

ROHINI CPE STUDY CIRCLE
(Awarded for "Best Study Circle" for the year 2009-10 & 2010-11)
of
NORTHERN INDIA REGIONAL COUNCIL
of
THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Compiled By: CA Ashok Kumar Jain,
FCA, DISA
9810103799
akjainca@vsnl.net
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INCOME TAX

➤ **NEW CBDT CHAIRMAN.**

Shri Prakash Chandra, an IRS (IT) officer of the 1973 batch, took over as Chairman of the Central Board of Direct Taxes.

➤ **PAN NO TO BE QUOTED ON MORE PAYMENTS.**

The Central Board of Direct Taxes has issued Notification and notified following payments for which PAN no is required to be quoted (i) For issue of Debit Card (ii) Life insurance premium exceeding Rupees Fifty thousand (iii) Purchase of bullion or Jewellery exceeding Rs 5 lakh. (Notification No 27/2011 dated 26th May,2011.)

➤ **INTEREST ON POST OFFICE SAVING BANK TAXABLE.**

The Central Board of Direct Taxes has issued Notification that any interest earned beyond Rs 3,500 annually in case of individuals **and** Rs 7,000 in case of joint accounts from post office saving bank will be taxable from the current fiscal year.(Notification no 33/2011 dated 3rd June,2011.)

➤ **DIRECTORATE OF INCOME TAX (CRIMINAL INVESTIGATION).**

The Central Board of Direct Taxes has issued Notification regarding creation of Directorate of Income Tax (Criminal Investigation) The DCI will perform the function in respect of criminal matters having any financial implication punishable as offence under the direct Tax Law. (Notification no 29/2011 dated 30th May,2011.)

➤ **BENEFIT RECEIVED FROM FUND SET UP FOR EMPLOYEES.**

The Central Board of Direct Taxes has issued Notification added one more clause in purposes/conditions for establishment of fund under clause (23AAA) for exemption of income received by any person on behalf of fund established for welfare of employees or their dependents, that is, to meet the cost of annual medical tests or medical checkups of the member, his spouse and dependent children. (Notification no 33/2011 dated 3rd June,2011.)

➤ **SALARIED PERSONS NOT REQUIRED TO FILE IT RETURN .**

The Central Board of Direct Taxes has issued notification and exempts the following class of persons, subject to the conditions specified hereinafter, from the requirement of furnishing a return of income under sub-section (1) of section 139 for the assessment year 2011-12, An Individual whose total income for the relevant assessment year does not exceed five lakh rupees and consists of only income chargeable to income-tax under the following head,—(A) "Salaries";(B) "Income from other sources", by way of interest from a savings account in a bank, not exceeding ten thousand rupees. Other conditions are giving PAN and Interest details to employer, deduction of TDS by employer, Income from one Employer. No other Income and No Income Tax Refund. (Notification no 36/2011 dated 23rd June,2011.)

➤ **COST INFLATION INDEX FOR THE FINANCIAL YEAR 2011-12 .**

The Central Board of Direct Taxes has issued notification and notified Cost inflation Index for the financial year 2011-12 as 785. (Notification no 35/2011 dated 23rd June,2011.)

➤ **TRANSFER AND POSTING IN INCOME TAX .**

The Chief Commissioner of Income Tax has issued order and made transfer and posting of 57 additional/joint Commissioner of Income Tax and 213 Income Tax officers . (order No 91 dated 10th June,2011 and order No 97 dated 21st June,2011.)

VALUE ADDED TAX/CENTRAL SALES TAX

➤ **ASSESSMENT UNDER CST ACT,1956.**

The Commissioner of Trade & Taxes has issued circular and prescribed the following time frame for completion of pending assessment under CST Act for central statutory forms. (Circular No 02/2011 dated 9th June,2011 & 22nd June,2011.)

Assessment Year	Quarter	Last date
2007-08	IInd Q	31.07.2011
2007-08	IIIrd & IVth Q	31.10.2011
2008-09	All Q	31.12.2011
2009-10	All Q	31.03.2012
2010-11	All Q	30.06.2012

➤ **ANNEXURE 2A AND 2B TO BE ATTACHED WITH RETURN.**

The Commissioner of Trade & Taxes has issued circular and clarified that filing of Annexure 2A and 2B with the Return are applicable wef 7th May,2010 and amendment related to Section 9(2)(g) and Section 10 (5) are applicable from 1st April,2010 . (Circular No 03/2011 dated 10th June,2011.)

➤ **CLAIM OF EXCESS ITC AS REFUND.**

The Commissioner of Trade & Taxes has issued circular and clarified that dealer can either claim excess ITC as refund or carry forward the amount to next period in return and not allowed to bifurcate the excess ITC in Return. . (Circular No 04/2011 dated 14th June,2011.)

➤ **SUMMER BREAK .**

The Commissioner of Trade & Taxes has issued order that Sales Tax Bar Association will observe summer break from 06.06.2011 to 30.06.2011 hence officers of the ward will not pass any ex parte order on account of non-appearance of council.(Circular dated 6th June,2011.)

➤ **EXTENSION OF DATE OF FILING OF DVAT 51 .**

The Commissioner of Trade & Taxes has extended the time limit for furnishing the Statutory Forms and Reconciliation return in DVAT -51 up to 30th September,2011 for 1st , 2nd ,3rd and 4th quarter of the year 2010-11 and up to 31st December,2011 for 1st quarter of 2011-12.(order dated 26th May,2011.)

➤ **EMPANELMENT FOR SPECIAL AUDIT U/S 58A .**

The Commissioner of Trade & Taxes has invited Application for Empanelment of accountants for conducting special audit of dealers under section 58A of DVAT Act,2004. Last date of receiving application is 30th June,2011 .(order dated 27th May,2011.)

➤ **CHANGE OF RATE IN FURNISHING AND SUITING.**

The Commissioner of Trade & Taxes has issued Notification and amended First Schedule and Third Schedule of DVAT Act,2004. Item No 48 of First Schedule that is “Furnishings having sale price of more than Rs. 100/- per meter or per piece or per set, as the case may be, other then handloom furnishings.” and “Suiting having sale price of more than Rs. 500/- per meter” has been substituted and effect of same also given in item no 114 of third schedule. (Notification no F.3(11) Fin.(Rev-I)2011-12/DS II/313 dated 21st June,2011.)

SERVICE TAX/EXCISE/CUSTOM

➤ **CLARIFICATION ON IN RELATION TO AGRI. PRODUCE.**

The Central Board of excise and custom has issued Circular and clarified that(i) process of threshing and drying of tobacco leaves and thereafter packing the same and (ii) processing of raw cashew and recovering kernel, undertaken for, or on behalf of, the clients by processing units are covered by the expression “... processing of goods for, or on behalf of, the client.....and provided in relation to agriculture,...” appearing in the said notification No 14/2004-ST. Also where the commission agents stationed abroad provide business auxiliary service to promote the export of rice, said business auxiliary service is covered by notification 13/2003-ST(as amended) because, the word ‘rice’ is mentioned under the explanation to the term ‘agricultural produce’, in the inclusive portion along with other items like cereals, pulses, etc.(Circular No 143/12/2011-ST dated 26th May,2011.)

➤ **EXCISE DUTY ON BRANDED MADEUPS.**

The Central Board of excise and custom has issued Circular on the issue of applicability of excise duty on uniforms or made-up articles like quilt, blankets, towels, linen etc bearing the name or logo of a school, security agency, company, hotel or airline etc., it is clarified that such products would not merit treatment as “branded” products merely because the name of the school, institution or company or their logo is either printed, embroidered or etched on them. This is equally true of made ups such as towels, linen etc bearing the name of a hotel, restaurant or airlines. In all these cases, there is no nexus between such a name or logo & the product at the time of its sale which is essential ingredient in the definition of the term “brand name”. Unless such garments/made-ups also bear a brand name in addition to the name or logo of the school, security agency, hotels, airlines and company, such goods would not attract the excise duty..(Circular No 947//8/2011-CX dated 21st June,2011.)

INSTITUTE NEWS

➤ **UNIFORM ACCOUNTING & AUDITING FRAMEWORK FOR POLITICAL PARTIES.**

The Institute of Chartered Accountants of India (ICAI) has issued press release that, the Election Commission of India (ECI), had approached ICAI, for recommending a financial reporting framework for political parties in India. The ICAI has recommended that accrual basis of accounting may be mandated for the political parties, Audit by firm of chartered Accountants with the rotation of three years and filing of financial statement by political parties with the Election commission. The ICAI, on the acceptance of the recommendations by the ECI, would also issue the necessary guidelines to its members, in this regard.(Press Release dated 31st, March,2011.)

COMPANY LAW .

➤ **ONLINE ALLOTMENT OF DIN.**

The Ministry of corporate affairs has issued circular and decided that wef 12th June,2011 DIN-1 and DIN-4 applications has to be digitally signed by practicing C.A, C.S or Cost Accountant, who shall verify the particulars of application and DIN-4 for inclusion of PAN no of directors is to be filed up to 30th September,2011 failing which the DIN no will be disabled and they shall also liable for heavy penalty. (Circular No 32/2011 dated 31ST May,2011.)

➤ **PUBLIC FINANCIAL INSTITUTION U/S 4A.**

The Ministry of corporate affairs has issued circular and framed the criteria for declaring any institution as Public Financial Institution under section 4A of the Companies Act,1956. The criteria includes company or corporation shall be established under special act or companies Act, Main business industrial/ Infrastructural Financing, New worth 1000 crore and existence of three years.(Circular No 34/2011 dated 2nd June,2011.)

➤ **FAST TRACK EXIT MODE FOR DEFUNCT COMPANIES.**

The Ministry of corporate affairs has issued circular and prescribed New guidelines for ‘Fast Track Exit Mode’ for defunct Companies under section 560 of the Companies Act,1956. These guidelines are effective from 3rd July,2011 and includes definition of defunct company, procedure and specimen of affidavit and indemnity bonds .(Circular No 36/2011 dated 7th June,2011.)

➤ **VIDEO CONFERENCING FACILITY FOR GENERAL MEETING.**

The Ministry of corporate affairs has issued circular and clarified that (i) It is not mandatory for companies to provide its directors, the facility to attend meetings through video conferencing. (ii) In respect of shareholders meetings to be held during financial year 2011-12, video conferencing facility for shareholders is optional. Thereafter, it is mandatory for all listed companies. (Circular No 35/2011 dated 6th June, 2011.)

➤ **CLARIFICATION ON COMPANIES DEFAULTED IN FILING.**

The Ministry of corporate affairs has issued circular and clarified that the circular issued earlier shall be applicable to those defaulting companies and their Directors which have not filed Balance Sheet or Annual Return for any of the financial year's 2006-07, 2007-08, 2008-09 and 2009-10 with the Registrar of Companies as required under sections 220 and/ or 159 of the Companies Act, 1956. (Circular No 38/2011 dated 20th June, 2011.)

➤ **SETTLEMENT OF PROSECUTION CASES.**

The Ministry of corporate affairs has issued circular and it was decided to review pending prosecution cases. The actions to be taken by RDs and ROCs includes organization of lok adalats on 9th, 16th, 23rd & 30th June and Two Lok Adalats will be held by each RD per month. and review of cases where no public interest is involved. (Circular dated 3rd June, 2011.)

MISCELLANEOUS

➤ **CHANGE IN NAME BY LISTED COMPANIES.**

The Securities and exchange Board of India has issued Circular and decided to modify the requirement of change in the name of listed Companies that at least 50% of its total revenue in the preceding 1 year period should have been accounted for by the new activity suggested by the new name Or The amount invested in the new activity/project (Fixed Assets + Advances + Works In Progress) is at least 50% of the assets of the company. (Circular No CIR/MRD/DP/07/2011 dated 16th June, 2011.)

➤ **R.T.I ACT NOT TO APPLY ON CBI AND NIA.**

The Central Government has issued Circular and amended Second schedule to the Right to information Act, 2005. Now the RTI Act not to apply on Central Bureau of Investigation, National Investigation Agency and National Intelligence grid. (GSR -442 (E) Dated 9th June, 2011.)

➤ **INTEREST ON PPF ACCOUNT IN THE NAME OF HUF.**

The Reserve Bank Of India has issued Circular and decided that interest at PPF rates would be paid on those PPF (HUF) accounts, which had attained the maturity after May 13, 2005 but closed by the subscribers before December 07, 2010, subject to the conditions that the accounts had not been extended thereafter and the deposits were retained in such accounts without further subscriptions. (Circular No RBI/2010-11/578 Dated 17th June, 2011.)

➤ **OLD RECORDS & BOOKS IN BAR PREMISES.**

The sales Bar Association has announced that old records/books of accounts/files of some parties/ members is lying from long time in the bar premises and is unnecessary occupying the space. Members to whom it belongs are requested to immediately remove the same. It is decided that such unclaimed record shall be destroyed by this month end.

COMPLIANCE DATES FOR JULY 2011

➤ 5 th July	Deposit of Service tax for the Month of June, 2011 in case of corporate assessee.
➤ 7 th July	Deposit of TDS/TCS for deductions made from payments made during the month of June, 2011
➤ 7 th July	Last date of submission of copy of form 15G/15H/27C to CCIT or CIT for declarations received in the month of June, 2011.
➤ 15 th July	Deposit of Provident Fund for the Month of June, 2011.
➤ 15 th July	Last date for submission of TDS/ TCS Return for the 1 st Quarter of 2011-12.
➤ 15 th July	Deposit of TDS deducted under DVAT from the payments made/credited during the month of June, 2011. The certificate to be issued within seven days from the date of payment.
➤ 21 st July	Deposit of Employees State Insurance of June, 2011
➤ 25 th July	Pay VAT and CST for the month/Quarter ended June, 2011.
➤ 25 th July	File e-return under DVAT & CST for the month/Quarter ended June 2011.
➤ 28 th July	File hard copy of monthly/Quarterly return filed electronically for period ended June 2011
➤ 31 st July	Last date of filing of Income Tax Return for the Assessment year 2011-12 in case of non-corporate assessee whose accounts are not audited..

DISCLAIMER Although due care has been taken while compiling the above details, yet the author carries no responsibility for any inadvertent misquoting. Please check the relevant source before relying on any of the compilations. The notification and circulars covered under the compilation are chosen which are considered important and not all, issued under the relevant statute.