

The Union Budget 2014

Key Highlights



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CHARTERED ACCOUNTANTS

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चतुर्थमाददानो ' पि क्षत्रियो भागमापदि ।
प्रजा रक्षन् परं शक्त्या किल्बिषात् प्रामुच्यते ॥

The ruler, during an emergency, may take even one fourth (of their income as tax) and protect his subjects with all his might. Doing so, he is freed from sin. (Manu Smriti - 118)

धर्म्यमाहारयेद् बलिम् ।

The ruler must take tax that is within dharma (Justice or fairness) (Manu Smriti 119)

सांवत्सरिकमाप्तैश्च राष्ट्राद् आहारयेद् बलिम् ।
स्याच्चाग्नायपरो लोके वर्तेत पितृवन् नृषु ॥

The king should get the annual revenue collected by trustworthy officials and in matters of taxation, he should obey the sacred laws. He should behave like a father to his subjects. (Manu Smriti 80)

मधुदोहं दुहेद् राष्ट्रम् भ्रमरान् न विपातयेत् ।
वत्सापेक्षी दुहेच्चैव स्तनांश्च न विकुट्टयेत् ॥

A king should collect taxes without hurting the subjects. It is like collecting honey without destroying bees, or like, as a calf does, drawing milk from a cow without hurting her udder. (Mahabharata - Shanti Parva 12.89.4)



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CHAPTER 1 FOREWARD...

ACHHE DIN AA RAHE HEIN

BJP lead NDA Government will surge forward at Japanese Bullet Train speed with bold, innovative and path-breaking changes in Finance Act in particular in respect of Real Estate, Infrastructure Sector and Power Sector.

On Direct Tax front Individual exemption limit has been enhanced from Rs. 2,00,000 to Rs. 2,50,000 and for Senior Citizen it has been hiked from Rs. 2,50,000 to Rs. 3,00,000. Similarly deduction under section 80C has been hiked from Rs. 1,00,000 to Rs. 1,50,000 and deduction on interest for Housing Loan has been increased to Rs. 2,00,000 from Rs. 1,50,000.

Since the reforms do not appear to be wide ranging, big bang and loud there appears to be cautious optimism upon how various segments of economy will respond to various outlays and projects earmarked for various sectors of economy.

To sum up, boost to Realty, Infrastructure, Real Estate along with Manufacturing Sector will generate highest degree of employment and it will give fillip to various sectors of economy.

Under Narendra Modi's Stewardship the real clincher is focused execution with highest degree of speed in NDA Government which has will and capacity to match performance with proclaimed promises in course of electioneering.

In our humble opinion the big announcement in this Budget is accessibility of Resident Companies to Advance Ruling Authority for Advance Opinion on Taxability or otherwise of big ticket investment decisions which will culminate into transparency and mitigation of hardship to be faced in bureaucracy in realm of Direct Tax as well as Indirect Tax.

CHAPTER 2

BUDGET AT A GLANCE

2.1. INCOME TAX

- Tax exemption limit in case of Individuals, HUFs, AOPs and BOIs increased to Rs. 2,50,000 from Rs. 2,00,000.
- In case of senior citizens, the exemption limit increased to Rs. 3,00,000 from Rs. 2,50,000.
- Education Cess continues to remain @3% of Income Tax.
- Surcharge of 10% for Persons (other than companies) having an Income in excess of Rs. 1,00,00,000 continues to be applicable.
- No change in rates for Co-operative Societies, Local Authorities, Partnership firms, Domestic and Foreign Companies.
- Deduction u/s. 80C increased to Rs. 1,50,000 from Rs. 1,00,000.
- Deduction under section 24(b) on account of interest on loan for Self-Occupied House Property enhanced to Rs. 2,00,000 from Rs. 1,50,000.
- The sunset date u/s. 80IA for the power sector extended to 31.03.2017 as against 31.03.2014.
- Under Section 133A the time period for retention of books by Income Tax authorities extended to 15 days from earlier period of 10 days without obtaining approval of higher authorities.
- Survey under section 133A is also extended for verification of TDS and TCS.
- Mutual Funds, Securitisation Trusts, Venture Capital Companies/Funds and Business Trusts are required to file returns of income.
- Amendment of section 142A streamlining reference to

valuation officer and empowering valuation officer to estimate value of assets/property in case of non co-operation by the assessee, the time limit of report, etc.

- The loan or deposits through electronic clearing systems through bank account takes the transaction out of ambit of section 269SS and 269T.
- TDS @ 2% will be deducted at the time of payment of Life Insurance Policy including bonus other than the amount exempt u/s. 10 (10D) if the aggregate amount during the Financial Year is Rs. 1,00,000 or more.
- Power to levy penalty u/s. 271G has been extended to TPO.
- Assessing Officer is now empowered to levy penalty u/s. 271H.
- Investment Allowance u/s. 32AC @ 15% of cost of investment made in Plant and Machinery is extended up to 31.03.2017. The minimum investment is reduced to Rs. 25 Crores for medium size manufacturers.
- CSR expenditure not allowable as business expenditure u/s. 37(1) of the Income Tax Act. However CSR Expenditure which is in nature described in section 30 to 36 is allowable subject to fulfillment of conditions specified thereunder.
- Under Section 54EC the investment made by an assessee in the long-term specified asset, out of capital gains arising from transfer of one or more original asset, during the financial year in which the original asset or assets are transferred and in the subsequent financial year should not exceed Rs. 50 Lakhs.
- Section 73 shall also not be applicable to a company the principal business of which is the business of trading in shares.
- Trading in commodity derivatives carried out through a

recognised association and which is chargeable to commodities transaction tax will not be treated as a speculative transaction.

- Unlisted security and a unit of a mutual fund (other than equity oriented mutual fund) shall be considered as short term capital asset if held for not more than 36 months.
- It is proposed that the APA may also cover four years preceding the years covered by the APA for determining the ALP, subject to the rules that will be framed in this regard
- General Anti Avoidance Rules (GAAR) will be applicable from 01.04.2015.
- The revised Direct Tax Code will be reviewed.
- Determination of ALP under transfer pricing made liberal by range-concept and use of multiple years data.
- Income of Foreign portfolio investors will be treated as capital Gain.
- Concessional tax rate @ 5% on interest paid to long term foreign borrowings on long term bond & long term infrastructure bond extended upto 30.06.2017.
- In order to avoid litigation Advance pricing agreement extended to Indian companies and previous four years will also be eligible.

2.2. CUSTOMS

- Free baggage allowance limit has been increased from Rs.35,000 to Rs.45,000.
- Duty free baggage allowance in case of cigarettes has been decreased from 200 to 100, for cigars from 50 to 25 and for tobacco from 250 gms to 125 gms.
- Duty on raw materials for manufacture of spandex yarn has been exempt.
- Duty on LCD and LED TV panels of below 19 inches,

Colour picture tubes for manufacture of cathode ray TVs and E-Book readers has been exempt.

- Specified parts of LCD and LED panels for TVs are made fully exempted.
- The duty free entitlement for import of trimmings & embellishments used by the readymade textile garment sector for manufacture of garments for export has been increased from 3% to 5%.
- Duty on stainless steel flat products (CTH 7219 and 7220) has been increased from 5% to 7.5%.
- Duty on half-cut or broken diamonds and cut & polished diamonds and colored gemstones have been increased to 2.5% from nil and 2% respectively.
- Pre-forms of precious and semi-precious stones are fully exempt.
- Education cess and Secondary and Higher Education (SHE) have been imposed on imported electronic products.
- Special Additional Duty (SAD) on all inputs/components used in the manufacture of Personal Computers. (laptops/desktops) and tablet computers are exempted, subject to actual user condition.
- Non-fusible embroidery motifs or prints for manufacture of garments for export have been made fully exempt.
- HIV/AIDS drugs and diagnostic kits imported under National AIDS Control Programme (NACP) funded by the Global Fund to Fight AIDS, TB and Malaria (GFATM) are made fully exempt.
- A mandatory fixed pre-deposit of the duty demanded and / or penalty imposed for filing appeal. (Subject to Max Rs. 10 crores).
- Safeguard duty on inputs/raw materials imported by an EOU and cleared into DTA as such or are used in the

manufacture of final products & cleared into DTA. This change will come into effect immediately owing to declaration under the Provisional Collection of Taxes Act, 1931.

2.3. EXCISE

- A mandatory fixed pre-deposit of the duty demanded and / or penalty imposed for filing appeal. (Subject to Max Rs. 10 crores).
- If manufacturer manufactures pan masala pouches of different RSPs on a single machine, the duty liability for that month would be the duty applicable to the highest of the RSP so manufactured.
- Duty on pan masala, tobacco, Jarda scented tobacco, gutkha and chewing tobacco have been increased.
- Duty on various sizes of cigarettes, cigars, cheroots and cigarillos, etc. have been increased.
- Duty on smart cards increased from 2%/6% to 12%.
- Duty on clean energy cess levied on coal, lignite and peat increased from Rs.50 per tonne to Rs.100 per tonne.
- Excise duty on writing and printing paper for printing of educational textbooks is now imposed at 6% (earlier optional rates were 2%/6%).
- Additional duty of 5% on aerated waters containing added sugar.
- Duty on branded petrol decreased from Rs.7.50 per litre to Rs. 2.35 per litre.
- Un-branded articles of precious metals (For period 01.03.2011 to 16.03.2012) are fully exempt.
- Goods supplied to National Technical Research Organisation are fully exempt.

- Plastic materials reprocessed out of the scrap or waste and cleared into the DTA by an EOU are fully exempt.
- Education cess and secondary & higher education cess (customs component) is being exempted on goods cleared by an EOU into the DTA.

2.4. SERVICE TAX

- Negative list is now pruned by removing “radio taxi” service.
- The scope of service of selling of space for advertisements is expanded to cover all media except “print media”.
- Separate rules proposed to be prescribed for determination of “Rate of exchange”.
- Recommendatory time limit prescribed for adjudication of cases of recovery of Service Tax dues:
 - i. One year from the date of notice for cases covering fraud, misrepresentation, etc. and
 - ii. Six months from the date of notice for other cases.
- Waiver of 50% of penalty is withdrawn in cases of fraudulent suppression of taxable value of service.
- Power of Search and Seizure extended to Additional Commissioner of Central Excise or other officers notified by CBEC.
- Power given to Central Government to insert explanations in notification or order within one year.
- Fee of Rs. 500 on stay application withdrawn.
- The dues of the predecessor can now be recovered from successor.

CHAPTER 3 TAX RATES

3.1. TAX RATES

3.1.1. Individuals (less than 60 years), HUFs, AOPs, BOIs:

The bill proposes following changes in tax rates:

For FY 2013-14		For FY 2014-15	
Income Slabs	Tax Rates*	Income Slabs	Proposed Tax Rates*
0 - 2,00,000	Nil	0 – 2,50,000	Nil
2,00,001 - 5,00,000 #	10%	2,50,000 – 5,00,000 #	10%
5,00,001 - 10,00,000	20%	5,00,001 - 10,00,000	20%
10,00,001 and above ^	30%	10,00,001 and above ^	30%

3.1.2. Senior Citizens

For FY 2013-14			For FY 2014-15		
Income Slabs	Senior Citizens (60 to 79 years old)*	Senior Citizens (80 years and old)	Income Slabs	Senior Citizens (60 to 79 years old)	Senior Citizens (80 years and old)*
Up to 2,50,000	-	-	Up to 3,00,000	-	-
2,50,001-5,00,000	10%	-	3,00,001-5,00,000	10%	-
5,00,001-10,00,000	20%	20%	5,00,001-10,00,000	20%	20%
10,00,001 and above^	30%	30%	10,00,001 and above^	30%	30%

* The above tax rates are further to be increased by education cess of 3%.

^ The amount of income-tax computed, shall in the case of every individual or Hindu undivided family or association of persons or body of individuals, Having a total income exceeding Rs 1,00,00,000, be increased by a surcharge Calculated at the rate of 10% of such income-tax.

Rebate of Rs 2,000 for individuals having total income up to Rs. 5,00,000. The above provision inserted in the finance act of 2013, continues to remain applicable for the financial year 2014-15.

3.1.3. Co-operative Societies:

The Bill proposes no change in the tax rates for co-operative societies or local authorities for the FY 2014-15

The tax rates for Co-operative societies are as follows:

Income Slabs	FY 2014-15
Up to 10,000	10%
10,001 to 20,000	20%
20,001 and above^	30%

^ The amount of income-tax computed, shall in the case of Co-operative society, Having a total income exceeding Rs 1,00,00,000, be increased by a surcharge Calculated at the rate of 10% of such income-tax.

3.1.4. Partnership Firms:

The Bill proposes no change in the existing tax rate of 30% for partnership firms.

3.1.5. Companies:

a. Domestic companies

The Bill proposes no change in the existing tax rates of domestic companies for the FY 2014-15.

As such, the effective normal tax rates and MAT rates for domestic companies for FY 2014-15 are as follows:

Income Slabs	FY 2014 – 15	
	Eective Normal Tax Rates	Eective MAT Rates
Income up to Rs.1,00,00,000	30.90%	19.055%
Income ranging from Rs.1,00,00,000 – 10,00,00,000 #	32.445%	20.008%
Income exceeding Rs.10,00,00,000 #	33.99%	20.961%

* The above rates are inclusive of education cess @ 3 % and surcharge wherever applicable.

Subject to Marginal Relief.

b. Foreign Companies:

The Bill proposes no change in the existing tax rates of domestic companies for the FY 2014-15.

As such, the eective normal tax rates and MAT rates for domestic companies for FY 2014-15 are as follows:

Income Slabs	FY 2014 – 15	
	Eective Normal Tax Rates	Eective MAT Rates
Income up to Rs.1,00,00,000	41.20%	19.055%
Income ranging from Rs.1,00,00,000 – 10,00,00,000 #	42.024%	19.436%
Income exceeding Rs.10,00,00,000 #	43.26%	20.008%

* The above rates are inclusive of education cess @ 3 % and surcharge wherever applicable.

Subject to Marginal Relief.

3.2. TDS Rates

Following is the section-wise summary of TDS rates:

Sr.	Nature of Payment	Section	Existing Threshold for Deduction	Rate at which Tax is to be Deducted [Note 7]	Proposed Threshold for Deduction w.e.f. 01.04.2014	Proposed Rate at which Tax is to be Deducted
1.	Salary	192	As per slab rates prescribed for individuals and senior citizens (includes very senior citizens w.e.f. 01.04.2011)			
2.	Interest other than interest on securities [Notes 8 and 9]	194 A	Payment in excess of Rs. 5,000 / Rs. 10,000 p.a.	10%	Payment in excess of Rs. 5,000 / Rs. 10,000 p.a.	10%
3.	Winnings from lottery or crossword puzzle or card game or other game	194 B	Payment in excess of Rs. 10,000	30%	Payment in excess of Rs. 10,000	30%
4.	Winnings from horse race	194 BB	Payment in excess of Rs. 5,000	30%	Payment in excess of Rs. 5,000	30%
5.	Payments to contractors [Note 9]	194 C	Payment in excess of Rs. 30,000 per contract or Rs. 75,000 p.a. in aggregate	2% (1% for individual and HUFs)	Payment in excess of Rs. 30,000 per contract or Rs. 75,000 p.a. in aggregate	2% (1% for individual and HUFs)
6.	Insurance commission	194 D	Payment in excess of Rs. 20,000	10%	Payment in excess of Rs. 20,000	10%
7.	Non Exempt payment under L.I.C. [Note 12]	194DA	--	--	--	2%

8	Commission or brokerage [Note 9]	194 H	Payment in excess of Rs. 5,000 p.a.	10%	Payment in excess of Rs. 5,000 p.a.	10%
9a.	Rent of Land / Building / Furniture [Note 9]	194 I	Payment in excess of Rs. 1,80,000 p.a.	10%	Payment in excess of Rs. 1,80,000 p.a.	10%
9b.	Rent of Plant, Machinery or Equipment [Note 9]	194 I	Payment in excess of Rs. 1,80,000 p.a.	2%	Payment in excess of Rs. 1,80,000 p.a.	2%
10.	Consideration for transfer of immovable property (other than agricultural land)	194 IA	-	1%	Payment in excess of Rs. 50,00,000	1%
11.	Fees for professional and technical services / royalty [Notes 9 and 11]	194 J	Payment in excess of Rs. 30,000 p.a.	10%	Payment in excess of Rs. 30,000 p.a.	10%

Notes:

- Time of deduction of tax:**
Except in case of salary (wherein tax is to be deducted at the time of payment), tax is to be deducted at the time of payment or credit, whichever is earlier.
- Time of deposit of tax:**
All sums deducted shall be deposited with the government within 7 days from the end of the month in which the deduction is made. However, where the amount is credited or paid to the account of the payee in the month of March, the tax is required to be deposited with the government on or before 30 April.
- Mode of making payment of tax:**
For payment of tax, challan no. ITNS 281 is to be used. All

companies and deductors who are liable to tax audit have to make payment of tax by electronic mode. Others can make payment of tax either physically or by electronic mode at their option.

- TDS Return:**
Person deducting tax is required to file quarterly statements for the quarter ending on 30 June, 30 September, 31 December and 31 March in each financial year, in Form 26Q (Form 24Q for Salary) along with Form 27A, on or before 15 July, 15 October, 15 January and 15 May respectively. Form 26Q and Form 24Q are to be filed electronically while Form 27A is to be filed in physical form.
- Certificate for tax deduction in case of non-salary payments:**
TDS Certificate in Form 16A is required to be issued on quarterly basis within 15 days from the due date of furnishing the statement of TDS i.e. on or before 30 July, 30 October, 30 January and 30 May for quarters ended 30 June, 30 September, 31 December and 31 March respectively.
- Certificate for tax deduction in case of salary payments:**
TDS Certificate in Form 16 is required to be issued on annual basis by 31 May of the financial year immediately following the financial year in which the income was paid and tax deducted.
- Higher TDS rate of 20% for not furnishing correct PAN:**
In case the payee is not able to furnish his/her PAN to the payer, tax shall be deducted w.e.f. 1 April 2010 at higher of the rates specified in the relevant provision of the IT Act or at the rates in force or 20%.
- Under Section 194A, the threshold limit is Rs. 10,000 where the payer is a banking company or a co-operative society engaged in banking business or in case of deposits with post office under a scheme notified by Central Government and Rs. 5,000 in any other case. Further, tax is not to be deducted if the payee furnishes to the payer a declaration in writing in duplicate in Form No.15G or 15H, as the case may be.
- An individual or HUF is not liable to deduct tax. However, an individual or HUF, who is liable to tax audit under section 44AB during the financial year immediately preceding the financial year in which sum is credited or paid, shall be liable to deduct tax under sections 194A, 194C, 194H, 194I and 194J, as the case may be.
- Above rates are not applicable in case of payments made to foreign companies and non-residents except in case of sections 192, 194B, 194BB, which are also applicable to non-residents.
- Tax is required to be deducted on remuneration paid to a director which is not in the nature of salary.
- Section 194DA applicable w.e.f. for 01.10.2014.

CHAPTER 4

DIRECT TAX PROPOSALS

4.1. Amendments in Definitions:

- 4.1.1. Infrastructure Investment Trust or Real Estate Investment Trust, units of which are listed on a recognised stock exchange defined as “Business Trust”.
- 4.1.2. Definition of the term “capital asset” modified to include any securities held by foreign institutional investors as per SEBI regulations. Accordingly, income arising out of transfer of such assets would be treated as capital gains.

4.2. Rationalisation of taxation regime in the case of charitable trusts and institutions

- 4.2.1. Specified Institutions covered u/s 10(23C) of the Act to be considered as substantially financed by the government only if the government grant to the institution exceeds such percentage (to be prescribed) of the total receipts (including voluntary contributions) during the previous year.
- 4.2.2. Depreciation on those assets, acquisition of which has been claimed as application of income in any year, is to be excluded in computing the application of income of the charitable trusts/institutions.
- 4.2.3. Specified Institutions covered u/s 10(23C) of the Act cannot claim exemption under any other provision of Section 10 of the Act, except exemption for agricultural income.
- 4.2.4. Similarly, any trust or institution granted registration for availing exemption u/s 11 cannot claim exemption under any provisions of section 10, other than exemption for agricultural income and u/s 10(23C) of the Act.

4.2.5. W.e.f. 01.10.2014 eligible trusts or institutions which have been granted registration under Section 12AA of the Act will be eligible for benefits under Sections 11 and 12 of the Act even for any earlier year which is pending assessment on the date of such registration. No reopening u/s 147 permitted on the ground that registration was not obtained in the earlier assessment year. No such benefit in a case where the registration was either refused or cancelled.

4.2.6. Commissioner of Income-Tax empowered to cancel registration granted to trusts or institutions deriving income from property held under trust under specified circumstances, such as investing in prohibited modes, applying income for benefit of trustees, etc.

4.3. House Property : Interest on Borrowed Capital

4.3.1. W.e.f. AY 2015-16 onwards, deduction on interest on capital borrowed for acquisition or construction of the property increased to Rs. 2,00,000 from Rs. 1,50,000.

4.4 Investment Allowance to Manufacturing Companies

- 4.4.1. Investment allowance of 15% of cost of new plant and machinery acquired by manufacturing companies extended upto 31.03.2017.
- 4.2.2. Further, the limit of investment has been reduced to a minimum of Rs. 25 Crores from earlier minimum of Rs. 100 Crores.

4.5. Deduction in respect of Capital Expenditure on Specified Businesses

4.5.1. Deduction on account of capital expenditure incurred for the purposes of specified business will be allowed either

u/s 35AD or u/s 10AA w.e.f. from AY 2015-16 onwards.

4.5.2. W.e.f. 01.04.2014, two additional businesses specified as being eligible to claim deduction u/s 35AD:

- a. laying and operating a slurry pipeline for the transportation of iron ore;
- b. setting up and operating a semiconductor wafer fabrication manufacturing unit, if such unit is notified by the Board in accordance with the prescribed guidelines.

4.5.3. Capital assets on which deduction u/s. 35AD is claimed, shall be used only for the specified business and for a period of at least eight years beginning with the previous year in which such asset is acquired or constructed.

4.5.4. If any such capital asset has not been used for the specified business, the total amount of deduction so claimed and allowed in any previous year in respect of such asset, as reduced by the amount of depreciation u/s 32 (as if no deduction had been allowed) shall be deemed to be business income u/s. 28. However, this provision shall not be applicable to sick companies.

4.6. Corporate Social Responsibility (CSR)

4.6.1. Expenditure incurred on Corporate Social Responsibility as per the Companies Act, 2013 shall be allowable only if it is of a nature described under section 30 to 36 of the Income Tax Act.

4.7. Disallowance of expenditure on account of non-deduction of TDS

4.7.1. W.e.f. AY 2015-16 onwards, payments made to non residents has been brought at par with payments to residents

and accordingly, shall be disallowed if TDS is not deducted or after deduction, is not paid before the due date of filing Return of Income.

4.7.2. Further, in case of non-deduction or non-payment of TDS on certain payments made to residents, disallowance of expenditure shall be restricted to 30% instead of disallowance of entire amount as per earlier provisions.

4.8. Business of plying, hiring or leasing goods carriages

4.8.1. W.e.f. AY 2015-16 onwards, provisions of section 44AE for presumptive taxation in the case of an assessee engaged in the business of plying, hiring or leasing goods carriages have been revised as under:

Type of Goods carriage	<u>Existing Provision</u> Per month (part of the month) during which goods carriage owned by the assessee.	<u>New Provision</u> Per month (part of the month) during which goods carriage owned by the assessee.
HGV*	Rs. 5,000	Rs. 7,500
Other than HGV*	Rs. 4,500	

* HGV- Heavy Goods Vehicle.

* Condition of owning not more than 10 such carriages shall continue to apply.

4.9. Capital Gains

4.9.1. Transfer of asset by way of Compulsary Acquisition

W.e.f. AY 2015-16, the taxability of amount of compensation received in pursuance of an interim order of the court, tribunal or other authority shall be taxable in the previous year in which

the final order of such court, tribunal or other authority is made.

4.9.2. Transfer of Government Security by one non resident to another non-resident

W.e.f. AY 2015-16, transfer of a capital asset, being a Government Security carrying a periodic payment of interest, made outside India through an intermediary dealing in settlement of securities, by a non-resident to another non resident shall not be considered as transfer for the purpose of charging capital gains.

4.9.3. Taxability of Advance for Transfer of a Capital Asset

Scope of “Income from Other Sources” expanded to include any sum of money received as advance which is foreited due to failure of negotiations w.e.f. from 01.04.2015.

4.9.4. Exemption in case of Investment in a Residential House Property

W.e.f. AY 2015-16 onwards, exemption from capital gains for investment in residential house property will now be available only where such investment is made in one residential house property situated in India.

4.9.5. Exemption on Investment in Specified Bonds

W.e.f. AY 2015-16 onwards, exemption from capital gains for investment (within six months) in specified bonds during the financial year in which the asset is transferred and in the subsequent financial year, has been restricted to Rs. 50 lakhs.

4.10. Speculation Business

4.10.1. W.e.f. AY 2015-16, where the principal business of any

company is trading in shares, such business of purchase and sale of shares would not be regarded as a speculation business. Therefore, any loss from such a business will not be treated as speculative loss u/s 73.

4.10.2. Further, trading in commodity derivatives carried out through a recognised association and which is chargeable to commodities transaction tax will not be treated as a speculative transaction.

4.11. Deduction under Chapter VI-A

4.11.1. Section 80C

Under the existing provisions of section 80C of the Act, an individual or a HUF, is allowed a deduction from income of an amount not exceeding Rs. 1,00,000 for investing in specified investments. In order to encourage household savings, it is proposed to raise the limit of deduction to Rs.1,50,000. This amendment will take effect from 01.04.2015.

4.11.2. Section 80CCD

It is proposed to amend the provisions of section 80CCD to provide that the condition of the date of joining the service on or after 01.01.2004 is not applicable to the employees of private sectors for the purposes of deduction. This amendment will take effect from 01.04.2015.

4.11.3. Section 80CCE

The existing provisions u/s 80CCE provides that the aggregate amount of deduction u/s 80C, 80CCC and 80CCD shall not exceed Rs.1,00,000. The said limit of the aggregate deduction has been enhanced to Rs.1,50,000 . This amendment shall take effect from 01.04.2015.

4.11.4. Section 80IA

For specified undertakings under the Section 80-IA(4)(iv), a deduction of 100% of profits and gains derived from such business was allowed upto 31.03.2014. With a view to provide further time to the undertakings to commence the eligible activity to avail the tax incentive, it is proposed to amend the above provisions to extend the terminal date for a further period up to 31.03.2017. This amendment takes effect from 01.04.2015.

4.12. Definition of International Transaction

The deeming transfer pricing provisions contained in Section 92B(2) of the Act are now proposed to be extended to transactions between an enterprise and an independent person, where there is a prior arrangement between the independent person and associated enterprise, irrespective of whether such independent person is a non-resident or resident.

4.13. Roll back provisions in Advance Pricing Agreement (APA) Scheme

W.e.f. 01.10.2014, it is proposed to provide roll back mechanism in the APA scheme. The APA may, subject to such prescribed conditions, procedure and manner, provide for determining the arm's length price or for specifying the manner in which arm's length price is to be determined in relation to an international transaction entered into by a person during any period not exceeding four previous years preceding the first of the previous years for which the advance pricing agreement applies in respect of the international transaction to be undertaken in future.

4.14. Tax on Long-term Capital Gains on Units

4.14.1. Concessional rate of tax of 10% on mutual funds units, including units of equity oriented funds held has long term capital asset has been withdrawn. The concessional rate of 10% u/s. 112 now applies only to gain on long term capital asset being listed securities (other than units) and zero coupon bonds.

4.15. Anonymous donation u/s. 115BBC

W.e.f. AY 2015-16 onwards, it is proposed to provide that the income-tax payable on anonymous donations shall be the aggregate of:

- a. the amount of income-tax calculated at the rate of 30% on the aggregate of anonymous donations received in excess of
 - i. 5% of the total donations received by the assessee; or
 - ii. Rs. 1,00,000, *whichever is higher*, and
- b. the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the aggregate of the anonymous donations which is in excess of the 5 % of the total donations received by the assessee or Rs. 1 Lakh , as the case may be.

4.16. Reduction in tax rate on certain dividends received from foreign companies

The benefit of concessional tax rate of 15% on gross dividends received by an Indian company from a specified foreign company has been extended without limiting it to a particular assessment year. Thus, such foreign dividends received in financial year 2014-15 and subsequent financial years shall

continue to be taxed at the lower rate of 15%.

4.17. Alternate Minimum Tax (AMT)

4.17.1. Expansion of Scope

W.e.f. AY 2015-16, with a view to include the investment linked deduction claimed under section 35AD in computing adjusted total income for the purpose of calculating alternate minimum tax it is proposed to amend the section so as to provide that total income shall be also be increased by the deduction claimed under section 35AD for purpose of computation of adjusted total income. The amount of depreciation allowable under section 32 shall, however, be reduced in computing the adjusted total income.

4.17.2. Credit of AMT

W.e.f. AY 2015-16 onwards, with a view to enable an assessee who has paid alternate minimum tax in any earlier previous year to claim credit of the same, in any subsequent year, it is proposed to amend this section so as to provide that the credit for tax paid under section 115JC shall be allowed in accordance with the provisions of section 115JD, notwithstanding the conditions mentioned in sub-section (1) or (2) of section 115JEE.

4.18. Dividend and Income Distribution Tax

W.e.f. 01.10.2014, it is proposed to provide that for the purposes of determining the tax payable on distributed profits, any amount by way of dividends, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate 15%.

4.19. Taxation Regime for Real Estate Investment Trust (REIT) and Infrastructure Investment Trust (INVIT)

4.19.1. The SEBI has proposed draft regulations relating to two new categories of investment vehicles, namely:

- a. REIT; and
- b. Infrastructure Investment Trust.

(both the above entities referred to as 'business trust' hereinafter).

4.19.2. The draft regulations state that these business trust will raise money through issuance of units (to be listed) / debt and hold income bearing assets in the form of controlling other specific interest in Indian companies (SPVs) acquired from the project sponsor.

4.19.3. It is proposed to introduce a specific taxation regime for business trusts and investors in such business trust. The key features of such regime are as follows:

- a. DIVIDEND
 - i. SPV (company) distributing dividend to the business trust is subject to DDT
 - ii. Dividend is exempt in the hands of the business trust.
 - iii. Dividend component of the income distributed by the business trust is treated as such in the hands of the unit holder and therefore is exempt in their hands.

- b. INTEREST

Interest received by the business trust from any SPV is given a complete tax pass through status as under:

- i. Interest from SPV is not taxable in the hands of the

business trust

- ii. SPV is exempted from withholding tax on interest paid to the business trust
- iii. Business trust will withhold tax in case of payment of interest component of distributed income payable to non resident unit holders and a resident unit holder at the rate of 5% and 10 % respectively.
- iv. Interest distributed by business trust is taxable in the hands of unit holders.

c. CAPITAL GAINS

- i. The business trust is taxable on any capital gains earned by it on disposal of any assets at the applicable rate.
- ii. However, the capital gains component of the distributed income is exempt in the hands of the unit holders.
- iii. Units of the business trust (listed on the stock exchange); LTCG on transfer of units would be exempt and STCG would be taxable at the rate of 15 % provided STT Paid.

d. Tax implications in the sponsor's hands on exchange of SPV's shares with business trust units

- i. Exchange of shares of SPV for units of a business trust is not regarded as taxable transfer. Consequently, taxability shall be deferred and taxed at the time of disposal of units by the sponsor. At the time of ultimate disposal of the units of the business trust, the sponsor shall not be entitled to avail the concessional STT-based capital gains tax regime. Further, for the purpose of computing capital gain, the cost of these units shall be considered as cost of the shares to the sponsor.

The holding period of the shares shall also be included in reckoning the holding period of the units.

4.20. Income Tax Authorities

With retrospective effect from 01.06.2013, it is proposed to include the newly created income-tax authorities within the scope of section 116. It is further proposed to insert clauses (34A), (34B), (34C) and (34D) in section 2 of the Act so as to define the terms "Principal Chief Commissioner of Income tax", "Principal Commissioner of Income-tax", "Principal Director General of Income-tax" and "Principal Director of Income-tax" to mean a person appointed to be an income-tax authority under section 117 of the Act. It is also proposed to make consequential amendments in clauses (15A), (16) and (21) of section 2 of the Act and in other sections of the Act.

4.21. Power of Survey – Section 133A

4.21.1. It is proposed to amend section 133A to provide that an income-tax authority may for the purpose of verifying that tax has been deducted or collected at source, enter any office, or a place where business or profession is carried on, where books of account or documents are kept. The income-tax authority may for this purpose enter an office, or a place where business or profession is carried on after sunrise and before sunset and such income-tax authority may require the deductor or the collector or any other person who may at the time and place of survey be attending to such work,—

- a. to afford him the necessary facility to inspect such books of account or other documents as he may require and which may be available at such place, and

b. to furnish such information as he may require in relation to such matter.

4.21.2. It is also proposed to provide that an income-tax authority may place marks of identification on the books of account or other documents inspected by him and take extracts and copies thereof. He may also record the statement of any person which may be useful for, or relevant to, any proceeding under the Act. However, while acting under sub-section (2A) he shall not impound and retain in his custody any books of account or documents inspected by him or make an inventory of any cash, stock or other valuables.

4.22. Inquiry by Prescribed Income-Tax Authority – New Provisions

4.22.1. It is proposed to insert a new section 133C in the Act, w.e.f. 01.10.2014, so as to provide that for the purposes of verification of information in its possession relating to any person, prescribed income-tax authority, may, issue a notice to such person requiring him, on or before a date to be therein specified, to furnish information or documents, verified in the manner specified therein which may be useful for, or relevant to, any enquiry or proceeding under this Act.

4.23. Filing of Return of Income by Mutual Funds, Securitisation Trusts and Venture Capital Companies or Venture Capital Funds – Section 139(4C)

4.23.1. It is proposed to amend sub-section (4C) of section 139 so as to provide that the above specified entities shall, if the total income in respect of which such fund, trust or company is assessable, without giving effect to the provisions of section 10, exceeds the maximum amount which is not chargeable to

income-tax, furnish a return of such income as if it were a return required to be furnished under sub-section (1) of section 139.

4.23.2. In the case of the Mutual Funds and securitisation trusts referred to above, the requirement of filing of statements before an income-tax authority is proposed to be dispensed with by omitting sub-section (3A) of section 115R and sub-section (3) of section 115TA.

4.23.3. These amendments will take effect from 01.04.2015.

4.24. Return of Income by Business Trust – New Provisions

4.24.1. It is proposed to insert a new sub-section (4E) in section 139 so as to provide for filing of return of income by business trust which is not required to furnish return of income or loss under any other provision of the section.

4.24.2. These amendments will take effect from 01.04.2015.

4.25. Estimate of Value of Assets by Valuation of Officer – Section 142 A

W.e.f. 01.10.2014, the assessing officer can make reference to a valuation officer without assigning reasons for reference and without rejection of books etc.

4.26. Method of Accounting – Section 145

4.26.1. Section 145 of the Act provides that the method of accounting for computation of income under the heads “Profits and gains of business or profession” and “Income from other sources” can either be the cash or mercantile system of accounting.

4.26.2. The Accounting Standard Committee constituted by CBDT has recommended that the provisions of section 145 of the Act

may be suitably amended to clarify that the notified AS are not meant for maintenance of books of account but are to be followed for computation of income. The Assessing Officer may make an assessment in the manner provided in section 144 of the Act, if the income has not been computed in accordance with the standards notified under section 145(2) of the Act.

4.26.3. This amendment will take effect from 1st April, 2015.

4.27. Time Limit for Completion of Assessments and Reassessments – Section 153

W.e.f. 01.10.2014, the time period beginning with the date on which the reference is made to the Valuation Officer u/s. 142A and ending with the date on which his report is received by the Assessing Officer shall be excluded from the time limit provided u/s. 153 and 153B for completion of assessment or reassessment.

4.28. Assessment of income of a person other than the person who has been searched – Section 153C

4.28.1. It is proposed to amend section 153C of the Act to provide that where the Assessing Officer is satisfied that any money, bullion, jewellery or other valuable article or thing or books of account or documents seized or requisitioned belongs or belong to any person, other than the person referred to in section 153A, then books of account or documents or assets seized or requisitioned shall be handed over to the Assessing Officer having jurisdiction over such other person and that Assessing Officer shall proceed against each such other person and issue such other person notice and assess or reassess income of such other person in accordance with the provisions of section 153A

if the he is satisfied that the books of account or documents or assets seized or requisitioned have a bearing on the determination of the total income of such other person for the relevant assessment year or years referred to in sub-section (1) of section 153A.

4.28.2. The amendment will take effect from 01.10.2014.

4.29. Tax Deducted at Source

4.29.1. Interest other than interest on securities

- a. As per the existing provisions of section 194A of the Income tax Act, any person, not being an individual or a HUF, who is responsible for paying to a resident any income by way of interest other than income shall, at the time of credit of such income to the account of the payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon at the rates in force.
- b. As per the amended provisions of Section 194A of the Income-tax Act, exemption from such deduction of tax under Section 194A(3) is extended to any income by way of interest referred to in clause (23FC) of section 10.
- c. The proposed amendment shall be with effect from the 1st October 2014.

4.29.2. Non-exempt payments under life insurance policy

- a. In order to have a mechanism for reporting of transactions and collection of tax in respect of sum paid under life insurance policies which are not exempted under section 10(10D) of the Act, it is proposed to insert a new Section 194DA in the Act to provide for deduction of tax at

the rate of 2% on sum paid under a life insurance policy, including the sum allocated by way of bonus, which are not exempt under section 10(10D) of the Act.

- b. In order to reduce the compliance burden on the small tax payers, it has also been proposed that no deduction under this provision shall be made if the aggregate sum paid in a financial year to an assessee is less than Rs.1,00,000/-.
- c. This amendment will take effect from 01.10.2014.

4.29.3. Concessional rate of tax on overseas borrowing:

- a. The existing provisions of section 194LC of the Act provide for lower withholding tax rate of 5 % on interest paid by an Indian company to non-residents on monies borrowed by it in foreign currency from a source outside India under a loan agreement or through issue of long-term infrastructure bonds at any time on or after the 1st day of July, 2012 but before the 1st day of July, 2015 subject to certain conditions.
- b. In order to further incentivise low cost long-term foreign borrowings by Indian companies, it is proposed to amend section 194LC to extend the benefit of this concessional rate of withholding tax to borrowings by way of issue of any long-term bond, and not limited to a long term infrastructure bond.
- c. It is further proposed to extend by two years the period of borrowing for which the said benefit shall be available. The concessional rate of withholding tax will now be available in respect of borrowings made before 1st day of July, 2017.

- d. The amendment will take effect from 01.10.2014.

4.29.4. Filing of Correction statement in respect of quarterly statement of TDS

- a. Currently, a deductor is allowed to file correction statement for rectification/updation of the information furnished in the original TDS statement as per the Centralised Processing of Statements of Tax Deducted at Source Scheme, 2013. However, there does not exist any express provision in the Act for enabling a deductor to file correction statement.
- b. In order to bring clarity in the matter relating to filing of correction statement, it is proposed to amend section 200 of the Act to allow the deductor to file correction statements.
- c. This amendment will take effect from 01.10.2014.

4.29.5. Consequences of failure to deduct or pay TDS:

- a. Section 201(3) of the Act provides for time limit for passing of order under section 201(1) of the Act for deeming a person as assessee in default for failure to deduct in whole or part tax from payments made to a resident.
- b. Under the existing provisions of section 201(3) no order shall be made under Section 201(1) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a person resident in India, at any time after the expiry of six years from the end of the financial year in which payment is made or credit is given.

- c. Section 201(3) has been amended with effect from 01.10.2014 that no order shall be made under sub section (1) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a person resident in India, at any time after the expiry of seven years from the end of the financial year in which payment is made or credit is given. This amendment aligns the time limit provided u/s 201(3)(ii) and Section 148 of the Act.
- d. This amendment takes effect from 01.10.2014.

4.29.6. Requirement to furnish PAN

- a. As per the existing provisions of sub section (7) of Section 206AA the provisions of this section shall not apply in respect of payment of interest, on long-term infrastructure bonds, as referred to in section 194LC of the Act..
- b. As per the proposed amendment in section 206AA of the Income-tax Act, in sub-section (7), the word “infrastructure” shall be omitted with effect from the 01.10.2014. The effect being that Section 206AA shall not apply in respect of payment of interest on long term bonds referred in Section 194LC of the Act.

4.30. Collection & Recovery

- 4.30.1. It is proposed to insert a new sub-section in section 220 to provide that where any notice of demand has been served upon an assessee and any appeal or other proceeding is filed or initiated in respect of the amount specified in the said notice of demand, then such demand shall be deemed to be valid till the disposal of appeal by the last appellate authority or

disposal of proceedings, as the case may be and such notice of demand shall have effect as provided in section 3 of the Taxation Laws (Continuation and Validation of Recovery Proceedings) Act, 1964.

- 4.30.2. Further, it is proposed to provide that where as a result of an order under sections specified in the first proviso, the amount on which interest was payable under this section had been reduced and subsequently as a result of an order under said sections or section 263, the amount on which interest was payable under section 220 is increased, the assessee shall be liable to pay interest under sub-section (2) of the said section on the amount payable as a result of such order, from the day immediately following the end of the period mentioned in the first notice of demand referred to in sub section (1) of the said section and ending with the day on which the amount is paid.

- 4.30.3. These amendments will take effect from the 01.10.2014.

4.31. Mode of Acceptance or repayment of Loans and Deposits – Section 269SS & 269T

- 4.31.1. It is proposed to amend the provisions of the said sections 269SS and 269T so as to provide that any acceptance or repayment of any loan or deposit by use of electronic clearing system through a bank account shall not be prohibited under the said sections if the other conditions regarding the quantum etc. are satisfied.
- 4.31.2. These amendments will take effect from 1st April, 2015.

4.32. Penalties Imposable (w.e.f. 01.10.2014)

4.32.1. Levy of penalty under section 271G by Transfer Pricing Officers:

Power to levy penalty by an Assessing Officer or the Commissioner (Appeals) for failure to furnish any document or information as required by section 92D(3) in case of international transactions or specified domestic transaction has now been extended to Transfer Pricing Officers with effect from 01.10.2014.

4.32.2. Penalty for failure to furnish statements etc. u/s. 271H:

The existing provisions of section 271H of the Act provides for levy of penalty for failure to furnish TDS/TCS statements in certain cases or furnishing of incorrect information in TDS/TCS statements. The existing provisions of section 271H of the Act do not specify the authority which would be competent to levy the penalty under the said section. Therefore, provisions of section 271H are proposed to be amended to provide that the penalty under section 271H of the Act shall be levied by the Assessing officer.

4.33. Offences and Prosecution:

4.33.1. Failure to produce accounts and documents u/s 276D

It is proposed to amend the provisions of section 276D with effect from 01.10.2014, so as to provide that if a person wilfully fails to produce accounts and documents as required in any notice issued or wilfully fails to comply with a direction issued to him, he shall be punishable with rigorous imprisonment for a term which may extend to one year and with fine as compared to earlier provision of rigorous

imprisonment or fine or both.

4.33.2. Penalty for failure to furnish annual information return u/s. 271FA:

The existing provisions of section 271FA of the Act, which provides for penalty for failure to furnish an annual information return are proposed to be amended so as to substitute 'annual information return' with 'statement of information or reportable account.' This amendment takes effect from 1st April 2015.

4.33.3. Introduction of Section 271FAA

It is also proposed to insert a new section 271FAA with effect from 1st April, 2015, to provide that if a person referred to in clause (k) of sub-section (1) of section 285BA, who is required to furnish a statement of financial transaction or reportable account, provides inaccurate information in the statement and where,

- a. the inaccuracy is due to a failure to comply with the due diligence requirement prescribed under sub section (7) of section 285BA or is deliberate on the part of the person; or
- b. the person knows of the inaccuracy at the time of furnishing the statement of financial transaction or reportable account, but does not inform the prescribed income-tax authority or such other authority or agency; or
- c. the person discovers the inaccuracy after the statement of financial transaction or reportable account is furnished and fails to inform and furnish correct information within the time specified under sub section (6)

of section 285BA,

- d. then, the prescribed income-tax authority may direct that such person shall pay, by way of penalty, a sum of fifty thousand rupees.

4.34. Miscellaneous:

4.34.1. Provisional attachment to protect revenue in Certain Cases u/s. 281B

- a. The existing provisions of sub-section (1) section 281B of the Act provide that the Assessing Officer, during the pendency of any proceeding for assessment or reassessment, in order to protect the interest of revenue may, with the previous approval of the Chief Commissioner of Commissioner, attach provisionally any property belonging to the assessee in the manner provided in the Second Schedule. Sub-section (2) of the said section provides that the provisional attachment shall cease to have effect after the expiry of six months provided that the Chief Commissioner or Commissioner may extend the period upto a total period of two years.
- b. It is proposed to amend the proviso to sub-section (2) so as to provide that the Chief Commissioner, Commissioner, Director
- c. General or Director may extend the period of provisional attachment so that the total period of extension does not exceed two years or upto sixty days after the date of assessment or reassessment, whichever is later.
- d. This amendment will take effect from 01.10.2014.

4.34.2. Obligation to furnish Annual Information Return u/s. 285BA

With a view to facilitate effective exchange of information in respect of residents and non-residents for filing of an annual information return as per section 285BA, the following amendments are proposed:

- a. furnishing of statement by a prescribed reporting financial institution in respect of a specified financial transaction or reportable account to the prescribed income-tax authority.
- b. statement of information to be furnished within such time, in the form and manner as may be prescribed.
- c. where any person, who has furnished a statement of information under sub-section (1), or in pursuance of a notice issued under sub-section (5), comes to know or discovers any inaccuracy in the information provided in the statement, then, he shall, within a period of ten days, inform the income-tax authority or other authority or agency referred to in sub-section (1) the inaccuracy in such statement and furnish the correct information in the manner as may be prescribed.

4.35. Advance Ruling

4.35.1. Currently, an advance ruling can be obtained about the tax liability of a non-resident from the Authority for Advance Rulings. This facility is not available to resident taxpayers except Public Sector Undertakings. It is now

proposed to enable resident taxpayers to obtain an advance ruling in respect of their income tax liability above a defined threshold. Further, it is proposed to strengthen the Authority for Advance Rulings by constituting additional benches.

4.36. SETTLEMENT OF CASES

4.36.1. The scope of the Income-tax Settlement Commission is proposed to be enlarged so that taxpayers may approach the Commission for settlement of disputes. This would continue to be once in a lifetime opportunity for any taxpayer.

CHAPTER 5 INDIRECT TAX PROPOSALS

5.1. CUSTOMS

5.1.1. Date of determination of rate of duty and tariff for imports through vehicles:

Section 15(1) is being amended to provide for determination of rate of duty and tariff valuation for imports through a vehicle in cases where the Bill of Entry is filed prior to the filing of Import Report (as the Manifest is called in case of imports by land).

5.1.2. Application for Settlement of Cases:

An application for settlement of cases can also be filed in cases where a Bill of Export, Baggage Declaration, Label or Declaration accompanying the goods effected through Post or Courier have been filed.

5.1.3. Increase in limit for admission of appeal to tribunal:

Appellate tribunal is empowered to refuse to admit an appeal if the amount determined does not exceed Rs. 2 lacs.

5.1.4. Disposal of Appeals:

In cases, where stay was granted, the limit of disposing off the appeal within 180 days is removed. These appeals can also be decided within period of 3 years wherever possible.

5.1.5. Condonation of Delay by Board:

It is proposed to be provided u/s. 129D that the board can extend the time for further 30 days for review of order passed by the Commissioner, to the Committee of Chief Commissioner.

5.1.6. Mandatory fixed pre – deposit of duty demanded and / or penalty:

a. It is mandatory to pre-deposit @ 7.5% of the duty demanded or penalty imposed or both for filing first appeal with the Commissioner (Appeals) or the Tribunal and 10% of the duty demanded or penalty imposed or both for filing second stage appeal before the Tribunal. The amount of pre-deposit payable

would be subject to a ceiling of Rs. 10 crores.

- b. Moreover the above provisions shall not apply to the stay applications and appeals pending before any appellate authority prior to the commencement of the Finance (No. 2) Act, 2014.

5.1.7. Appeals filed u/s 131BA:

Commissioner (Appeal) to take into consideration the fact that a particular order being cited as a precedent decision on the issue has not been appealed against for reasons of low amount.

- 5.1.8. Section 8B of the Customs Tariff Act, 1975 is being amended so as to provide for levy of safeguard duty on inputs/raw materials imported by an EOU and cleared into DTA as such or are used in the manufacture of final products & cleared into DTA.

This change will come into effect immediately owing to declaration under the Provisional Collection of Taxes Act, 1931.

5.1.9. Proposed Changes in the Rates of Duty

Sr.	Particulars	Existing Provisions	New Provisions
I	ADVERSE		
	Energy Sector:		
1	Coking coal	-	2.5%
2	Steam coal and bituminous coal	2%	2.5%
3	Metallurgical coke	-	2.5%
	Textiles:		
4	The duty free entitlement for import of trimmings & embellishments used by the readymade textile garment sector for manufacture of garments for export	3%	5%

	Metals:		
5	Stainless steel flat products (CTH 7219 and 7220)	5%	7.5%
6	Bauxite	10%	20%
	Precious Metals:		
7	Half-cut or broken diamonds	-	2.5%
8	Cut & polished diamonds and colored gemstones	2%	2.5%
	Electronics / Hardware:		
9	Specified telecommunication products not covered under the ITA (Information Technology Agreement)	-	10%
10	Imported electronic products	-	Education cess and Secondary and Higher Education (SHE) cess
11	X Ray Machine / System	CVD Exemption	CVD Exemption withdrawn
	Baggage Rules:		
12	Duty free allowance		
	Cigarettes	200	100
	Cigars	50	25
	Tobacco	250gms	125gms

II	BENEFICIAL		
	Baggage Rules:		
13	Free Baggage allowance	Rs.35,000	Rs.45,000
	Chemicals and Petrochemicals:		
14	Reformate	10%	2.5%
15	Propane, ethane, ethylene, propylene, butadiene	5%	2.5%
16	Ortho-xylene	5%	2.5%
17	Denatured ethyl alcohol and methyl alcohol	7.5%	5%
18	Crude naphthalene	10%	5%
19	Fatty acids, crude palm stearin, RBD and other palm stearin and specified industrial grade crude oils for manufacture of soaps and oleochemicals subject to actual user condition.	7.5%	-
20	Crude glycerine	12.5%	7.5%
21	Crude glycerine for manufacture of soaps subject to actual user condition	12.5%	-
	Energy Sector:		
22	Anthracite coal and other coal	5%	2.5%
23	CVD on Anthracite coal, Coking coal and other Coal	6%	2%

	Textiles:		
24	Raw materials used for manufacture of spandex yarn viz. Polytetramethylene ether glycol (PT MEG) and Diphenylmethane 4,4 di isocyanate (MDI)	5%	Nil.
	Metals:		
25	Ships imported for breaking up	5%	2.5%
26	Coal tar pitch	10%	5%
27	Battery waste and battery scrap	10%	5%
28	Steel grade limestone and steel grade dolomite	5%	2.5%
	Electronics / Hardware:		
29	LCD and LED TV panels of below 19 inches	10%	-
30	Colour picture tubes for manufacture of cathode ray TVs	10%	-
31	E-Book readers	7.5%	-
	Renewable Energy:		
32	Forged steel rings used in the manufacture of bearings of wind operated electricity generators	10%	5%
33	Machinery, equipments, etc. required for setting up of solar energy production projects	Various rates	5%

34	Machinery, equipments, etc. required for setting up of compressed biogas plant (Bio-CNG).	Various rates	Concessional customs duty of 5%
	Miscellaneous:		
35	Electrolysers and their parts/spares required by caustic soda or caustic potash units and membranes and their parts/spares required by industrial plants based on membrane cell technology	5%	2.5%
36	Electrolysers and their parts/spares required by caustic soda or caustic potash units and (other than membranes and parts thereof) is required by industrial plants based on membrane cell technology	7.5%	2.5%
37	Polystyrene	7.5%	1.15%

5.1.10. Full Exemptions on Certain Items

- a. Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) imported by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited, for supply to Non-Domestic Exempted Category (NDEC) customers retrospectively w.e.f. 08.02.2013.
- b. De-oiled soya extract, groundnut oil cake/oil cake meal, sunflower oil cake/oil cake meal, canola oil cake/oil cake meal,

- mustard oil cake/oil cake meal, rice bran/rice bran oil cake and palm kernel cake upto 31.12.2014.
- c. Re-gasified LNG for supply to Pakistan.
- d. Non-fusible embroidery motifs or prints for manufacture of garments for export.
- e. Wire rolls - import by handicraft manufacturer-exporters.
- f. Fusible embroidery motifs or prints, anti-theft devices, pin bullets for packing, plastic tag bullets, metal tabs, bows, ring and slider hand rings for manufacture of handloom made ups or cotton made ups or manmade made ups for export.
- g. Specified goods imported for use in the manufacture of textile garments for export subject to the condition that the manufacturer produces an entitlement certificate from the Apparel Export Promotion Council.
- h. Pre-forms of precious and semi-precious stones.
- i. Specified parts of LCD and LED panels for TVs.
- j. Special Additional Duty (SAD) on all inputs/components used in the manufacture of Personal Computers (laptops/desktops) and tablet computers, subject to actual user condition.
- k. Special Additional Duty (SAD) on specified inputs (PVC sheet & Ribbon) used in the manufacture of smart cards.
- l. Special Additional Duty (SAD) on parts and components required for the manufacture of wind operated electricity generators.
- m. Raw materials used in the manufacture of solar backsheet and EVA sheet.
- n. Flat copper wire used in the manufacture of PV ribbons (tinned copper interconnect) for solar PV cells/modules.
- o. HIV/AIDS drugs and diagnostic kits imported under National AIDS Control Programme (NACP) funded by the Global Fund to Fight AIDS, TB and Malaria (GFATM).

- p. Goods imported by National Technical Research Organisation (NTRO).
- q. Security fibre, security threads and M-feature imported by Bank Note Paper Mill India Private Limited (BNPMIPL), Mysore.
- r. Raw materials required for manufacture of security threads and security fibre subject to actual user condition.

5.2. EXCISE

5.2.1. A new section 15A is being inserted so as to empower the Central Government to prescribe an authority or agency to whom the information return shall be filed by the specified persons such as Income Tax Authorities, State Electricity Boards, VAT or Sales Tax Authorities, Registrar of Companies. Information can be collected for the purposes of the Act, such as, to identify tax evaders or recover confirmed dues. A new section 15B also inserted which provides for imposition of penalty if the information return is not submitted.

5.2.2. Settlement Commission:

An application can be filed before the Settlement Commission even in cases where the applicant has not filed the returns after recording reasons for the same.

5.2.3. Increase in limit for admission of appeal to tribunal:

Appellate tribunal is empowered to refuse to admit an appeal if the amount determined, does not exceed Rs. 2 lakhs.

5.2.4. Disposal of Appeals:

In cases, where stay was granted, the limit of disposing off the appeal within 180 days is removed. These appeals can also be decided within period of 3 years wherever possible.

5.2.5. Condonation of Delay by Board:

It is proposed to be provided u.s. 35E that the board can extend the time for further 30 days for review of order passed by the

Commissioner, to the Committee of Chief Commissioner.

5.2.6. Mandatory fixed pre – deposit of duty demanded and / or penalty:

- a. It is mandatory to pre-deposit @ 7.5% of the duty demanded or penalty imposed or both for filing first appeal with the Commissioner (Appeals) or the Tribunal and 10% of the duty demanded or penalty imposed or both for filing second stage appeal before the Tribunal. The amount of pre-deposit payable would be subject to a ceiling of Rs. 10 crores.
- b. Moreover the above provisions shall not apply to the stay applications and appeals pending before any appellate authority prior to the commencement of the Finance (No. 2) Act, 2014.

5.2.7. Commissioner (Appeal) to take into consideration the fact that a particular order being cited as a precedent decision on the issue has not been appealed against for reasons of low amount.

5.2.8. Rule 8 of the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008 amended with retrospective effect from 13.04.2010 to provide that where a manufacturer manufactures pouches of different RSPs on a single machine, the duty liability for that month would be the duty applicable to the highest of the RSP so manufactured. This will align the Pan Masala Packing Machines (Capacity Determination and Collection of Duty) Rules, 2008 with the Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010 with regard to manufacture of pouches of different RSPs on a single machine under the compounded levy scheme.

5.2.9. Proposed Changes in the Rates of Duty

Sr.	Particulars	Existing Provisions	New Provisions
I	ADVERSE		
1	Cigarettes, cigars, cheroots and cigarillos:		
	Cigarettes (length not exceeding 65mm)	Rs. 509 per thousand	Rs. 875 per thousand
	Other Cigarettes	11%	21%
	Cigars, cheroots and cigarillos	12%	22%
2	Pan Masala, Tobacco, etc.:		
	Pan Masala	12%	16%
	Unmanufactured tobacco	50%	55%
	Jarda scented tobacco, gutkha and chewing tobacco	60%	70%
	Metals:		
3	Winding wires of copper	10%	12%
	Textiles:		
4	Polyester Staple Fiber and Polyester Filament Yarn manufactured from plastic waste or scrap or plastic waste including waste polyethylene terephthalate (PET) bottles w.e.f. 11th July, 2014	-	2%(without cenvat) & 6% (with CENVAT)

	Electronics / Hardware:		
5	Recorded Smart cards	2% without CENVAT & 6% with CENVAT	12%
	Energy:		
6	Clean Energy Cess on coal, lignite and peat	Rs.50 per tonne	Rs. 100 per tonne
	Consumer Goods:		
7	Aerated waters containing added sugar	No additional duty	5% additional duty
	Miscellaneous:		
8	Writing and printing paper for printing of educational textbooks	Optional 2% (without CENVAT)/6% (with CENVAT)	6%
	II BENEFICIAL		
	Agricultural Sector:		
1	Machinery for the preparation of meat, poultry, fruits, nuts or vegetables, and on presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages and on packaging machinery	10%	6%

	Electronics / Hardware:		
2	RO membrane element used in household type filters	12%/10%	6%
3	Metal Core PCB and LED driver for use in the manufacture of LED lights and fixtures and LED lamps	12%/10%	6%
	Renewable Energy:		
4	Forged steel rings used in the manufacture of bearings of wind operated electricity generators	12%	NIL
	Consumer Goods:		
5	Footwear (Retail price: Rs. 500 – Rs. 1,000 per pair)	12%	6%
6	Hand operated sewing machine	(2% without CENVAT / 6% with CENVAT)	Concessional Duty Levied
7	Gloves designed for use in sports	Various Rates	2% without CENVAT & 6% with CENVAT
	Energy:		
8	Branded Petrol	Rs.7.50 per litre	Rs. 2.35 per litre

5.2.10. Full Exemptions on Certain Items

- a. Un-branded articles of precious metals (For period 01.03.2011 to 16.03.2012).
- b. Liquefied Propane and Butane mixture, Liquefied Propane, Liquefied Butane and Liquefied Petroleum Gases (LPG) for supply to Non-Domestic Exempted Category (NDEC) customers by the Indian Oil Corporation Limited, Hindustan Petroleum Corporation Limited or Bharat Petroleum Corporation Limited (Retrospective from 08.02.2013).
- c. Parts of tractors removed from one or more factories of a tractor manufacturer to another factory of the same manufacturer for manufacture of tractors.
- d. Polyester Staple Fiber (PSF) and Polyester Filament Yarn (PFY) manufactured from plastic waste or scrap or plastic waste including waste polyethylene terephthalate (PET) bottles (retrospective exemption w.e.f. 29.06.2010 to 07.05.2012).
- e. Intermediate product 'Tow' arising during the course of manufacture of such PSF/PFY (retrospective exemption w.e.f. 29.06.2010 to 10.07.2014).
- f. DDT manufactured by Hindustan Insecticides Limited for supply to the National Vector Borne Diseases Control Programme (NVBDCP) of the Ministry of Health & Family Welfare.
- g. HIV/AIDS drugs and diagnostic kits supplied under National AIDS Control Programme (NACP) funded by the Global Fund to Fight AIDS, TB and Malaria (GFATM).
- h. Reverse osmosis (RO) membrane element used in water filtration or purification equipment (other than household type filter).
- i. Solar tempered glass used in the manufacture of solar photovoltaic cells/modules, solar power generating equipment/system, and flat plate solar collectors.
- j. Machinery, equipments, etc. required for setting up of solar energy production projects.

- k. Backsheet and EVA sheet used in the manufacture of photovoltaic cells/modules and specified raw materials used in their manufacture.
- l. Parts consumed within the factory of production for the manufacture of non-conventional energy devices [Sl.No.332 of notification No.12/2012-CE, dated 17.03.2012].
- m. Flat copper wire used in the manufacture of PV ribbons (tinned copper interconnect) for use in the manufacture of solar cells/modules.
- n. Machinery, equipments, etc. required for setting up of compressed biogas plant (Bio-CNG).
- o. Goods supplied to National Technical Research Organisation (NTRO).
- p. Security threads and security fibre supplied to Security Paper Mill Corporation of India Limited (SPMCIL) and Bank Note Paper Mill India Private Limited (BNPMIPL)
- q. Intermediate goods manufactured and consumed captively for further manufacture of matches.
- r. Plastic materials reprocessed out of the scrap or waste and cleared into the DTA by an EOU.
- s. Education cess and secondary & higher education cess (customs component) is being exempted on goods cleared by an EOU into the DTA.

5.3. THE FINANCE ACT, 1994 (Service Tax)

5.3.1. Review of Negative List of Services:

- a. Sale of space or time for advertisements in other segments like online and mobile advertising is now excluded from the negative list. Therefore, only “print media” is covered in the negative list.
- b. Service tax will now be levied on the services provided by radio taxis or radio cabs at par with rent-a-car i.e. 50% service tax to be paid by the service receiver and balance by the service provider.

5.3.2. Review of General Exemptions under Notification No. 25/2012-ST:

- a. Exemption to clinical research on human participants is withdrawn.
- b. Exemption to air-conditioned contract carriages like buses is withdrawn.

5.3.3. Rationalisation of General Exemptions:

- a. Exemption in respect of services provided to Government Authorities, will be limited to services by way of water supply, public health, sanitation conservancy, solid waste management or slum improvement and upgradation. All other services provided to Government Authorities are taxable.
- b. Exemption to services provided to educational institutions will be limited to transportation of students, faculty & staff; catering including mid-day meals; security services; house-keeping and cleaning services; services relating to admission & examination. Accordingly, services like renting of immovable property to educational institutions will now be subject to service tax.

5.3.4. New Exemptions:

Following services shall now be exempt with immediate effect:

- a. Approved life insurance schemes for the poor with sum assured of upto Rs. 50,000;

- b. Transport of organic manure by a goods transport agency;
- c. Loading, unloading, packing, storage or warehousing, transport of ginned or baled cotton by a goods transport agency;
- d. Services provided by common bio-medical waste treatment facility operators to clinical establishments;
- e. Specialized financial services received by RBI from global financial institutions in the course of management of foreign exchange reserves e.g. services like asset management, custodial services, securities lending etc.;
- f. Services provided by Indian tour operators to foreign tourists in relation to a tour wholly conducted outside India.

5.3.5. Retrospective Exemption:

Service provided by Employees' State Insurance Corporation (ESIC) during the period prior to 01.07.2012 to be exempted from service tax.

5.3.6. Others:

a. Works Contract (w.e.f. 01.10.2014)

Service portion for specified services for immovable property e.g. maintenance, repair, completion, finishing services etc. is proposed to be increased from 60% to 70%, i.e. marginal increase of 10%. Effective service tax rate to increase from 7.416% to 8.652%.

b. Transportation Service by Vessels (w.e.f. 01.10.2014)

Taxable portion in case of transport of goods by vessel to be reduced from 50% to 40%, i.e. marginal relief of 10%. Effective service tax rate to decrease from 6.18% to 4.944%.

5.3.7. Services under Reverse Charge Mechanism:

- a. Services provided by a director to a body corporate now brought under the ambit of Reverse Charge. Body Corporate to pay service tax under reverse charge.
- b. Services provided by a recovery agent to banks / FIs and

NBFC brought under the ambit of Reverse Charge. Bank / FI / NBFC to pay service tax under reverse charge.

5.3.8. Point of Taxation – Reverse Charge (w.e.f. 01.10.2014):

To bring certainty in the determination of point of taxation in case of Reverse Charge Services, it is proposed to provide that point of taxation will be payment date or three months from the date of invoice whichever is earlier.

5.3.9. Simplification of partial reverse charge (w.e.f. 01.10.2014):

In case of renting of motor vehicle, portion of service tax payable by the service provider and the service receiver is proposed to be made equal, i.e. 50% each. Earlier 60% was payable by the service provider and 40% by the service receiver.

5.3.10. Procedural Amendments:

a. Rate of Exchange

Separate rules proposed to be prescribed for determination of "Rate of exchange".

b. Time Limit for Adjudication

Recommendatory time limit prescribed for adjudication of cases of recovery of Service Tax dues:

- i. One year from the date of notice for cases covering fraud, misrepresentation, etc. and
- ii. Six months from the date of notice for other cases.

c. Withdrawal of Waiver of Penalty

With a view to curb serious offences, waiver of 50% of penalty will now not to be available even though the relevant details may be available in records.

d. Power to Search and Seizure

Power of Search and Seizure under Service Tax Regime is now amended to make it at par with provisions under Central Excise Regime. Now, Joint Commissioner or Additional Commissioner or any other officers notified by CBEC can

authorize any Central Excise Officer to search and seize.

e. Appeals before Commissioner (Appeals) of the Tribunal:

It is proposed to prescribe mandatory pre-deposit of 7.5% of duty / penalty / both imposed for first stage appeals and 10% for second stage appeals, subject to a ceiling of 10 crore. Pending appeals / applications will be governed by provisions prevailing at the time of filing of such appeals.

5.3.11. Interest on delay in payment of Service Tax:

Variable interest rates for delay in payment of service tax are proposed to be prescribed w.e.f. 01.10.2014 to ensure better compliance:

Extent of Delay	Simple Interest Rate p.a.
< 6 months	18%
6 monthssd to 1 year	24%
> 1 year	30%

5.3.12. CENVAT Credit:

Changes with immediate effect

- a. Service tax paid under full reverse charge – credit can be availed immediately. Condition to pay invoice value to the service provider omitted.
- b. In case of export of services, if export proceeds are not received within specified period, input service credit gets reversed. However, such reversed credit can now be availed if the proceeds are received within one year from the specified period. Documentary evidence of receipt of export proceeds to be produced.
- c. Rules w.r.t. claiming of abatement of 75% in case of GTA service by a service receiver are loosened. The service receiver

can now avail abatement without having to obtain “non-availment of CENVAT credit certificate” from the service provider.

Changes w.e.f. 01.10.2014

- d. In case of rent-a-cab and tour operator services, service tax paid by the sub-contractor in the same line of business would be allowed as eligible credit to the main service provider to avoid double taxation, subject to certain conditions.

Changes w.e.f. 01.09.2014

- e. Credit on input and input services shall be taken within 6 months from the date of the invoice or other specified documents.

5.3.13. Place of Provision Rules:

Following changes are proposed to be made w.e.f. 01.10.2014

- a. Place of provision for repair services on temporarily imported goods shall now unconditionally be the location where the services are actually performed. Provision as to prescribing conditions done away with.
- b. Intermediary of goods to be given the same treatment as is given to intermediary of services.
- c. Vessels (excl. yachts) and aircraft to be excluded from “means of transport” under Rule 9(d). Accordingly, hiring of vessels or aircrafts, irrespective of whether short term or long term, will be covered by the general rule, which is place of location of the service receiver.

5.3.14. SEZ – procedural simplification (with immediate effect):

- a. Central Excise Officer to issue Form A-2 (authorisation) in 15 days of receipt of Form A-1 (declaration) from the SEZ Unit or developer
- b. Exemption to be effective from date of endorsement by the authorised officer of SEZ in Form A-1, subject to furnishing the same before Jurisdictional Central Excise Officer within 15 days. In case of delay in furnishing, exemption to be available from the date of such furnishing.

- c. If services are provided before issuance of Form A-2, exemption can be claimed subject to furnishing of Form A-2 to the service provider within 3 months of provision of service.
- d. In case of services under reverse charge & provided to SEZ, requirement of furnishing ST Reg. No. of service provider is done away with.
- e. Services will be treated as exclusively used for SEZ operations, only if following 3 conditions are satisfied:
 - i. the recipient of service is a SEZ unit or developer;
 - ii. invoice is in the name of such unit or developer; and
 - iii. the service is used exclusively for furtherance of authorized operations in the SEZ.

CHAPTER 6

INCOME TAX COMPLIANCE CALENDAR

In this chapter we have provided an overview of the various direct tax compliances from the perspective of a Company, Partnership Firm (including LLP), Individual and HUF.

Sr.	Nature of Compliances	Person		
		Company	Partnership Firm / LLP	Individual and HUF
1.	Due dates for filing of Return of Income ('ROI'), Return of Wealth ('ROW') and obtaining Tax Audit Report (Note 1)			
1.1	Person covered under tax audit (other than those to whom transfer pricing is applicable)	30 September		
1.2	Person covered under transfer pricing (For furnishing of Transfer Pricing Report in Form 3CEB same due date is applicable)	30 November		
1.3	Other persons	30 September	31 July	31 July (Note 2)
2.	Advance Tax Payments for Income Tax (Note 3)			
a.	1st Installment - on or before 15 June	15%	Not Applicable	Not Applicable
b.	2nd Installment - on or before 15 September	45%	30%	30%
c.	3rd Installment - on or before 15 December	75%	60%	60%
d.	4th Installment - on or before 15 March	100%	100%	100%

3.	Tax Deducted at Source ('TDS')		
a.	Tax must be deducted at the time of payment, in case of salary	Applicable	Applicable, only if person is covered under tax audit in the preceding previous year
b.	In case of payments other than salary, at the time of making payment or credit, whichever is earlier		
c.	Tax deducted must be deposited in the bank by 7th day of following month except tax deducted for payment or credit made in March must be deposited by 30th April		
4.	Tax Collected at Source ('TCS')		
	Tax collected must be deposited within one week from the end of month of tax collection	Applicable	
5.	Due dates for filing of TDS / TCS Returns		
a.	TDS Quarterly Statement for quarter ended June	15 July	
b.	TDS Quarterly Statement for quarter ended September	15 October	
c.	TDS Quarterly Statement for quarter ended December	15 January	
d.	TDS Quarterly Statement for quarter ended March	15 May	

6.	Due dates for issue of Form 16 (for Salaries) / Form 16A (for other than Salaries) and Form 27D (For TCS) (Note 4)	
a.	Issue of Form 16 annually	31 May
b.	Issue of Form 16A / 27D for quarter ended June	30 July
c.	Issue of Form 16A / 27D for quarter ended September	30 October
d.	Issue of Form 16A / 27D for quarter ended December	30 January
e.	Issue of Form 16A / 27D for quarter ended March	30 May

Notes:

1. Only Companies, Individuals and HUFs are required to file ROW.
2. In case of working partner of a partnership firm, whose accounts are required to be audited under section 44AB of the IT Act, the date of filing of ROI is 30 September.
3. Advance tax payment for income-tax is applicable to every person where the amount of income-tax payable is Rs.10,000 or more.
4. From 1 April 2011 (FY 2011-12) onwards it is mandatory for Companies and Banks to issue Form 16A, which is to be downloaded from the NSDL website (www.tin-nsdl.com).
5. Every person, being a non-resident having Liaison Office in India shall, in respect of its activities in a financial year, file a statement in Form No. 49C within 60 days from the end of the financial year i.e. 30 May to the Assessing Officer.
6. In order to facilitate electronic filing of annexure-less return of net wealth, it is proposed to insert new sections 14A and 14B in the Wealth-tax Act on similar lines.
7. It is, proposed to amend that the return of income shall be regarded as defective unless the tax together with interest, if any, payable in accordance with the provisions of section 140A has been paid on or before the date of furnishing of the return.

CHAPTER 7 ABBREVIATIONS

ALP	Arm's Length Price	LCD	Liquid Crystal Display
AMT	Alternate Minimum Tax	LED	Light Emitting Diode
AOP	Association of Persons	MAT	Minimum Alternate Tax
APA	Advance Pricing Agreement	PAN	Permanent Account Number
AY	Assessment Year	ROI	Return of Income
BOI	Body of Individuals	ROW	Return of Wealth
CBDT	Central Board of Direct Taxes	RSP	Retail Sale Price
CBEC	Central Board of Excise and Customs	SAD	Special Additional Duty of Customs levied under section 3(5) of the Customs Tariff Act, 1975
CSR	Corporate Social Responsibility	SEBI	Securities and Exchange Board of India
CVD	Additional Duty of Customs levied under section 3(1) of the Customs Tariff Act, 1975	SEZ	Special Economic Zone
DDT	Dividend Distribution Tax	SPV	Special Purpose Vehicle
DTA	Domestic Tariff Area	STT	Securities Transaction Tax
EOU	Export Oriented Unit	TCS	Tax Collected at Source
FPI	Foreign Portfolio Investor	TDS	Tax Deducted at Source
GAAR	General Anti Avoidance Rules	TPO	Transfer Pricing Officer
HUF	Hindu Undivided Family	VAT	Value Added Tax

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