FINANCE BULLETIN

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EDITORIAL

Dear friends,

IT department coming out with new website as single window facility for tax payers, extension of due of filing ITR by companies subjected to Tax Audit to 30th Nov, 2011 subject to application of section 234A, the decision of the Supreme Court that the law passed today cannot be applied to past events, Exemption of SMEs from the provisions of the application of Corporate Governance, amendments to CSR Rules 2014 allowing companies to spend for Capacity Building for CSR implementation are some of the important welcome features covered in this months' issue of the Finance Bulletin.

Professionals to note the changes in procedure in respect of no or less deduction of tax certificate to be issued by the IT Department, submission of Shome Panel 2nd Report on Tax administration and decision of the SC indicating the constitution of National Tax Tribunal has unconstitutional and its consequent effect on existing pending case disposals etc., and extension of time limit for appointment of Woman Directors on the Boards by announcing that the said provisions would be effective from 1st April, 2015

With regards

CMA R. Satyanarayana

INDEX

QUOTES FOR THE MONTH

1. A leader is one who knows the way, goes the way, and shows the way
   - John Maxwell

2. Man becomes great exactly in the degree in which he works for the welfare of his fellow men
   -Deshbandhu C.R.Das

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(Abridged Version)

GENERAL

- **Single widow website for Tax payers**: A revamped online portal of the Income Tax department was launched on 22nd Sept, 2014 which will enable taxpayers to file returns or apply for a PAN card through a 'single window' format. Further, the updated version of the website—www.incometaxindia.gov.in — will act as the 'single window' for all activities and online services offered by the I-T department
- **Bitcoin**: Virtual currency bitcoin gets boost as US watchdog approves first swap. The derivative allows clients to protect the value of their bitcoin holdings by locking in a dollar value offering an insurance against the astronomical price swings vide BL dated 13th Sept, 2014.
- **Comparative prices of products**: Any consumer who has a WhatsApp application on his mobile phone can get the comparative prices of products by sending a message to 9332222222 provided by MySmartPrice.com vide BL dated 26th Sept, 2014.
- **5 Million Gmail passwords leaked**: Russian hackers posted Gmail users names, passwords on bitcoin forum btcsec.com. One needs to log on to isleaked.com/en.php to check if his/her account has been hacked. Google has asked the users to set strong passwords vide TOI dated 12th Sept, 2014.

RSERVE BANK OF INDIA

- **Amendments to Basel 3 norms**: The RBI has allowed banks to issue additional Tier 1 capital instruments, the principal amount of which would absorb losses either through conversion into common shares or a write-down mechanism that allocates the losses to the instruments, either temporarily or permanently vide BL dated 2nd Sept, 2014

ACCOUNTS & AUDIT

- **No restriction on number of Partners in CA/CMA/CS Firms**: The Council of the ICAI has clarified that the earlier restriction of maximum of 20 partners permitted for firms under section 11 of the Companies act, 1956 is no more applicable to the firms as Section 464 of the Companies Act, 2013 has been notified w.e.f 01.04.2014 wherein sub-section (1) provides for a maximum number of partners permissible for business firms at 100 and sub-section (2) provides that nothing in sub section (1) shall apply to an association or partnership, if it is formed by professionals who are governed by special Acts.
- **Due date of filing ITR extended to 30th Nov, 2014**: CBDT has issued circular indicating the due date of filing IT return extension from 30th Sept, 2014 to 30th Nov, 2014 for AY 2014-15 in respect of tax payers who are required to file Tax Audit Report or a taxpayer who is a working partner of a firm who is required to obtain and file TAR for FY 2013-14 (AY 2014-15). Further, it is also clarified that there is no extension of due date for Sec 234A and tax payer shall remain liable for payment of interest for delay in furnishing ITR under the said section of the ITA. In respect of corporate tax payers who are not required to file TAR there is no change in the due date of filing ITR vide CBDT Order F.No.153/53/2014-TPL(PL1) dated 26th Sept, 2014.

FEMA

- **ECB in India Rupees**: With a view to providing greater flexibility for structuring of ECB arrangements, it has been decided that recognised non-resident ECB lenders may extend loans in Indian Rupees subject to the certain conditions for details refer to RBI/2014-15/206 A.P. (DIR Series) Circular No.25 dated 3rd Sept, 2014.

INCOME T AX

- **No & Lower deduction of tax certificate:** CBDT amends rule 28AA to provide issue of nil TDS certificate to deductor and lower TDS certificate to recipient of income for details refer to Notification No.46/2014, F.No.133/10/2014-TPL dated 24th Sept, 2014.
- **Laws passed today cannot apply to past events**: SC while delivering the judgment in the case of CIT New Delhi Vs Vatika Township Pvt. Ltd and Others observed that principle of law was lex prospicit non respicit-the law looks forward and no backward. Thus the nature of the law is founded on the bedrock that every human being is entitled to arrange his affairs by relying on the existing law and should not find that his plans have been retrospectively upset. By this SC settles contentious issue of retrospective amendments to the IT Act vide BL dated 19th Sept, 2014.

SEBI

- **Woman Directors and application of Clause 49 etc.,:** SEBI has extended the date of compliance of woman Directors on the Board of the companies and the revised date is effective from 1st April, 2015. Small companies whose equity share capital does not exceed Rs 10 crore & Net worth Rs 25 Crore as on last day of previous financial year have been excluded from complying with the new provisions of Clause 49. Further the companies listed in SME stock exchanges have also been exempted from application of Clause 49 vide ET dated 16th Sept, 2014.
- **Corporate Governance:** SMEs get exemption from mandatory compliance for corporate governance as accepted by SEBI vide BL dated 16th Sept, 2014 for details refer to www.sebi.gov.in
- **Annual Information Memorandum:** SEBI plans to ask all listed companies to mandatorily put out an Annual Information Memorandum which will be a compilation of all the disclosures that are now made under various regulations, including the listing agreement. The move is to bring more transparency and easier regulatory oversite and is working for guidelines on willful defaulters vide BL dated 18th Sept, 2014.

COMPANY LAW

- **Amendments to CSR Provisions**: The Ministry of Corporate Affairs has issued Companies (Corporate Social Responsibility) Amendment Rules, 2014 dated 12th September, 2014 by making amendment in Sub-rule 6 of rule 4 of the Companies (Corporate Social Responsibility) Rules, 2014. According to the amended Rules -Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure made on administrative overheads shall not exceed five percent. of total CSR expenditure of the company in one financial year for details refer to www.mca.gov.in
- **Appointment of Directors-amendments by CG:** The Ministry of Corporate Affairs has issued a notification w.r.t. Companies (Appointment & Qualification of Directors) Amendment Rules, 2014 dated 18th September, 2014 which indicates that Independent directors are not required to furnish Income Tax PAN details to become eligible and wiling to be appointed as Independent Director. The said notification also contains other changes too and the details can be known from the www.mca.gov.in

******THE END******