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FINANCE BULLETIN

Vol. VII/ Issue No.2/Feb 2013
(Commenced in May 2007)

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EDITORIAL

Dear friends,

Launching of eBiz portal by Central Government, SEBI announcing that companies going for public issue needs to provide for safety net mechanism to take care of falling of prices of shares below issue price and Tech Mahindra and others announcing new software for sending alert SOS SMS in case of emergency situations like those happened in Nirbhaya's case are welcome features covered in this issue.

Professionals to note facility of downloading free XBRL SOFTWARE from ICAI for filing Cost Compliance report and Cost Audit report, CMA extending the date of filing of XBRL based CR and CAR to 28.2.13, CBDT extending the due date of filing ITR V for AY 2010-11 and for prior years to 28.2.13, reduction in CRR by RBI to 4% wef 9.2.13, issue of notification by CBDT exempting TDS deduction on certain banking transactions, tax breaks given on software developments at clients office through CBDT Notification, Postponement of GAAR implementation to 1.4.2016 (AY 2015-16), extension of refinance facility on special exports upto 28.6.13 & revision in investment limits for Micro & SMEs etc. some of the important changes covered in the Professional version of this month's issue.

With regards

R.Satyanarayana

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QUOTES FOR THE MONTH

1. Success consists of getting up just one more time than you fall

–Oliver Goldsmith

2 Always reward merit, but never let errors go unremarked.

-Robert Heller

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FINANCE, BULLETIN

(Abridged version)

GENERAL

- **Free Emergency SOS calls/messages**: Tech Mahindra has developed a software called Fightback which allows sending SOS messages to registered mobile numbers in case of emergency situations (especially after the event of Nirbhaya's Delhi incident) which can be freely availed by anyone by registering in the website www.fightbackmobile.com vide Andhra Jyothi dated 16.1.2013.
- **Govt. launches e-Business portal**: The Union Minister for Commerce, Industry & Textiles Shri Anand Sharma launched an eBiz portal at the CII Partnership Summit in Agra. The portal is India's Government-to-Business (G2B) portal developed by Infosys vide ET dated 29th Jan, 13.

RESERVE BANK OF INDIA

- **Revision in Investment Limits lending to Micro and SMEs:** RBI has made a revision in the existing limits for lending related to Micro Enterprises who have investments in plant, machinery and equipment. The lending has been revised in a 40:20 proportion i.e. 40% advances made to the Micro and Small Enterprises (MSME), would go to Micro firms, both service and manufacturing, having investments of upto 2 Lakhs and 5 Lakhs respectively, in plant and machinery. 20% would go to MSME companies having investments in plant and machinery, between 5 Lakhs to 25 Lakhs (for manufacturing MSME) and between 5 lakhs and 10 lakhs for Service MSME companies vide RBI/2012-13/354 RPCD.MSME & NFS. BC. No. 54/06.02.31/ 2012-13 dated 31st Dec, 2012.
- **Rupee export –interest subvention extended to new areas:** RBI has decided to extend the 2% Rupee Export Credit Interest Rate Subvention Scheme for the new sectors w.e.f. April 1, 2013 to March 31, 2014 on the same terms and conditions and these new sectors are SMEs and Engineering sectors etc for details of coverage refer to RBI/2012-13/376 DBOD.Dir.(Exp)BC.No.70/04.02.001 /2012-13 dated 14th Jan, 13.
- **CRR reduced:** Cash Reserve Ratio (CRR) of Scheduled Commercial Banks reduced by 25 basis points from 4.25 per cent to 4.00 per cent of their Net Demand and Time Liabilities (NDTL) with effect from the fortnight beginning February 09, 2013 RBI/2012-13/401 DBOD.No.Ret. BC.76/12.01.001 /2012-13 dated 29th Jan, 13.

ACCOUNTS & AUDIT

- **Free XBRL software for e-filing:** Towards a service to our members, the ICAI has provided FREE OF COST to its members an XBRL Software Tool for creation of Instance Documents of Cost Audit Report and Compliance Report using Costing Taxonomy and Business Rules published by the Ministry of Corporate Affairs for e-filing which can be downloaded from www.icwai.org
- **XBRL filing date extended:** MCA has extended the due date of filing of CR & CAR for FY 2011-12 or for any preceding FYs in XBRL mode to 28th Feb,13 vide General Circular No.2/2013 dated 31st Jan,14.

NCOME T AX TAX

- **Even if stay application pay up confirmed demands:** According to the latest Circular, if a stay application is filed before the Commissioner (Appeals) and CESTAT and if there is no stay within 30 days, recovery action has to be initiated. In case of stay applications before High Courts and

Supreme Court, even this 30 days' time is not available. Recovery has to be initiated immediately after the orders if there is no stay vide CBEC Circular No.967/-1/2013-CX dated 1.1.2013. (Andhra Pradesh HC Bombay HC granted interim stay on application of this circular)

- **Taxing IT companies:** CG –Finance Ministry has clarified that Indian companies can claim tax breaks on software development at clients' offices overseas vide Times of India dated 18th Jan, 13.
- **GAAR:** As clarified by the Finance Minister based on Shome committee report that GAAR will not be applicable to FIIs who do not seek protection under any tax treaty. GAAR will also not apply to non-resident investors in FIIs. Further government has accepted the proposal of deferment of implementation of GAAR only for two years and hence GAAR would be made applicable from AY 2016-17 ie for the FY 2015-16
- **TRC for Indian & Non- Indian Residents:** From 01.4.2013 the India Residents who earns Income from Countries with which India have a DTAA can obtain a Tax Residency Certificate from Income Tax Department by submitting application in Form 10FA. Likewise Non-residents' to obtain similar certificates from the government of the country or specified authority in which he claims to be resident. The same may be submitted to the Payer to claim DTAA Benefit for details refer to www.incometaxindia.gov.in
- **CBDT on export of IT Software:** The CBDT has issued a comprehensive Circular No. 01/2013 dated 17.01.2013 in which it has provided clarifications on various issues relating to the export of computer software and the allowance of deduction under sections 10A, 10AA and 10B of the Income-tax Act, 1961. The Clarifications seek to address and resolve the several disputes that have arisen between the software industry and the income-tax department

SERVICE TAX

- **Modifications to ST1 & ST2 and New Accounting codes:** Modifications have been made in ST1 & ST2 and further those assessees, who had registered with the department after 01.07.2012 under the 'Other than in the Negative List' (OTNL) category, should amend the taxable service details now and opt for relevant description/s from the list of 120 services. After approval by the departmental officer, a new Registration Certificate (ST2) will be issued online displaying the list of services chosen by the assessee along with the new Accounting Codes. The existing registration number will, however, remain unchanged for details refer to Notification No.48/2012 dated 30th Nov,12 issued by CBEC

SEBI

- **SEBI on corporate Governance:** SEBI has placed a consultative paper on the SEBI website on "Review of Corporate Governance Norms in India". Comments on the discussion paper have been solicited on or before January 31, 2013.
- **Safety net mechanism:** To attend to the issue of scips price falling below issue price, an issuer may provide for a safety-net arrangement for the specified securities offered in any public issue in consultation with the BRLM after ascertaining the financial capacity of the person offering the safety-net arrangement, subject to disclosures specified in this regard in Part A of Schedule VIII of SEBI (ICDR) Regulations, 2009 vide Press release of Discussion paper on Safety Net Mechanism dated 31st Jan,13 of SEBI.

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