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SNK Newsletter

DIRECT TAXES

Judicial Pronouncements

Kailashben Manharlal Chokshi v. CIT (Gujarat HC) (Income Tax Reference No. 111 of 1997)

Additions made merely on the basis of statements recorded u/s 132(4) and the same being later retracted, are not sustainable unless the Revenue backs them with some corroborative evidence. If a statement is recorded at odd hour, and it is subsequently retracted and some evidence is produced contrary to such admission, then there is no reason not to disbelieve the retraction. But if supporting evidence is not collected by the Revenue, additions cannot be made merely on the basis of statements recorded during the search.

Society for the Promotion of Education Adventure Sport & Conservation of Environment v. CIT (Allahabad HC) (Civil Misc. Writ Petition (Tax) No. 109 of 2008)

Consequence of non-consideration of the application for registration within the time fixed by section 12AA(2) of the ITA

Effect of non-consideration of the application for registration within the time fixed by section 12AA(2) would be a deemed grant of registration.

Sanchayita Mercantile Pvt. Ltd. *v.* ACIT (ITA No. 848/ Mum/2005)(Mumbai Bench of ITAT)

Working out expenditure attributable to dividend income in terms of section 14A of ITA

There is nothing in the provisions of section 14A to the effect that the expenditure disallowed should not exceed the income, which is not chargeable to tax.

Mrs. Meena S. Patil v. ACIT (Intl. Taxation) (2008) 300 ITR (AT) 317 (Bang.)

Section 48 r.w.s. 147 of the Income-tax Act, 1961

Capital gain is to be computed and taxed on the basis of provisions contained u/s.48 and it cannot be computed on the basis of fair market value of asset as determined by Valuation Officer. Therefore, assessment cannot be reopened for taxing capital gain in respect of an asset on basis of market value of asset as estimated by DVO.

CIT v. Eastman Industries Ltd. (Delhi HC)(ITA No. 895 of 2007)

When section 50(2) of ITA comes into play

Section 50(2) comes into play only if assets of the same class "cease to exist" for the reason that all assets in that block are transferred during the previous year; in the event the block of assets i.e., a class of asset(s) bearing same rate of depreciation exist(s) with the assessee at the end of the previous year, then the provision of section 50(2) would not apply.

CIT v. Maina Ore Transport Pvt. Ltd. (GOA HC) (Reference under Income Tax No. 1 of 2004)

Allowability of Business Expenditure Qua Ex-Gratia Payment in Excess of Limits Prescribed by Payment of Bonus Act

The ex-gratia payment in excess of the limits prescribed under the payment of Bonus Act either under section 36(1)(ii) or section 37(1) of the Income-tax Act, is allowable as business expenditure although the payment does not cover contractual or customary payment.

CIT *v.* HCL Comnet Systems & Service Ltd. (SC)(Civil Appeal No. 5800 of 2008)

The provision for bad and doubtful debt can be added back to the net profit only if Item (c) of the Explanation to section 115JA stands attracted; when the debt is the amount receivable by the assessee-company and not any liability payable by it, any provision made towards irrecoverability of the debt cannot be said to a provision for liability and therefore, Item (c) of the Explanation is not attracted in such a case.

The Supreme Court has said the Income-Tax Department has to accept the authenticity of the accounts maintained in accordance with the provisions of the Companies Act and certified by the auditors. The assessing officer cannot go beyond the net profit shown in the profit and loss account, except to examine whether the books of accounts were duly certified by the authorities and properly maintained, the court said.

Kotak Securities Ltd. v. Addl CIT (ITA NO. 1955/MUM OF 2008)

Applicability of Sections 194J And 40(a)(ia) of ITA

The transaction fee paid by a share broker cannot be said to be a fee paid in consideration of the stock exchange rendering any technical services to the share broker; the provisions of section 194J are, therefore, not attracted and there is no obligation on the part of the share broker to deduct tax at source consequently, the provisions of section 40(a)(ia) are also not attracted.

B.M. Malani v. CIT (Supreme Court) Civil Appeal No. 5950 OF 2008

Where pursuant to action u/s 132, the assessee made a declaration of income u/s 132 (4) and opted to pay taxes from out of the seized shares and securities and requested that the shares be expeditiously disposed of and the sale proceeds there from be appropriated towards taxes and the revenue did not act on this request and thereafter the assessee applied for waiver of interest under section 220(2A) on the ground that the failure of the department to sell the shares had caused “genuine hardship”, HELD:

(i) Levy of interest is for compensating the revenue from loss suffered by non-deposit of tax by the assessee within the time specified therefor. This principle should also be applied for determining whether any hardship had been caused or not. A genuine hardship means a genuine difficulty. It cannot be concluded that a person having large assets would never be in difficulty as he can sell those assets and pay the amount of interest levied.

(ii) A person cannot take advantage of his own wrong. A statutory authority on receipt of a request from the assessee top sell the shares could not have kept mum and should have taken action and responded to the prayer of the assessee. It would have been in the interests of the revenue to do so;

(iii) U/s 220 (2A), the CIT has the discretion not to waive interest but that discretion must be judiciously exercised. He has to arrive at a satisfaction that the three conditions laid down therein have been fulfilled before passing an order waiving interest.

(iv) As the issue had not been considered by the CIT in the proper perspective, matter remanded.

Hynoup Food & Oil Industries TD. v. ACIT (2008) 11 DTR (Guj) 241

The opening portion of s.147 stipulates that action may be initiated if AO "has reason to believe" that any income chargeable to tax has escaped assessment for any assessment year. When this provision is read in conjunction with s.148(2) which mandates that the AO shall, before issuing any notice under s. 148, record his reasons

for issuing the notice. It is, therefore, clear that the officer recording the reasons under s. 148(2) and the officer issuing notice under s. 148(1) has to be the same person. The form of the notice itself indicates that the authority has to record "whereas I have reason to believe that ... income liable to tax for the assessment year ... has escaped assessment within the meaning of s. 147 of the IT Act, 1961". A successor officer cannot issue notice under s. 148 on the basis of the satisfaction recorded by the predecessor officer because the reason to believe has to be of the officer concerned, viz. the officer issuing the notice under s. 148. Nothing has come on the record to indicate that the officer, who has issued the notice under s. 148, has recorded his satisfaction as to escapement of income. Therefore, so far as asst. yrs. 1990-91 and 1991-92 are concerned, the officer, who has issued the notice under s. 148, is different than the officer, who has recorded the reasons, and hence, the notices for both these years are held to be invalid

and deserve to be quashed on this solitary ground.

Reassessment - Full and true disclosure - Notice after expiry of four years - Deduction under ss. 80HH and 80-I were allowed to assessee in assessments under s. 143(3) following the order of CIT(A) for asst. yrs. 1987-88 and 1988-89 against which no second appeal was filed by the Revenue. Again despite recording reason to believe on 26th March, 1997, that assessee was not entitled to said deductions, they were allowed for asst. yr. 1994-95 in assessment framed on 31st March, 1997. As regards excess depreciation, assessee had claimed at the prescribed rate only and AO's reason to believe was factually wrong. There was no failure on the part of assessee to disclose fully and truly all material facts rather there was change of opinion on the part of AO. Reopening of assessments after the expiry of four years from the end of the relevant assessment years was therefore invalid.

ITO v. Nazaribai G. Jain (ITA NO. 3510/MUM/2005)(Mumbai Bench of ITAT)

Permissibility of reopening of completed assessment on same set of facts and circumstances

Once the assessment is completed by the Assessing Officer on the fact-situation disclosed by the assessee, the AO cannot reopen the case, at later point of time, on the same fact-situation, merely on forming a different opinion, by giving second thought or fresh application of mind, to the same set of facts, as it stood at the time of original assessment and arriving at the finding that income computed originally was erroneous, such approach of the Assessing Officer - the quasi-judicial authority - in invoking the provisions of sections 147 read with section 148 of the IT Act, under the same set of circumstances is impermissible.

Parmanand Singhal v. ITO (2008) 12 DTR (Lucknow)(Trib) 66

Income from undisclosed sources - Addition under s. 69 - Unexplained investment in house property

AO was not justified in rejecting the valuation report of the approved valuer Y submitted by the assessee on various grounds and making addition of proportionate amount in the relevant year by estimating the cost of construction at Rs. 29,68,914 as against Rs. 16,33,221 as disclosed by the assessee.

AO rejected the report of Y inter alia, on the ground that there was difference in the measurement of plinth area and plinth area rates in two successive reports. Total plinth area as per Y is 449 sq. mtrs. which is the same as accepted by the AO in the assessment order. AO could not have evaluated the cost of construction of the property by rejecting the report of approved valuer without bringing on record any material or evidence to show that any extra area was covered by the assessee. As regards the difference in plinth area rates, the first valuer adopted CPWD rate as on 1st Oct. 1975, for type residence and then indexed the same by taking the cost index base of 1976, whereas Y adopted CPWD rates as on 1st Jan., 1992, for type V residence and then indexed the same by cost index base of 1992 to arrive at the cost of construction with negligible difference. Such method is prescribed in CPWD schedule. AO has applied his own rates for various items not included in CPWD schedule. Such an approach is wholly arbitrary. Further, deduction on account of self-supervision @ 10 per cent is allowable. AO's estimate is based on irrelevant considerations and hypothetical rates and hence same cannot be sustained.

Laxmanbhai S. Patel v. CIT (GUJARAT HC) (ITR No. 41 of 1997)

The legal effect of the statement recorded behind the back of the assessee and without furnishing the copy thereof to the assessee or without giving an opportunity of cross-examination, if the addition is made, the same is required to be deleted on the ground of violation of the principles of natural justice.

CIT v. Maina Ore Transport Pvt. Ltd. (GOA HC) (Reference under Income Tax No. 1 of 2004)

Allowability of Business Expenditure Qua Ex-Gratia Payment in Excess of Limits Prescribed by Payment of Bonus Act

The ex-gratia payment in excess of the limits prescribed under the payment of Bonus Act either under section 36(1)(ii) or section 37(1) of the Income-tax Act, is allowable as business expenditure although the payment does not cover contractual or customary payment.

National Textile Corpn. Ltd. v. CIT (MP HC)(ITR NO. 4 OF 2005)

Procedure to be Followed by the Tribunal's when any decision of Superior Court is cited before them

All the Courts/Tribunals functioning in a State are bound by law laid down by the State High Court; it is neither permissible nor legal for any Court and Tribunal to comment upon the decision of Supreme Court/High Court; similarly, it is also not permissible for the Tribunal to comment upon the manner in which a particular decision was rendered by Supreme Court/High Court; it is also not permissible for Tribunal to sidetrack or/and ignore the decision of High Court on the ground, that it did not take into consideration a particular provision of law.

ACIT v. Vinman Finance & Leasing Ltd. (ITA NO. 03/Vizag/2002) (IN THE ITAT, VISAKHAPATNAM BENCH

When Penalty u/s 271E should not be levied for contravention of provisions of Section 269T of ITA

The provisions of the Income-tax Act are amended so frequently that it is impossible not only for the tax payer, but also the tax experts to know all the provisions of the Act at any given point of time, hence, ignorance of law can be taken as an excuse and penalty should not be levied merely on the ground that the assessee ought to have known the correct provisions of law.

ACIT v. Cormandal Investment (P.) Ltd. (Tax Appeal No. 585 of 1999) (GUJARAT HC)

When the change in the method of accounting adopted by the assessee is genuine and bona fide, there is no reason for Assessing Officer to disapprove said change and to make addition merely on the basis of such disapproval.

Judicial Pronouncements - International Taxation

Anapharm Inc vs. DIT (AAR) [AAR NO. 746 of 2008]

Where the assessee conducted sophisticated and technical bioanalytical tests for its clients but did not reveal to them as to how it conducts those tests or the inputs that have gone into it, so as to enable them to carry out those tests themselves in future and the question arose whether the fees received for such services could be assessed as "fees for technical services" or as "royalty" under the India-Canada DTAA, HELD

(i) In order to consider the meaning of the term "make available" in Article 12 of the India-Canada DTAA, one can have regard to the India-USA DTAA. The term requires that the service provider should also make his technical knowledge, experience, skill, know-how etc., known to the recipient of the service so as to equip him to independently perform the technical function himself in future, without the help of the service provider. In other words, payment of consideration would be regarded as 'fee for technical / included services' only if the twin test of rendering services and making technical knowledge available at the same time is satisfied.

(ii) On facts, as the tests carried out by the applicant did not enable the applicant's client to derive requisite knowledge to conduct the tests or to develop the technique by itself, it could not be considered to "make available" technical knowledge, skill etc to the payer;

(iii) The fees were also not chargeable to tax as "royalty" because the applicant used its experience and skill itself in conducting the bioequivalence tests, and provided only the final report containing conclusions to its clients and the information concerning scientific or

commercial experience of the applicant or relating to the method, procedure or protocol used in conducting bioequivalence tests was not imparted to the clients.

(iv) what distinguishes a contract for provision of know-how from a contract for rendering advisory services is the concept of 'imparting'. An adviser or consultant, rather than imparting his experience, uses it himself. All that he imparts is the conclusion that he draws from his own experience.

Philips Software v. ACIT (ITAT Bangalore)

Where the assessee was rendering captive contract software development services to its' associated enterprises on a "cost plus" basis and its profits enjoyed exemption u/s 10A and the question arose whether the AO/TPO were justified in rejecting the assessee's transfer pricing study and substituting it with their own, HELD allowing the appeal that:

(i) While the motive of tax avoidance need not be shown at the time of initiating transfer pricing provisions, the same is required to be shown at the stage of making the assessment. The AO has to show that the assessee manipulated prices to shift profits outside India. In view of the fact that the assessee enjoyed exemption u/s 10A, the transfer pricing provisions ought not to have been applied;

(ii) The AO/TPO have to satisfy and communicate to the taxpayer which one of the four conditions prescribed in s. 92C (3) are satisfied before applying the transfer pricing provisions and the failure to demonstrate this to the assessee renders the transfer pricing order void;

(iii) The assessee's selection of the Cost Plus Method (CPM) using the Capitaline database as the most appropriate method could not be substituted by the AO/TPO with the Transactional Net Margin Method (TNMM) using the Prowess database without showing how the assessee's method was erroneous;

(iv) For purposes of making a comparability analysis it is essential that (a) the data should relate to the financial year and (b) be contemporaneous i.e. exist on the specified date. If one of the conditions is not fulfilled, the data should not be included for comparison;

(v) In view of the definition of "uncontrolled transaction" in Rule 10A (a), for purposes of comparability analysis, the comparables should not have any transactions with its associated enterprises. A company having even a single rupee of related party transaction cannot be considered as a comparable transaction;

(vi) Adjustment needs to be made to the margins of the comparables to eliminate differences on account of different functions, assets and risks and in particular for (a) differences in risk profile (b) difference in working capital position and (c) differences in accounting policies;

(vii) The profits of super profit companies should not be "normalized"; instead they should be excluded from the list of comparables;

(viii) The proviso to section 92 C (2) provides a standard deduction of 5% to the taxpayers at their option.

Airport Authority of India, In re (AAR No. 755-756 of 2007)

AAR on tax liability of an American company supplying certain software/hardware to a PSU

The payment received by the American company in respect of software and provision of services of installation, testing and training shall be taxable under the IT Act, 1961 read with DTAA and said payment shall be charged as royalty and fee for technical services respectively at the rate of 10 per cent as per section 115A plus applicable surcharge and cess under the Act.

Sony India (P) Ltd. v. DCIT (IN THE ITAT, DELHI BENCH)

Determination of Arm's Length Price (ALP) - Applicability of proviso to section 92C(2) of ITA

Where the Transactional Net Margin Method (TNMM) was accepted as the method for determining the Arm's Length Price and the taxpayer was taken as a tested party and the Operating profit margin on sales had been chosen as the profit level indicator and disputes arose as to how the operating profit had to be computed and what parties had to be taken as comparables, HELD

(i) Under Rule 10B (2) (c) the comparability of an international transaction with an uncontrolled transaction has to be judged with reference to the contractual terms. Accordingly, the actual transaction, as entered into between the parties, has to be considered and the authorities have no right to re-write the transaction unless it is held that it is sham or bogus or entered into by the parties in bad faith to avoid and evade taxes.

(ii) Where the assessee had received moneys towards reimbursement of advertisement expenses under an agreement with the Associated Enterprise and the genuineness of the same was not disputed, the TPO was not justified in treating the said funds as a windfall and bounty. The same had to be treated as a part of the normal operating profit of the assessee and could not be ignored in computing the comparable margins.

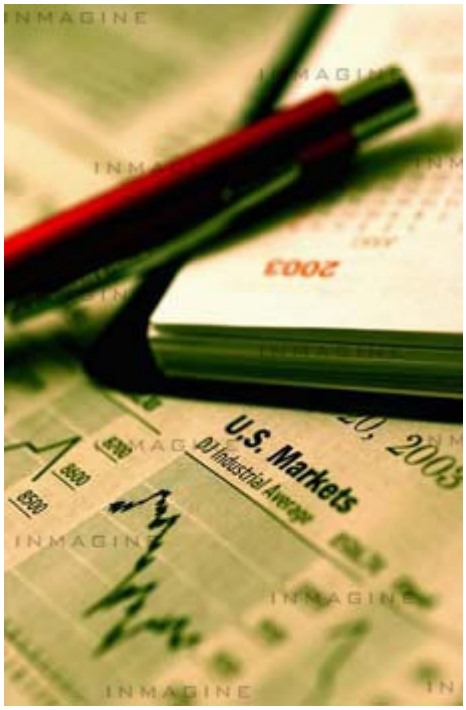
(iii) Other amounts received by way of reimbursement of cost, provision written back, balances written back, interest received from customers and other miscellaneous revenue receipts also constitute a part of the operating profit and could not be ignored in computing the operating profit.

(iv) Statutory levies paid to the State Govt. had to be ignored in computing the operating profits of the taxpayer as other enterprises taken into account by the TPO were not subjected to such levy.

(v) For purposes of determining what parties should be considered for purposes of comparison under Rule 10B (3), what is to be judged is the impact of the related party transaction vis-à-vis sales and not just profit since profit of an enterprise is influenced by large number of other factors. The facts and circumstances surrounding the company in question that should determine its status as a comparable and not its financial result. The cumulative effect of all factors have to be considered.

(vi) While comparing controlled and uncontrolled transactions or enterprises, one has to look for the differences and whether such differences are likely to affect the price, cost charged or paid or profit arising from the transaction in the open market. It has further to be examined whether a reasonable accurate adjustment can be made to eliminate the material effect of the differences between the transactions or entities. If a reasonable accurate adjustment for the difference to eliminate material effect of the differences cannot possibly be made, then such comparables (uncontrolled) have to be rejected.

(vii) The proviso to s. 92C (2) consists of two limbs. Under the first limb, where, through the Most Appropriate Method, more than one price is determined, the arithmetic mean of such price has to be taken to be the Arm's Length Price in relation to the international transaction. The second limb gives "an option" to the taxpayer to take Arm's Length Price which may vary from the arithmetic mean by an amount not exceeding 5% of such arithmetic mean. This option is applicable even to cases where the taxpayer intends to challenge the Arm's Length Price taken as arithmetic mean and determined through the Most Appropriate Method. The argument of the Revenue that where the difference is much more than 5%, then the taxpayer cannot have the benefit of the said provision, particularly where the taxpayer has not accepted such arithmetic mean, is not correct.



ADI v. Chiron Behring GmbH & Co. (2008) 24 SOT 278 (Mum.)

Section 44D, r.w.ss. 115A and 90 of ITA and article 12 of the DTAA between India and Germany

Assessee, a limited partnership firm incorporated under law of Germany had earned royalty and fees for technical services in India. It offered same to tax in India at rate of 10 per cent

claiming benefit of lower rate of tax under article 12 of DTAA between India and Germany. Assessing Officer, however, held that assessee was not a resident of Germany and, therefore, provisions of DTAA were not applicable to it. He, therefore, by applying provisions of Income-tax Act, (viz., section 44D read with section 115A) applied rate of 20 per cent on amount of royalty and fees for technical services earned in India. However, it was found from records that assessee had filed trade tax return as per German law and, moreover, trade tax was included in German law to which DTAA applied.

It was held that in such circumstances, it could be said that assessee was a resident of Germany to which DTAA applied. Since assessee being a person to whom DTAA applied had option of being subjected to tax as per DTAA or Act, which was more beneficial to it, it had rightly subjected itself to tax at reduced rate of 10 per cent as per DTAA.

Sojitz Corporation v. Asstl. DIT (International Taxation) [ITA NO. 1252/KOL./2006, DATED 30-10-2007] (KOL. - ITAT)

Liasion Office in India

When the liaison offices are not indulging in any other activity other than collecting information and sending the same to Japan which are prepara-tory and auxiliary in nature/character, as per the approval granted by the RBI, they cannot be treated as PE of the non-resident assessee in India.

DDIT v. Sun Chemicals BV (2008) 24 SOT 199 (MUM.)

Section 90, read with sections 92 to 92F of the Income-tax Act, 1961 and article 3(d) of DTAA between India and Netherlands - Assessment year 2002-03

Assessee was a non-resident assessee. It entered into certain transactions of sales and purchases of shares of an Indian company. Accordingly, assessee filed return of income declaring certain loss. However, Assessing Officer in the course of assessment proceedings arrived at conclusion that assessee had earned profits in course of aforesaid transactions. Thereupon, assessee claimed benefit of DTAA. Assessing Officer rejected assessee's claim holding that it made defaults, firstly by not disclosing effects of purchase transactions with associate concerns in Form No. 3CEB; and secondly by not disclosing ALP in respect of purchase transactions with associate enterprises, which resulted in contravention of provisions of section 92C. Commissioner (Appeals), however, allowed assessee's claim in view of specific provisions of DTAA between India and Netherlands.

It was held that since default or omission relating to provisions of sections 92 to 92F were not covered by default or omission mentioned in article 3(d) of DTAA between India and Netherlands, order of Commissioner (Appeals) allowing benefit of DTAA deserved to be upheld.

Circulars / Notifications / Press release

Instruction No. 11/2008, dated 5.9.2008

Instructions for scrutiny of FBT returns

It has been decided that in all the Corporate cases selected for scrutiny as per the guidelines contained in the Action Plan document 2008-09 which have returned income of Rs.5 crore or more and where provisions of FBT apply, assessment order shall also be passed under section 115WE after scrutiny of all such cases.

Instruction No. 12/2008, dated 5.9.2008

Instructions for processing of returns for AY 2007-08

Faced with a large number of electronic returns for A.Y. 2007-08 as also refund returns still pending for processing, the CBDT has been decided on the following:-

1. All pending returns for A.Y. 2007-08 involving refund claims (including electronic returns with refund claims) must be processed on priority basis by 30th September, 2008. Where any scrutiny assessment is pending in these cases, refund should be issued only after completion of the scrutiny assessment.
2. Electronic returns for A.Y. 2007-08 not involving refund claims can be taken up for processing after 30th September.
3. Returns in forms ITR-4 and 5 filed in paper made by business assesses and not covered by section 44AB should be taken up for processing on priority basis at the earliest before next round of selection through CASS.
4. Salary returns for A.Y. 2007-08 in which there is no refund or demand and the TDS claim is below Rs.5 lakh, may be given the last priority for processing.

F. No. 137/168/2008-CX.4

Sub: Service Tax issues relating to units in SEZ- reg.

1. It has been observed that there has been lack of clarity in the field formations administering service tax as regards the applicability of service tax levy on units located in Special Economic Zones. This lack of clarity has resulted in certain problems especially with respect to service tax administration. The issues and the proposed actions are mentioned below.

2. Non-payment of service tax by SEZ units providing taxable service outside SEZ

2.1 There is no exclusion to SEZs in the Chapter V of the Finance Act, 1994 (Service Tax law). Taxable services received by SEZ units and SEZ developers for consumption within the SEZ are exempt for service tax under notification No. 4/2004-ST, dated 31.3.2004 . However, service tax is applicable on taxable services provided by SEZ units, except such services which are exempt by notification No. 4/2004-ST. The C &AG, it in recent report has pointed out instances, where SEZ units in Chennai & Cochin were providing taxable services like manpower supply service, technical testing and analysis service etc., to units / persons outside SEZ, without payment of service tax. In this regard the Ministry of Commerce (MOC) has observed that monitoring and collection of service tax does not come under the jurisdiction of the Development Commissioner and that such responsibility rests with the jurisdictional service tax (or CX & ST) authorities under the Central Board of Excise and Customs. Therefore, field formations should ensure that SEZs units, providing taxable services to any person for consumption in DTA (or providing any taxable service which is otherwise not exempt), or is otherwise liable to pay service tax under the service tax law, take registration with the jurisdictional service tax authorities and discharge their service tax liability in terms of the Finance Act, 1994. In this regard a time bound survey may be undertaken by the jurisdictional Commissionerates to identify SEZ units which are providing any taxable service to a recipient for consumption outside SEZ, and if so whether or not they are discharging ST liability correctly. This survey may be completed by 20.10.2008, and a report in this regard may be sent to DGST by 31.10.2008, positively.

3. Refund of Service Tax on taxable services used for the purposes of exports of goods by SEZ units

3.1 Refund of service tax paid on certain taxable services used in export of goods is permitted under notification 41/2007-ST. This notification prescribes that the refund would be allowed by the jurisdictional Deputy Commissioner/ Assistant Commissioner of Central Excise. Doubts have arisen as to the authority that would process these claims when made by SEZ, i.e., the SEZ authorities or jurisdictional service tax authorities. As stated above, the Ministry of Commerce has already opined that administering the service tax law is responsibility of CBEC. Refund of service tax is to be processed by the respective jurisdictional authority administering service tax law. Accordingly, it is clarified that the SEZ units, claiming refund of service tax, should take registration with the jurisdictional ST authorities (i.e. service tax commissionerates in Delhi, Mumbai, Bangalore, Ahmedabad, Kolkata and Chennai and the jurisdictional central excise commissionerates elsewhere) and file their claims there.

4. The information contained in this circular may be brought to the notice of SEZ Units and the Development Commissioners.

OTHERS

Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008

The Reserve Bank of India had issued Directions to the auditors of Non-Banking Financial Companies under Section 45 MA of the RBI Act, 1934, vide Notification No. DFC. 117 /DG (SPT)-98 dated January 2, 1998. (Link: http://rbidocs.rbi.org.in/rdocs/notification/PDFs/87096.pdf)

RBI/2008-09/ 190 A. P. (DIR Series) Circular No. 16 dtd. September 22, 2008

RBI has liberalized External Commercial Borrowings Policy and the same can be viewed from link

http://rbidocs.rbi.org.in/rdocs/notification/PDFs/87085.pdf

Due Dates of key compliances pertaining to the month of October 2008:

5th Oct.	***Payment of Service Tax & Excise duty for September***
6th Oct.	***Payment of Excise duty paid electronically through internet banking***
7th Oct.	***TDS/TCS Payment for September***
10th Oct.	***Excise Return ER1 / ER2 /ER6***
15th Oct.	***PF Contribution for September, Excise payment by SSI***
21st Oct.	***ESIC Payment for September***