

CIRCULARS / NOTIFICATIONS

DIRECT TAXES

I. CIRCULARS

1. Circular No. 04/2009, dated 29-6-2009

To monitor and track transactions relating to remittance to non-residents in a timely manner, the Central Board of Direct Taxes has through this Circular, laid down the revised procedure for furnishing information regarding remittances made to non-residents w.e.f. 1st July 2009.

The Circular mentions that Form 15CA should be used for furnishing information of remittances in e-mode in accordance with the provisions of section 195 (6) of the Income-tax Act, 1961. Further, the information should be furnished after obtaining a certificate in Form 15CB from an accountant as defined in the Explanation to section 288 of the Income tax Act, 1961. The print out Form 15CA should be signed and submitted to the Reserve Bank of India/authorized dealer prior to remitting the payment.

2. Circular No. 5/2009, Dated 2-7-2009

The Central Board of Direct Taxes has, issued this circular in supercession to all circulars and instructions issued by it relating to the procedure for representation before the Board for Industrial and Financial reconstruction (BIFR) and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). This circular prescribes the new procedure to be followed before the BIFR and AAIFR in respect of granting Income tax reliefs/concessions to be given to sick companies for its rehabilitation under the Sick Industrial Companies (SICA) Act, 1985.

(The complete text of the above circulars can be downloaded from the website www.incometaxindia.gov.in)

II. PRESS RELEASE

1. Press Release No.402/92/2006-MC (14 OF 2009) dated 30th June 2009

The Central Board of Direct Taxes have further decided that the Notification No. 31 dated 25.3.2009 amending or substituting Rules 30, 31, 31A and 31AA of the Income Tax Rules, 1962 shall be kept in abeyance for the time being.

Taxpayers filing their income tax

returns for assessment year (AY) 2009-10, or any other earlier Assessment Year, may continue to file their returns without mentioning the Unique Transaction Number (UTN) as required under the said Notification. The filing of such returns shall be treated as valid and in compliance of the requirements under section 139 of the Income-tax Act, 1961.

Further, the date from which the Notification No. 31 / 2009 shall become applicable on tax deducted at source (TDS) or tax collected at source (TCS) and deposited during the current financial year shall be notified by the Central Board of Direct Taxes subsequently.

All deductors / collectors of TDS / TCS may continue to deposit their TDS / TCS and file their quarterly TDS / TCS returns as per procedure existing prior to issuance of Notification No.31 / 2009 dated 25.3.2009.

(Matter on Direct Taxes has been contributed by the Direct Taxes Committee of the
ICAI)

INDIRECT TAXES

A. EXCISE

Notifications:

1. Notification No. 14/2009 CE (NT) dated 10.06.2009

It provides that in rule 6 of Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, for the words "Where the subject goods are not used", the words "The said Assistant Commissioner or Deputy Commissioner shall ensure that the goods received are used by the manufacturer for the intended purpose and where the subject goods are not used" shall be substituted. Moreover, Annexure II has also been substituted by a new Annexure Form.

2. Notification No. 15/2009 CE (N.T.) dated 10.06.2009

It amends the Notification No. 32/2006 dated 30.12.2006 which specifies the facilities to be withdrawn and imposition of restrictions in cases where a manufacturer, first stage or second stage dealer, or an exporter including a merchant exporter is found

to be knowingly involved in any of the acts specified under the said notification.

Notification No. 15/2009-Central Excise (N.T.) dated 10.06.2009 has added the removal of inputs as such on which CENVAT credit has been taken, without paying an amount equal to credit availed on such inputs in terms of sub-rule (5) of rule 3 of the CENVAT Credit Rules, 2004 to such specified acts. Moreover, the two more restrictions have been imposed on the manufacturer regarding maintenance of records of principal inputs on which CENVAT credit has not been taken and intimation of the receipt of the principal inputs in the factory on which CENVAT credit has or has not been taken. The meaning of "principal inputs" has also been explained by inserting an explanation.

3. Notification No. 16/2009 CE (N.T.) dated 07.07.2009

The above notification amends the CENVAT Credit Rules, 2004 as follows:-

- (a) The Explanation-2 to rule 2(k) providing the definition of "input" has been amended to exclude, cement, angles, channels, Centrally Twisted Deform bar (CTD) or Thermo Mechanically Treated bar (TMT) and other items used for construction of factory shed, building or laying of foundation or making of structures for support of capital goods, from the definition of the inputs.
- (b) The provisions of rule 3(5B) of the CENVAT Credit Rules, 2004 have been made applicable to the output service provider also.
- (c) Rule 6(3) of the CENVAT Credit Rules, 2004 has been amended to prescribe that a provider of both taxable and exempted services, who does not maintain separate accounts of inputs, shall pay an amount equal to 6% of the value of exempted services instead of 8% and the manufacturer of both dutiable and exempted goods shall pay an amount equal to 5% of the value of the exempted goods instead of 10%.

4. Notification No. 17/2009 CE (N.T.) dated 07.07.2009

Rule 24A has been inserted in Central excise Rules, 2002. It provides that the records seized under rule 24A