A QUICK INSIGHT
ON
BUDGET 2012 -13

S DHANAPAL & ASSOCIATES
Practising Company Secretaries
Chennai

QUICK REFERENCE TO UNION BUDGET 2012-13

SLAB RATES FOR INDIVIDUALS

NEW SLAB RATE

2lacs – Nil

2lacs to 5 lacs – 10%

5lacs to 10lacs – 20%

Above 10lacs – 30%

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AMENDMENT TO SECTION 80

Section 80C

LIC premium paid should not exceed 10% of Sum Assured of the policy.

Section 80CCF

Not Available For Ay 2012-13.

Rajiv Gandhi Equity Savings Scheme

Deduction upto 50% of amount invested in the scheme.

Lock-in period: 3 years

Maximum deduction: ₹50,000/-

Section 80D

₹5000/- is allowed for preventive health check-up within the overall limit allowed under the section.

Donations made in cash is not allowed as deduction if it exceeds ₹10,000/-

New Section 80TTA

Interest on Savings deposit accounts in Banks / post offices is exempt upto ₹10,000/-

Investment received by an enterprise from a Private financing source may be deemed as income.

Overseas transfer of assets that takes place with underlying real assets in India in exceptional cases can be reopened within a time limit of past 6 years.

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Transfer of immovable property other than agricultural land is brought within the TDS ambit. Transferee of immovable property is now required to withhold tax of 1% of consideration. Such withholding is required only if consideration exceeds ₹50 lakh in urban area and ₹20 lakh in case of property located in any other area. There is no exemption from this to individuals. The registration of the transfer is subject to submission of proof of payment of TDS. This amendment will be applicable from October 1st this year.

Every seller of bullion and jewellery would have to collect tax at the rate of 1% of sale consideration from every buyer of bullion and jewellery if the sale consideration exceeds ₹2lakh and the sale is done in cash. This would be irrespective of the fact whether the buyer is a manufacturer, trader or purchase is for personal use.

TDS PROVISIONS

Amendment to TDS

Amendment to Transfer Pricing Regulations

- ✓ The proposed transactions which will come under the expanded tax net would be:
- ✓ Payment of any expenditure related to goods, services or facilities made to related party (as defined u/s 40A (2) (b));
- ✓ Any transfer of goods or services from eligible business to other business or vice versa (as defined u/s 80A, 80-IA, chapter VI or section 10AA of subsection (8)/(10) or;
- ✓ Any other transaction as may be prescribed by the CBDT.

Rate of Service Tax 12%

1% excise duty on unbranded precious metal jewellery is proposed.

EXCISE DUTY

PROFESSIONAL LIFE

ENDLESS POSSIBILITIES WITH BORDERLESS SUCCESSES

Post your reflections to

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