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## NEWSLETTER - DECEMBER 2013 (RELEASE DATE: JAN 21, 2014)

### Important updates in MVAT and CST

1. Internal Circular No 10A of 2013 dt Aug 28, 2013: Administrative instructions in respect of assessment/ audit plan for the periods 2006-07, 2007-08, 2009-10 and 2010-11:
  - i. The criteria for selection of cases, targets for completion of assessments are detailed.
  - ii. Instructions for disposal of pending refunds is also given. Refunds classified in three categories – Upto 1 lac, 1 lac to 5 lac and more than 5 lac. Different instructions issued for refunds.
  - iii. Guidelines for refund of deposit (Rs 25000) at the time of voluntary registration given. Refund procedure made easy.
2. Noti No VAT/ AMD-2013/ 1B/ Adm-8 dt Jul 1, 2013: Electronic uploading of Form 424: TDS return under VAT as per Rule 40(1)(d) to be filed electronically in Form 424. Earlier, it was manual Form No 405.
3. Noti No VAT/ AMD-2013/ 1B/ Adm-8 dt Aug 23, 2013: Amendments in Form 704: important amendments are:
  - i. Taxes paid pursuant to audit report added in letter of submission.
  - ii. List of enclosures deleted from letter of submission.
  - iii. Copy of tax audit report/ statutory audit report or certified financials, as the case may be, need not be enclosed. It should be taken on record by auditor.
  - iv. Details of pending cases in which decision was given against the department by the tribunal and a reference/ appeal is pending before appropriate forum related to the dealer or a similar matter in case of any other dealer in the prescribed format to be given.
  - v. Effect of purchase tax wherever applicable given in Schedule I.
  - vi. In Annexure D (details of TDS certificates issued), if TIN not available, then PAN of deductee to be provided.
4. Noti No 1513/ CR-61/ Taxation 1 dated May 21, 2013: TDS returns under VAT to be filed electronically in Form 424. It is to be filed annually within 90 days from end of year. Relevant Section is 31 and Rule is 40(1)(d).
5. Last chance to apply for declaration forms under CST Act for the period prior to 01/04/2008. Apply before 30/11/2013 for the same to Joint comm. Of Sales Tax (REG.), Mumbai. No further extension would be granted.
6. Noti No 1513/ CR 106/ Taxation 1 dated Dec 24, 2013: Single point taxation system introduced for **wine, similar to liquor introduced earlier**. It is effective from Jan 1, 2014 and stock statements in the prescribed formats have to be submitted upto Jan 31, 2014.
7. Noti No 1513/ CR 124/ Taxation 1 dated Jan 1, 2014: Very important notification. Relaxation in late fee in certain cases such as new registration, restoration of registration, technical problems, death of proprietor, builders etc. It is **effective from August 1, 2012** and available subject to conditions mentioned in the notification.
8. Utility for filing annual revised return as per VAT audit has come on Jan 19, 2014. Updated version no is 1.8.0.



### Income tax:

1. Noti No 58/ 2013 dt Aug 5, 2013: Form 15CA and 15CB relating to furnishing of information in case of foreign payments amended wef Oct 1, 2013.
2. Income tax returns for FY 2010-11 and 2011-12 which are filed during FY 2012-13 and for which acknowledgement in ITR V is not sent or where acknowledgement e-mail is not received from CPC – in such case ack in ITR V may be sent upto Oct 31, 2013 to CPC. Otherwise return shall be deemed to have been not filed.
3. Effect of Section 43CA, 50C: In case of sale of immovable properties, higher of actual sale value or valuation adopted for stamp duty, whichever higher is to be considered for taxation. Prior to April 1, 2013, it was necessary only in case of capital assets. However, from Apr 1, 2013, it has been made applicable to traded assets also u/s 43CA. However, it is opined that in case of gift of asset to relative specified u/s 56(2), taxability u/s 43CA would be Nil.
4. Cost inflation index for financial year 2013-14 is 939.
5. Changes in Form 15CB wef Oct 1, 2013. Before issuance of 15CB, tax residency certificate of payee and certificate on letterhead of payee that he does not have PE in India as per DTAA between India and its country are required.
6. General information: In case of purchase of goods/ machinery, Form A-1 is filled for remittance. It is accompanied by bill of entry. 15CB is not required in such case. However, for advance remittance, it is required. In case of payment for other than goods, Form A-2 is filled for remittance for which 15CB is must.
7. Nil TDS returns cannot be filed from October 1, 2013.
8. Due date of filing tax audit report and income tax return for FY 2012-13 extended from Sep 30, 2013 to Oct 31, 2013.
9. Noti dt May 1, 2013: Rule 12(3) amended – e-filing of ITR compulsory if total income exceeds 5 lacs (earlier 10 lacs) from AY 2013-14.
10. Dec 15, 2013, which is due date of Dec Qtr Advance tax for FY 13-14, has been extended to Dec 17, 2013 vide order of CBDT vide F.No.385/8/2013-IT(B) dated Dec 13, 2013.
11. CPC e-mail dt Jan 3, 2014: Version 3.8 of RPU and version 4.1 & 2.137 of FVU. In TDS returns, some updations introduced. Deductee records cannot be deleted, payment made under one challan section code (eg 194A) can be used for any other section code (eg 194C).
12. Cir No 1/ 2014: No TDS on Service tax portion if payment made to resident.
13. Increase in PAN charges from Rs 96 to Rs 105.

### Service tax:

1. Vide order no 4/ 2013 dt Aug 30, 2013, due date of filing service tax returns for October 2012 to March 2013 period was extended from Aug 31, 2013 to September 10, 2013.
2. **In an important judgement of CESTAT in the case of M/s. Shri Bileshwar Khand Udyog Sahakari Mandali Limited Vs. CCE [(2013) 36 Taxmann.com 8 (Ahmedabad - CESTAT)], it was concluded that work carried out on lump sum basis does not amount to manpower supply services.**
3. Assessee paying excise duty and service tax of Rs 1 lakh will have to mandatorily pay the levies electronically with effect from January 1, 2014. The earlier ceiling for mandatory e-payment was Rs 10 lakh wef April 1, 2010.



**Others:**

1. Ministry of Communications & Information Technology, Office of Controller of Certifying Authorities vide its order dated Oct 25, 2013 has instructed that no more issuance of Digital Signatures on web browsers, DSC to be obtained on E-tokens wef Nov 25, 2013.
2. E-registration of equitable mortgage made compulsory in Maharashtra vide Notification dt Oct 1, 2013 issued by Revenue and Forests Department.

*Disclaimer:*

*All efforts have been made to ensure completeness of data. However, readers are advised to confirm from their own sources also. Further, interpretations given above are our personal opinions at M/s Umesh Agrawal and Associates. We are not responsible for any loss arising due to the above information.*

