higher education.

- **CBDT clarification regarding period of validity of approval u/a 10(23C) And section 80G of the Income Tax Act, 1961**

Circular No. 7/2010 dated 27th October, 2010

The clarification is issued in view of the fact that the different field authorities are interpreting the provisions relating to period of validity of the above approvals in a different manner. The CBDT, clarifies that the intension of the legislature is sufficiently clear that the approval u/s 10(23C) (iv) and (v) after the cut-off date mentioned in the amendment would be one time approval which would be valid until withdrawn.

RECENT JUDGEMENTS

- **Income from supply of ‘shrink-wrapped’ software assessable as ‘royalty’. A tax-treaty can be unilaterally overridden**

Microsoft Corporation vs. ADIT (ITAT Delhi)

Fact of the case

Microsoft Corporation directly entered into agreements with Indian distributors for sale of Microsoft products being “off the shelf”/ “shrink wrapped” software, on principal to principal basis. The Indian Distributors, in turn, sold these Microsoft products to re-sellers/consumers.

Microsoft Corp granted an exclusive license to its 100% subsidiary Gracemac Corp, USA, to manufacture and distribute in the territory the MS retail software products. Gracemac in turn, entered into a license agreement with Microsoft Operations Pte Ltd, Singapore (“MO”), under which it granted the latter a license to manufacture and distribute (reproduce) Microsoft software in Singapore in consideration of a royalty ranging from 30% to 40% of the selling price (in India). MO in turn entered into a distribution agreement with Microsoft Regional Sales Corporation, USA ("MRSC"), appointing the latter as distributor for selling the Microsoft software which were manufactured by MO. MRSC, in turn, entered into agreements with various distributors in various countries including India. The distributors distributed copies of software in their respective countries. MO sold the software copies to MRSC in Singapore. The Microsoft software copies are delivered by MRSC to the Indian Distributors "ex-warehouse" in Singapore.

Held

The income received for supply of software is assessable as "royalty" under section 9(1)(vi) as a copyright subsists in a computer programme and it is also a literary as also a scientific work. A computer programme is also a patent, invention or process. As end-users have made payment for transfer of rights (including the granting of a license) in respect of copyright, patent, invention, process, literary or scientific work, the payment would be in the nature of royalty.

As the India-USA DTAA was entered on 20.12.1990, the subsequent retrospective amendment to section 9 which provides that royalties will be deemed to accrue or arise in India even if the non-resident has no place of business in India will apply irrespective of any contrary provision in the India-USA DTAA.

Accordingly, the payments received by Microsoft Corporation from end users through distributors in respect of sale of computer software is taxable as royalty u/s 9(1)(vi).

In case of Gracemac, As end users have made payments for grant of license in respect of copyright in computer programmes, the consideration is taxable as "royalty" in the hands of Gracemac.

However, in case of MRSC, the income ought to have been assessed as business income u/s 9(1)(i) as it had a "business connection" with distributors in India and not as "royalty" as the royalty for grant of rights has already been assessed in the hands of Gracemac and there will be double taxation.

➢ Under Article 26(3) of India-USA DTAA payments to Non-Residents are equated with payments to Residents & so section 40(a)(i) disallowance not valid

Central Bank of India vs. DCIT (ITAT Mumbai)

Fact of the case

The assessee made payments to Master Card and VISA Card, international credit card companies, based in USA, for services in respect of credit cards issued by the assessee. As the assessee had not deducted tax at source on payments made, the AO disallowed the claim of deduction u/s 40(a)(i). The CIT (A) upheld the disallowance on the ground that VISA & Mastercard had a permanent establishment in India through the networking computers and leased telephone lines and the sums paid to them were taxable in India.

Held

Article 26(3) provides that payment made to a non-resident will be deductible under the same conditions as if the payment were made to a resident. The exceptions provided in Article 26(3) are not applicable on facts. As per section 40(a)(i), no disallowance can be made in respect of payments to residents on the ground of non-deduction of tax at source. Therefore, in view of Article 26(3), no disallowance can be made even in case of payments to non-residents even if the amount is found taxable in India in their hands.

➢ In the interest of judicial discipline, a Member who has taken a view should not be party to a Special Bench

CLC & Sons vs. ACIT (ITAT Delhi Special Bench)

Fact of the case

A three Member Special Bench was constituted to decide whether the assessee was entitled to claim depreciation u/s 32 on intangible assets termed 'Goodwill'. At the hearing, the assessee raised a preliminary objection that as the Judicial Member on the Special Bench has already taken a view about allowability of depreciation on goodwill Judicial discipline requires that this Special Bench should consist of persons who have not already taken a view.

Held

Pursuant to this, the Judicial Member expressed the opinion that having already taken a view on the issue of allowability of depreciation on goodwill, it will be in the interest of judicial discipline to recuse himself from the hearing of the appeal before the Special Bench.

➢ Non-filing of audit report with ROI not fatal to section 11 exemption

ITO vs. Sir Kikabhai Premchand Trust (ITAT Mumbai)

Fact of the case

The assessee, a charitable trust, filed a return claiming exemption u/s 11 in respect inter alia of a receipt of Rs. 35.70 crores on sale of property. The audit report in Form 10B was not filed with the return. It was claimed that the audit report had been obtained but was omitted to be filed with the return. The audit report was thereafter filed during the assessment proceedings. The AO took the view that u/s 12A(1)(b) the requirement of the accounts being audited and the audit report being filed with the return was mandatory and the failure to do so dis-entitled the assessee to exemption u/s 11.

Held

Though section 12A (1)(b) provides that the exemption u/s 11 will be available only if the accounts are audited and audit report "furnished along with the return", the same is not mandatory but is directory.

On facts, as the trust had filed, with the return, the audit report required to be given under the Bombay Public Trust Act, the claim that the audit report in Form 10B had also been obtained but had been omitted to be filed with the return was acceptable. Also, the AO was not justified in rejecting the retraction of the trustee. The AO did not controvert the averments in the retraction affidavit nor did he cross-examine the trustee. Accordingly, the claim for section 11 exemptions was upheld.

INDIRECT TAX

SERVICE TAX

➢ SYNOPSIS OF NOTIFICATIONS, CIRCULARS & LETTERS

Notification No. 49/2010-ST dated 8th October, 2010

Central Government has inserted Rule 6(7C) to Service Tax Rules, 1994 whereby option is granted to the distributor or selling agent for their taxable services of promotion, marketing, organizing or in any other manner assisting in organizing lottery.

- Rs 6000/- on every Rs 10 Lakh (or part of scheme is one where the Rs 10 Lakh) of aggregate face value of lottery printed by the organising State for a draw: if the lottery or lottery scheme is one where the guaranteed prize payout is more than 80%.

- Rs 9000/- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery printed by organising State for a draw: if the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%.

➢ Exempts certain services from Service Tax

Notification No. 50/2010 - Service Tax dated 08th October, 2010

The Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts persons marketing the lottery tickets other than the distributors or selling agents appointed or authorised by the lottery organising State (hereinafter referred to as 'such distributor or selling agent'), from the whole of service tax leviable thereon under section 66 of the Finance Act on the taxable service of marketing of lottery.

Provided that if such person also markets lottery tickets for distributors or selling agents who have not so opted, then nothing contained in this notification shall apply to the value of service provided to the distributors or selling agents who have not so opted.

CENTRAL EXCISE

- **Seeks to provide exemption from Addl. duty of excise and special addl. excise duty to goods supplied to UN and such international organisations**

Notification No. 33/ 2010 -Central Excise dated 19th October, 2010

The Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts all goods falling under the Schedule to the Central Excise Tariff Act, 1985 when supplied to the United Nations or an international organisation for their official use, from the whole of –

- The additional duty of the excise leviable thereon under section 111 of Finance (No.2) Act,1998 and section 133 of Finance Act,1999; and
- The special additional excise duty leviable thereon under 147 of Finance Act, 2002:

Provided that before removal of the said goods, the manufacturer produces before the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be, having jurisdiction over his factory a certificate from the United Nations or the international organisation that the said goods are intended for such use.

- **Regarding inclusion of After Sale Service and Pre-delivery Inspection Charges in the assessable value**

Circular No. 936/26/2010 –CX dated 27th October, 2010

CBEC had clarified that After-sale Service and Pre-delivery Inspection charges were liable to be included in the assessable value under Section 4 of the Central Excise Act 1944. The larger bench of CESTAT in the aforesaid case, has now held that Pre-delivery Inspection charges and After-sale Service charges collected by the dealers are to be included in the assessable value under Section 4 of the Central Excise Act, 1944.

FEMA

- **Exim Bank's Line of Credit of USD 21.80 million to the Government of the Islamic Republic of Mauritania**

Notification No.RBI/2010-11/233 A.P. (DIR Series) Circular No. 15 dated 13th October, 2010

Export-Import Bank of India (Exim Bank) has concluded an Agreement with the Government of the Islamic Republic of Mauritania making available to the latter, a Line of Credit (LOC) of USD 21.80 million (USD twenty one million eight hundred thousand) for financing eligible goods and services including consultancy services from India for the purpose of financing:

- Potable drinking water project (USD 6.80 million), and

- Agriculture development project (USD 15 million) in Mauritania.

Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 85 per cent of the contract price shall be supplied by the seller from India, and the remaining 15 per cent goods and services (other than consultancy services) may be procured by the seller from outside India for the purpose of Eligible Contract.

➢ Exim Bank's Line of Credit of USD 21.72 million to the Government of the Republic of Ghana

Notification No.RBI/2010-11/231 A.P. (DIR Series) Circular No.14 dated 13th October, 2010

Export-Import Bank of India (Exim Bank) has concluded an Agreement with the Government of the Republic of Ghana making available to the latter, a Line of Credit (LOC) of USD 21.72 million (USD twenty one million seven hundred and twenty thousand) for financing eligible goods and services including consultancy services from India for

- Improved fish harvesting and fish processing project, and
- Waste management equipment and management support project in the Republic of Ghana.

➢ Investment by FIIs under PIS: M/s. Cox and Kings (India) Limited

Press Release No. 2010-2011/479 dated 05th October, 2010

The Reserve Bank of India notified that M/s. Cox and Kings (India) Limited has passed a resolution at the board of directors' level and by a special resolution by the shareholders to enhance the limit for purchase of its equity shares and convertible debentures by Foreign Institutional Investors (FIIs), through primary market and stock exchanges, under the Portfolio Investment Scheme Foreign Institutional Investors can now purchase equity shares and convertible debentures of M/s. Cox and Kings (India) Limited through primary market and stock exchanges under the Portfolio Investment Scheme, provided:

- The total purchases of all FIIs does not exceed the applicable overall ceiling limits of 74% of total paid-up equity capital and total paid-up value of each series of convertible debentures, of the said company.
- The purchases of equity shares by a single FII/SEBI approved sub-account of a registered FII in the company does not exceed 10% of the paid-up equity capital of the company

➢ India's forex reserves swell $1.63 billion to $295.79 billion

The country's foreign exchange reserves went up by USD 1.63-billion to USD 295.79-billion on the back of a healthy jump in foreign currency assets, making it the fourth consecutive weekly rise in the kitty. India's total forex reserves went up by USD 2.56-billion to USD 294.16-billion. Foreign currency assets, a major component of the forex pie, shot up nearly USD 1.59-billion to USD 268.10-billion The country's gold reserves were unchanged at USD 20.51-billion while there was a marginal, USD 29-million rise in India's Special Drawing Rights (SDRs) to USD 5.168- billion.

CORPORATE LAWS

➢ CONSOLIDATION OR MERGER OF SCHEMES

Circular No. IMD/DF/15/2010 dated 22nd October, 2010

The SEBI has issued circular regarding current guidelines consolidation or merger of schemes which mandates that the consolidations shall be viewed as changes in fundamental attributes of the related schemes and the mutual funds shall comply with the requirements laid down in the SEBI (Mutual Funds) Regulations, 1996. In order to facilitate merger of schemes, it has been decided that merger or consolidation shall not be seen as change in fundamental attribute of the surviving scheme if two conditions as appearing hereafter are met:

- Fundamental attributes of the surviving scheme do not change and for the purpose of this circular the surviving scheme means the scheme which remains in existence after the merger, and

- Mutual funds are able to demonstrate that the circumstances merit merger or consolidation of schemes and the interest of the unit holders of surviving scheme is not adversely affected.

The letter to unit holders shall be issued only after the final observations communicated by SEBI have been incorporated and final copies of the same have been filed with SEBI.

PORTFOLIO MANAGER- REGULATION OF FEES AND CHARGES

The SEBI has issued Circular in relation to the above subject whereby SEBI has stated that it has been receiving complaints from clients relating to fees and charges being levied by portfolio managers and upon scrutiny of the complaints, it had come to the notice of SEBI that the clauses relating to fees and charges in the portfolio manager-client agreement do not always clearly reflect the fees and charges payable by the client and the manner of computation of the same.

The High Water Mark shall be applicable for discretionary and non discretionary services and not for advisory service. To ensure transparency and adequate disclosure regarding fees and charges, the client agreement shall contain a separate Annexure which shall list all fees and charges payable to the portfolio manager

SALE OF INVESTMENTS HELD UNDER HELD-TO-MATURITY CATEGORY

Circular No. DBOD.FID.FIC. 5/01.02.00/2010-11, 2010

The RBI has issued circular stating that in terms of the 'Prudential Norms for Classification, Valuation and Operation of Investment Portfolio by Financial Institutions ("FIs"), securities acquired by FIs with the intention to hold them up to maturity may be classified under Held-to-Maturity ("HTM") category.

The RBI, having observed that many banks are resorting to sale of securities held under HTM category, that too frequently, to take advantage of favourable market conditions and to book profits, has reiterated that securities under HTM category are intended to be held till maturity and accordingly are not required to be marked to market. This disclosure is required to be made in 'Notes to Accounts' in FIs' audited Annual Financial Statements.

NORMS FOR INVESTMENT AND DISCLOSURE BY MUTUAL FUNDS IN DERIVATIVES

Circular No. IMD/DF/11/2010-11

The SEBI has issued circular to bring in certain modifications in the prudential limits for derivative investments by mutual funds and to bring in transparency and clarity in the disclosure of the same to investors. In relation to Exposure Limits, it is decided that the cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme, Mutual Funds shall not write options or instruments with embedded written options, the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme, cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure and few other restrictions. The above Circular also gives definition of exposure in case of derivative positions, disclosure requirements for derivatives in half-yearly portfolios.

TRANSFERABILITY OF MUTUAL FUND UNITS

Circular No.CIR/IMD/DF/10/2010-11

The SEBI has issued circular stating that "a unit unless otherwise restricted or prohibited under the scheme, shall be freely transferable by act of parties or by operation of law." The spirit and intention of this regulation is not to prohibit transferability of units as a general rule or practice. However, restrictions on transfer of units of ELSS schemes during the lock-in period shall continue to be applicable as per the ELSS Guidelines.

➢ SECURITIES TRADING USING WIRELESS TECHNOLOGY

Circular No.CIR/MRD/DP/ 25/2010-11

The SEBI has issued circular whereby it has decided that SEBI registered brokers who provide internet based trading shall be eligible to provide securities trading using wireless technology and that all relevant requirements applicable to internet based trading shall also be applicable to securities trading using wireless technology. In addition, the stock exchange shall ensure that the broker complies with these conditions,

- There shall be secure access, encryption and security of communication for internet based trading and securities trading using wireless technology,
- Adequate measures should be taken for user identification, authentication and access control

using means such as user-id, passwords, smart cards, biometric devices or other reliable means, to prevent misuse of facility by unauthorized persons,

- Unique identification number as given in case of internet based trading shall be made applicable for securities trading using wireless technology,
- In case of failure of the wireless network, alternative means of communication for placing s should be available.

POLICY WATCH

➢ GDP growth figure to rise on new-look Wholesale Price Index (WPI)

India's economic growth numbers for the fiscal first quarter could be re-stated to 9% due to recent changes to inflation calculations, giving a 'statistical boost' to the economy at a time when several independent forecasters are already raising their forecasts. The new series of wholesale price index (WPI) with 2004-05 base year, had shaved off 1.3 percentage points from the inflation figure for August calculated on the older WPI series. The lower inflation in the new series could boost the first quarter growth to 9% from 8.8%, estimated on the basis of the older series, other things being equal. Goldman Sachs has lifted GDP forecast for 2010-11 from 8.2% from 8.5% earlier.

➢ Government slaps antidumping duty on DVDs from Malaysia, Thailand

India has imposed an anti-dumping duty of up to USD 50.51 per 1,000 pieces on DVDs from Malaysia, Thailand and Vietnam to protect the domestic industry. The anti-dumping duty imposed under this notification shall be levied for a period of five years with effect from the date of imposition of the provisional anti-dumping duty, that is, the 12th April, 2010. The restrictive duty on Digital Versatile Disc (DVDs) Recordable would range from USD 25.98 per 1,000 pieces to USD 50.51 per 1,000 pieces India has imposed duties on 12 products, including compact fluorescent lamps and radial tyres from China in 2009-10.

➢ Government considering infusing further equity in Air India

Government may consider infusing further equity of Rs 2,000 crore in cash-starved Air India, after it is expected to grant the state-owned airline Rs 1,200 crore. Government had infused Rs 800 crore in the last financial year in Air India, which used to have an equity base of a mere Rs 145 crore and had placed orders for 111 aircraft - 43 from Airbus and 68 from Boeing -worth USD 11 billion. The monthly interest burden on this count averages at Rs 200 crore, while the debt each month stands at about Rs 300 crore . Air India is expected to incur a loss of Rs 5,656.62 crore in 2009-10. The airline had suffered a loss of Rs 2,226.16 crore in 2007-08 which rose to Rs 5,548.26 crore the following year.

➢ Government approves amendment in Enemy Property Act

The Central government today approved amendments to the Enemy Property Act to ensure, among other issues, that such property is divested only to the owner or his lawful heir and continue to vest in the custodian till it is divested by the Centre. Through an Act in 1968, the government had declared the properties left behind by people who migrated to Pakistan during partition as 'enemy properties'.

The fresh amendments that were placed before Parliament, however, have been incorporated in the new Bill. According to the proposed amendments, if the enemy property was divested from the custodian before July 2, 2010, it shall stand transferred to and vest or continue to vest in the custodian.

Other proposed amendments include that transfer of any enemy property shall not include any transfer or any claim of transfer made through oral will or oral gift or if it has been done without the permission of the competent authority and no court shall order divestment from the custodian or direct the Central government to divest enemy property.

➢ $55 billion to flow into renewable energy in 5 yrs

India expects investments of up to $55 billion in the next five years in the renewable energy sector, which would generate 35,000 MW of power India, one of the leading producers of wind power, is encouraging investment in renewable energy to curb emissions and reduce dependence on oil as the country imports nearly three quarters of the oil it consumes. Renewable sources account for about 6,000 MW out of India's capacity of about 80,000 MW, but the government believes that the country can raise output of renewable energy to 85, 000 in a little over a decade.

➢ India to raise SSA with US

India will press with the US during President Barack Obama's visit here next week for a social security pact aimed at providing relief from double taxation to over one lakh Indians working there who pay nearly USD one billion annually as social security tax. Indian professionals, including H1B visas holders, in the US pay over USD 1 billion annually as social security tax and if the pact gets through then it will relieve them from paying the tax if they have already made a similar payment in India India has already signed similar agreements with Belgium, Germany, France, Switzerland, Netherlands, Luxembourg, Hungary, Denmark, Czech Republic and the Republic of Korea. On Friday, India signed a social security pact with Norway.

➢ Government to relieve Rs 3,000 crore more to PSU oil retailers

The government has agreed to relieve an additional Rs 3,000 crore to state fuel retailers to make up for losses they incurred on the sale of fuel during the first half of the current fiscal. Of the over Rs 31,000 crore revenue loss incurred by IOC, BPCL and HPCL on selling diesel, LPG, kerosene below cost, the Ministry of Finance had earlier agreed to meet one-third of it. The Oil Ministry has been seeking half of the revenue loss on fuel sales during the April-September period to be cash components from the government.

With the latest dole out, the companies will get Rs 13,000 crore for losses during the first half of the current fiscal. Another Rs 10,000 crore has already been provided by upstream oil firms Oil and Natural Gas Corp (ONGC), GAIL India and Oil India.

➢ India, Norway for extended DTAA

India and Norway are all set to expand the scope of their double taxation avoidance agreement (DTAA) to facilitate greater information exchange on potential cases of tax evasion. After changes to the Indo-Swiss tax treaty this would be the second such treaty that would be reworked to ensure smooth flow of information on tax-related issues.

This amended tax treaty will allow the income tax authorities to access information on bank accounts of Indians easily, but only in specific cases.

The move is in line with decision taken at the G-20, which took up issue of tax havens and tax evasion. India and Norway are also looking to strengthen the fight against tax havens as part of the global task force on financial integrity and economic development.

INDUSTRY WATCH & CORPORATE HIGHLIGHT

- **Intel to invest up to $8 billion in US chip plants**

Intel Corp. announced plans to invest up to eight billion dollars in its US manufacturing facilities to produce next-generation computer chips.
Intel is to begin production of its first 22nm microprocessors, codenamed "Ivy Bridge," in late 2011. The projects will support 6,000 to 8,000 construction jobs and result in the creation of 800 to 1,000 new permanent high-tech jobs. With one million personal computers shipping per day, Intel said the upgrades will create the manufacturing capacity to allow for continued growth of the PC market and to address growing markets such as mobile computing. Three-fourths of Intel's microprocessor manufacturing is located in the United States. The company last year announced seven billion dollars in state-of-the-art upgrades to its 32nm manufacturing process at US facilities.

- **L&T Q2 profit grows 32% to Rs 765 crore on higher orders**

Larsen & Toubro, India's largest engineering and construction company, Announced, its fiscal second quarter profit grew 32% due to higher orders. L&T, which earns more than 80% of its revenue from engineering and construction businesses, booked a net profit of Rs 765 crore for the quarter ended September, compared to Rs 580 crore last year. The total income in the same period grew by 18% to Rs 9,331 crore. However, L&T witnessed a moderate growth of 11% at Rs 20,464 crore in order flows during the period, mainly due to a delay in prospect orders from public sector and private companies.

- **Bajaj Q2 net profit soars 69 per cent**

Bajaj Auto reported 69.32 per cent jump in its net profit for the quarter ending September 30 at Rs 682.08 crore. The company had reported Rs 402.83 crore during the same period last year. The total income of the company during the second quarter of this fiscal stood at Rs 4,341.82 crore compared to Rs 2,887.51 crore in the year-ago period, up 50.37 per cent. In the motorcycle segment, the company recorded its highest ever sales at 8,83,494 units compared to 5,99,641 units, a growth of 47.33 per cent.

- **Infosys Q2 net profit rises up by 16.7%**

Infosys Technologies reported double-digit growth in its net profit, and warned that currency volatility and macro-economic worries in the US will continue to cloud the future growth prospects for India's $50-billion outsourcing industry. The investors dragged the company's shares by 3.40% to Rs 3076.15 at the BSE. Infosys, which counts the BT Group and BP among its top customers said its net profit for the second quarter rose to Rs 1,737 crore, up 16.7% compared to the preceding June period. Revenues during the quarter to September were Rs 6,947 crore, reporting an annual growth of 24.4%.

- **Dabur profit rises 14% to Rs 160 crore**

Dabur posted a 14.4% jump in its net profit to Rs 160.4 crore in the quarter ended September 30. During the period, the company's net sales increased 14.7% to Rs 972.8 crore, from Rs 847.8 crore posted in the corresponding quarter last fiscal.
The company board declared an interim dividend of Rs 0.50 per share, aggregating to Rs 87.04 crore for the financial year 2010-11.

- **Tata Communications posts net loss of Rs 213.50 crore for Q2**

Tata Communications reported a consolidated net loss of Rs 213.50 crore for the quarter ended September 30. The Tata Group Company had posted a net loss of Rs 155.54 crore for the same period last year. The company's total income, however, increased by 8.82 per cent to Rs 2,960.66 crore in Q2, from Rs 2,720.48 crore in the same quarter last fiscal.

Statuary compliance calendar for the month of October 2012			
Due date	**Statuary compliance under Act**	**particulars**	**Governing Authority**
			
06/10/2010	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
07/10/2010	Income Tax	Deposit of Income Tax TCS and TDS deducted in October	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.
10/10/2010	Central Excise	Monthly central excise return in form ER-1/ER-2 by other that SSI	Central Board of Excise and Custom
	Central Excise	Monthly return of receipts and consumption of Principal Inputs by specified manufacturers of excisable goods in form ER-6	Central Board of Excise and Custom
	NBFC-ND-SI	Monthly statement of short term dynamic liquidity in form NBS-ALM1	Reserve Bank of India.
15/10/2010	Income Tax	Advance income tax under section 211 of Income Tax Act by corporate (second installment) and non-corporate assesses (first installment)	Central Board of Direct Tax.
	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
21/10/2010	ESIC	Payment of ESIC contribution for the month of October	The employees' state insurance Act-1948. Ministry of labour and employment.
25/10/2010	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
30/10/2010	Environment	Environment statement in form V to State Pollution Control Board	The Water (Prevention and Control of Pollution) Cess Act, 1977 . Central and State Pollution Control Boards
	NBFC-D	Annual statutory return in form NBS-1 by NBFC and MNBC and NBS-1A by RNBC	Reserve Bank of India.

Glossary

AAR	Authority of Advance Rulings
ADR	American Depository Receipt
ALP	Arm's Length Price
AO	Assessing Officer
AP	Association of Persons
APA	Advance Pricing Agreement
ATM	Automated Teller Machine
AY	Assessment Year
BCD	Basic Customs Duty
BI	Body of Individuals
BP	Balance of Payments
CA	Chartered accountant
CAD	Current Account Deficit
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Excise & Customs
CENVAT	Central Value Added Tax
Customs Act	Customs Act, 1962
CIT	Commissioner of Income Tax
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
CD	Countervailing Duty
DDT	Dividend Distribution Tax
DTA	Domestic Tariff Area
ECB	External Commercial Borrowings
ESI	Employee's state insurance
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act
FERA	Foreign Exchange Regulation Act
FII	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investment
FTS	Fees for Technical Services
FY	Financial Year
GDP	Gross Domestic Product
GDR	Global Depository Receipt
GI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	Institute of chartered accountant
IFRS	International Financial Reporting Standard
IDR	Indian Depository Receipt
IIP	Index of Industrial Production
IRDA	Insurance Regulatory Development Authority
ITR	Income tax return
LCD	Liquid-crystal Display
MP	Madhya Pradesh
MP	Market price
MF	Mutual fund
MSME	Micro Small and Medium Enterprises
NBFC	Non Banking Finance Company
NHAI	National Highway Authority of India
NPS	National Pension Scheme
NRI	Nonresident in India
NABARD	National Bank for Agriculture and Rural Development
OEM	Original Equipment Manufacturer
OET Act	Odessa Entry Tax Act, 1999
PSU	Public Service Undertakings
P&L	Profit & loss
PF	Provident fund
POTR	Point of Taxation Rules
QE	Quantitative Easing
QFI	Qualified Foreign Investor
RBI	Reserve Bank of India
REF	Renewable Energy Fund
REIT	Real Estate Investment Trust
Rules	Income-tax Rules, 1962
SA	Standard on Auditing
SAD	Special Additional Duty
SC	Scheduled Caste
SC	Supreme Court
SEBI	Securities and Exchange Board of India
SEZ	Special Economic Zone
ST	Scheduled Tribes
ST	Service Tax
STP	Software Technology Park
STR	Service Tax Rules
STCG	Short Term Capital Gain
TIN	Transaction identification number
TNNM	Transactional Net Margin Method
Tribunal	Income tax Appellate Tribunal
TDS	Tax Deducted at Source
TPO	Transfer Pricing Officer
TED	Terminal Excise Duty
VAT	Value Added Tax
VCC	Venture Capital Companies
VCF	Venture Capital Fund
WPI	Wholesale Price Index
WT	Wealth tax
WB	World bank

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