

**2014  
NOVEMBER**

**P. K. LUHARUKA & CO.**  
CHARTERED ACCOUNTANTS  
MONTHLY NEWSLETTER  
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THIS ISSUE GIVES AN UPDATE ON ASPECTS ON WHICH THE CBDT, CBEC, RBI, WEST BENGAL STATE GOVERNMENT AND MINISTRY OF CORPORATE AFFAIRS THINK NEED CHANGES OR CLARIFICATIONS, A FEW RELEVANT CASE LAWS RELATING TO INCOME TAX AND A DUE DATES CALENDAR FOR THE MONTH OF NOVEMBER.

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### DIRECT TAXES

CBDT clarifies regarding allowability of deduction under section 10A/10AA on transfer of Technical Manpower in the case of Software Industry. However, this circular shall not apply to the assessments which have already been completed. (Attached Circular No. 14/2014 dated, 08<sup>th</sup> October 2014)

### INDIRECT TAXES

- a. CBEC reiterates that the place of removal needs to be ascertained in term of provisions of Central Excise Act, 1944 read with provisions of the Sale of Goods Act, 1930. Payment of transport, inclusion of transport charges in value, payment of insurance or who bears the risk are not the relevant considerations to ascertain the place of removal. The place where sale has taken place or when the property in goods passes from the seller to the buyer is the relevant consideration to determine the place of removal. (Attached Circular No. 988/12/2014-CX dated, 20<sup>th</sup> October, 2014)
- b. CBEC hereby amends and include Bhuj Taluka of Kutch District in the state of Gujarat for the facility of Export Warehousing. (Attached Circular No. 987/11/2014-CX dated, 15<sup>th</sup> October, 2014)
- c. CBEC hereby clarifies doubts that have been raised in the background of a recent judgment of Hon'ble high Court of Delhi relating to the powers to conduct audit as envisaged u/s. 5A (2) of the Service Tax Rules, 1994. The clarification is that the judgment does not deal with the issue of audit in central excise and the officers of central excise shall continue to conduct audit, as provided in the statute. (Attached Circular No. 986/10/2014-CX dated, 09<sup>th</sup> October, 2014)
- d. CBEC hereby notifies the rate of exchange of conversion of each foreign currency effective from 17<sup>th</sup> October, 2014. (Attached Notification No. 98/2014-Customs (N.T.), dated, 16<sup>th</sup> October, 2014)
- e. Considering Natural Calamities in certain parts of the Country, CBEC hereby extends the due date of submission of Service Tax Return for the 1st half of 2014-15 to 14<sup>th</sup> November, 2014.

### RESERVE BANK OF INDIA

- a. RBI hereby advises banks to ensure that customers are not unnecessarily asked to submit additional proofs of addresses for current addresses in cases where proofs of addresses for permanent addresses are already available. (Attached letter dated 22<sup>nd</sup> October, 2014)
- b. RBI hereby clarifies that if transactions are carried out at both the six metro centres and other locations, the total number of transactions (inclusive of both financial and non-financial) free of charge at other bank ATMs would continue to remain FIVE. (Attached letter dated 10<sup>th</sup> October, 2014)

## COMPANY LAW

- a. The Ministry hereby clarifies that the Board of Directors of a Section 8 Company is to decide as to whether the deposit made, u/s 160(1) of the Companies Act, 2013, by the person or on behalf of the person failing to secure more than 25% of the valid votes, is to be forfeited or refunded. (Attached General Circular No. 38/2014 dated, 14<sup>th</sup> October, 2014)
- b. The Ministry, on matters relating to Consolidated Financial Statement, hereby clarifies that Schedule III to the Companies Act, 2013 read with the applicable accounting standards does not envisage that a company while preparing its CFS merely repeats the disclosures made by it under stand-alone accounts being consolidated. (Attached General Circular No. 39/2014 dated, 14<sup>th</sup> October, 2014)
- c. On consideration of requests received from various stakeholders, ministry hereby extends the CLSS Scheme upto 15<sup>th</sup> November, 2014. (Attached General Circular No. 40/2014 dated, 15<sup>th</sup> October, 2014)
- d. The ministry hereby inserts “Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the river Ganga”, in the activities which may be included by companies in their CSR policies. (Attached Notification, dated, 24<sup>th</sup> October, 2014)
- e. The ministry hereby clarifies that in case of companies who have filed their balance sheets and annual returns on and after 01/04/2014 but prior to launch of CLSS-2014, disqualification u/s 164 (2) (a) shall apply only for prospective defaults. (Attached General Circular No. 41/2014 dated, 15<sup>th</sup> October, 2014)
- f. The ministry hereby inserts new Rule 10A, in the Companies (Audit & Auditors) Rules, 2014, which states that for the financial years commencing on or after 1<sup>st</sup> April, 2015 the report of the auditor shall state about existence of adequate internal financial control system and its operating effectiveness. For FY 2014-15 it is voluntary. (Attached Notification, dated, 14<sup>th</sup> October, 2014)

## MEMBERS

The Direct Taxes Committee of the ICAI is in the process of compiling suggestions on Income tax Return forms (ITRs) and other forms to be made applicable for Assessment year 2015-16. With regard to the same, suggestions are invited from the members. The suggestions so received would be complied and forwarded to Central Board of Direct Taxes for appropriate action at their end. Members are requested to submit their suggestions latest by **27th October, 2014**. (Link: [http://www.icai.org/new\\_post.html?post\\_id=11051&c\\_id=219](http://www.icai.org/new_post.html?post_id=11051&c_id=219))

### WEST BENGAL STATE LAWS

The Government of West Bengal hereby directs assessing authorities to complete the special audit for FY 2011-12 within five month from the date of initiation of special audit or by 30th November, 2014, whichever is earlier. Further, in rare cases, if further time beyond this period is required, written permission may be sought from me with specific reasons to increase the time limit beyond 30th November, 2014. (Attached Order, dated 14<sup>th</sup> October, 2014)

### CASE LAWS

- a. Even employees' contribution to PF etc is allowable if deposited before due date of filing of ROI – **CIT vs. Ghatge Patil Transports Ltd. (Bombay High Court)**
- b. AO cannot straightaway adopt stamp duty value as consideration for capital gains but must offer assessee benefit of reference to DVO for valuation- **ITO vs. Onkarmal Kajaria Family Trust (ITAT Kolkata)**
- c. Non-offering of stamp duty/DVO value as consideration for capital gains does not attract penalty u/s 271(1)(c) if facts are on record- **CIT vs. Fortune Hotels and Estates Pvt. Ltd. (Bombay High Court)**

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**P. K. Luharuka & Co.,**  
**Chartered Accountants Calendar**  
01 November 2014 – 30 November 2014

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**November 2014**

Mo Tu We Th Fr Sa Su

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|                    |    |                    |                   |                    |                    |                    |
|--------------------|----|--------------------|-------------------|--------------------|--------------------|--------------------|
|                    |    |                    |                   |                    | 1                  | 2                  |
| 3                  | 4  | <a href="#">5</a>  | <a href="#">6</a> | <a href="#">7</a>  | 8                  | 9                  |
| <a href="#">10</a> | 11 | <a href="#">12</a> | 13                | 14                 | <a href="#">15</a> | 16                 |
| 17                 | 18 | 19                 | 20                | <a href="#">21</a> | 22                 | 23                 |
| 24                 | 25 | 26                 | 27                | 28                 | <a href="#">29</a> | <a href="#">30</a> |

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**Details**

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**05 November 2014**



**Subject** Due Date of payment of Central Excise Duties for the previous month  
- For non SSI Units - GAR-7 Challan



**Subject** Due Date of payment of Service Tax for services deemed to be provided as per rules in the month of October in case of assesseees, other than individual or proprietorship firm or partnership firm (if not paid electronically) (GAR 7 Challan)

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**06 November 2014**



**Subject** Due Date of payment (latest by 8 P.M.) of Service Tax for services deemed to be provided as per rules in the month of October in case of assesseees, other than individual or proprietorship firm or partnership firm (if paid electronically) (GAR 7 Challan)



**Subject** Due Date of payment of Central Excise Duties for the previous month  
- For non SSI Units (if paid electronically) - GAR-7 Challan

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**07 November 2014**



**Subject** Due Date of deposit of TDS where income or amount is paid or credited in the month of October (Challan No./ ITNS. 281)

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**Subject** Due Date of Monthly payment of TCS in October u/s 206C



**Subject** Submission of copy of declaration forms (Form 15G and form 15H) received for non deduction of TDS under section 197A before the Chief Commissioner or Commissioner

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#### 10 November 2014



**Subject** Due Date of ER-1 for Non-SSI assessees and ER-2 for EOU units for the month of October

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#### 12 November 2014



**Subject** Due Date for Half Yearly Return of ESI for Contribution Period April to September

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#### 15 November 2014



**Subject** Due Date of Payment of PF for the month of October (plus grace period of 5 days)

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#### 21 November 2014



**Subject** Due Date of Payment of ESI for the month of October

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#### 29 November 2014



**Subject** Last date of filing Annual ROC form 20B of previous FY in case AGM held on 30th September of current FY

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#### 30 November 2014



**Subject** Due Date of ER - 4 for previous year for assessees paying duty of Rupees one crore or more p.a. either through PLA or CENVAT or both together

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**F.No.178/84/2012-ITA.I**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Direct Taxes**

New Delhi, the 8<sup>th</sup> October, 2014

Circular...14.../2014

**Subject : Clarification regarding allowability of deduction under section 10 A/10AA on transfer of Technical Man-power in the case of software industry.**

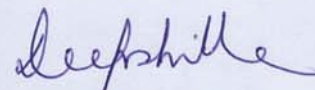
CBDT had issued Circular No.12/2014 dated 18<sup>th</sup> July, 2014 to clarify that mere transfer or re-deployment of existing technical manpower from an existing unit to a new SEZ unit in the first year of commencement of business will not be construed as splitting up or reconstruction of an existing business, provided the number of technical manpower so transferred does not exceed 20 per cent of the total technical manpower actually engaged in developing software at any point of time in the given year in the new unit.

2. Representations have been received stating that the aforesaid limit of 20% is inadequate and restrictive since it impacts the competitiveness of Indian Software Industry in global market in terms of quality of product and delivery time-lines. Global competitiveness can be ensured only when highly skilled and experienced manpower is deployed for software development. Requests have, therefore, been made seeking enhancement of the limit of 20% in line with the recommendation of Rangachary Committee, which was set up to review the taxation of IT Sector and Development Centers.
3. The matter has been re-examined by the Board. In supersession of the Circular No.12/2014 dated 18<sup>th</sup> July, 2014, it has now been decided that the transfer or re-deployment of technical manpower from existing unit(s) to a new unit located in SEZ, in the first year of commencement of business, shall not be construed as splitting up or reconstruction of an existing business, provided the number of technical manpower so transferred as at the end of the financial year does not exceed 50 per cent of the total technical manpower actually engaged in development of software or IT enabled products in the new unit.
4. Further, in the alternative, if the assessee (enterprise) is able to demonstrate that the net addition of the new technical manpower in all units of the assessee (enterprise) is at least equal to the number that represents 50% of the total technical manpower of the new SEZ unit during such previous year, deduction under section 10A/10AA would not be denied provided the other prescribed conditions are also satisfied.
5. For the sake of clarity, it is stated that the assessee will have a choice of complying with any one of the two alternatives given in Paras 3 and 4 above.



6. It is also clarified that this Circular shall be applicable only in the case of assessee engaged in the development of software or in providing IT Enabled Services in SEZ units eligible for deduction u/s 10A or u/s 10AA of the Act.

7. This Circular shall not apply to the assessments which have already been completed. Further, no appeal shall be filed by the Department in cases where the issue is decided by an appellate authority in consonance with this Circular.



(Deepshikha Sharma)

Deputy Secretary to the Government of India

Copy to :-

1. The Chairman, Members and all other officers of the CBDT of the Rank of Under Secretary and above.
2. All Principal Chief Commissioners of Income-tax/Principal Director Generals of Income-tax/Chief Commissioners of Income-tax/ Director Generals of Income-tax.
3. The Director General of Income-tax, NADT, Nagpur
4. Director (PR, PP & OL) Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list (100 copies).
5. The Comptroller and Auditor General of India (40 Copies).
6. All Directors of Income-tax, New Delhi.
7. Guard File.

(Deepshikha Sharma)

Deputy Secretary to the Government of India



**Circular No. 988/12/2014-CX**

Dated 20.10.2014

F.No.267/49/2013-CX.8  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise and Customs  
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The Chief Commissioners of Central Excise (All),  
The Chief Commissioners of Central Excise and Customs (All),

Madam/Sir,

**Subject: Determination of place of removal - reg.**

Attention is invited to Notification No. 21/2014 - CE (NT) dated 11.07.2014 vide which the definition of "place of removal" has been inserted in the CENVAT Credit Rules, 2004 (CCR). Under these rules there are provisions that the credit of input services is available upto the place of removal. As the definition is now provided in the CCR, wherever Cenvat credit is available upto the place of removal, this definition of place of removal would apply, irrespective of the nature of assessment of duty.

2) The second associated issue is regarding ascertainment of place of removal. In this regard there are two circulars of the Board namely 37B order no 59/1/2003 dt 3-3-2003 and circular no 97/8/2007 dt. 23.8.2007. The relevant paragraphs of these two circulars are reproduced below for ease of reference -

*(i) Circular dt 3-3-2003 :- " 8. Thus, it would be essential in each case of removal of excisable goods to determine the point of "sale". As per the above two Apex Court decisions this will depend on the terms (or conditions of contract) of the sale. The 'insurance' of the goods during transit will, however, not be the sole consideration to decide the ownership or the point of sale of the goods. "*

*(ii) Circular dt 23-8-2007: "8.2 ..... It is, therefore, clear that for a manufacturer/consignor, the eligibility to avail credit of the service tax paid on the transportation during removal of excisable goods would depend upon the place of removal as per the definition. In case of a factory gate sale, sale from a non-duty paid warehouse, or from a duty paid depot (from where the excisable goods are sold, after their clearance from the factory), the determination of the 'place of removal' does not pose much problem. However, there may be situations where the manufacturer/consignor may claim that the sale has taken place at the destination point because in terms of the sale contract/agreement (i) the ownership of goods and the property in the goods remained with the seller of the goods till the delivery of the goods in acceptable condition to the purchaser at his door step; (ii) the seller bore the risk of loss of or damage to the goods during transit to the destination; and (iii) the freight charges were an integral part of the price of goods.*

In such cases, the credit of the service tax paid on the transportation up to such place of sale would be admissible if it can be established by the claimant of such credit that the sale and the transfer of property in goods (in terms of the definition as under Section 2 of the Central Excise Act, 1944 as also in terms of the provisions under the Sale of Goods Act, 1930 occurred at the said place."

3) The operative part of the instruction in both the circulars give similar direction and are underlined. They commonly state that the **place where sale takes place is the place of removal. The place where sale has taken place is the place where the transfer in property of goods takes place from the seller to the buyer.** This can be decided as per the provisions of the Sale of Goods Act, 1930 as held by Hon'ble Tribunal in case of

Associated Strips Ltd Vs Commissioner of Central Excise , New Delhi [2002 (143) ELT 131 ( Tri-Del )] . This principle was upheld by the Hon'ble Supreme Court in case of M/s. Escorts JCB Limited v. CCE, New Delhi [2002 (146) [E.L.T.](#) 31 (S.C.) ] .

4) Instances have come to notice of the Board, where on the basis of the claims of the manufacturer regarding freight charges or who bore the risk of insurance, the place of removal was decided without ascertaining the place where transfer of property in goods has taken place. This is a deviation from the Board's circular and is also contrary to the legal position on the subject.

5) It may be noted that there are very well laid rules regarding the time when property in goods is transferred from the buyer to the seller in the Sale of Goods Act , 1930 which has been referred at paragraph 17 of the Associated Strips Case (supra ) reproduced below for ease of reference -

*"17. Now we are to consider the facts of the present case as to find out when did the transfer of possession of the goods to the buyer occur or when did the property in the goods pass from the seller to the buyer. Is it at the factory gate as claimed by the appellant or is it at the place of the buyer as alleged by the Revenue? In this connection it is necessary to refer to certain provisions of the Sale of Goods Act, 1930. Section 19 of the Sale of Goods Act provides that where there is a contract for the sale of specific or ascertained goods the property in them is transferred to the buyer at such time as the parties to the contract intend it to be transferred. Intention of the parties are to be ascertained with reference to the terms of the contract, the conduct of the parties and the circumstances of the case. Unless a different intention appears; the rules contained in Sections 20 to 24 are provisions for ascertaining the intention of the parties as to the time at which the property in the goods is to pass to the buyer. Section 23 provides that where there is a contract for the sale of unascertained or future goods by description and goods of that description and in a deliverable state are unconditionally appropriated to the contract, either by the seller with the assent of the buyer or by the buyer with the assent of the seller, the property in the goods thereupon passes to the buyer. Such assent may be expressed or implied and may be given either before or after the appropriation is made. Sub-section (2) of Section 23 further provides that where, in pursuance of the contract, the seller delivers the goods to the buyer or to a carrier or other bailee (whether named by the buyer or not) for the purposes of transmission to the buyer, and does not reserve the right of disposal, he is deemed to have unconditionally appropriated the goods to the contract."*

6) It is reiterated that the place of removal needs to be ascertained in term of provisions of Central Excise Act, 1944 read with provisions of the Sale of Goods Act, 1930. Payment of transport , inclusion of transport charges in value , payment of insurance or who bears the risk are not the relevant considerations to ascertain the place of removal. **The place where sale has taken place or when the property in goods passes from the seller to the buyer is the relevant consideration to determine the place of removal.**

7) Difficulty in implementing the circular may be brought to the notice of the Board. Trade may be kept suitably informed. Hindi version will follow.

(Shankar Sarma)  
OSD (CX 8)

**Circular No. 987/11/2014-CX**

dated 15.10.2014

F.No.209/10/2013- CX.6  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs

To

The Director General (All)  
The Chief Commissioner of Central Excise (All)

**Sub: Export warehousing –Extension of facility at Bhuj Taluka in Kutch District in the state of Gujarat - regarding.**

I am directed to refer to Board's Circular No. 581/18/2001-CX dated 29<sup>th</sup> June, 2001 which, inter-alia, specifies conditions, procedures, class of exporters and places under sub-rule (2) of rule 20 of Central Excise Rules, 2002 for warehousing of excisable goods for the purpose of export. In paragraph 2(2) of the said Circular, the Board has specified places where warehouses may be established to store excisable goods for export. The Board has received representations from the trade to include Bhuj Taluka of Kutch District in the state of Gujarat in the list of places mentioned in the said Circular.

2. The matter has been examined. Board is of the view that extension of the facility of export warehousing to Bhuj Taluka of Kutch district in the state of Gujarat would facilitate the trade and industry. Therefore, it has been decided to amend paragraph 2(2) of the Circular No. 581/18/2001-CX dated 29<sup>th</sup> June, 2001 to include Bhuj Taluka of Kutch District in the state of Gujarat. Accordingly, the said paragraph shall now read as follows:

“(2) Places: The warehouses may be established and registered in Ahmedabad, Bangalore, Kolkata, Chennai, Delhi, Hyderabad, Jaipur, Kanpur, Ludhiana, Mumbai, the districts of Pune and Raigad in the state of Maharashtra, the district of East Midnapore in the state of West Bengal, the district of Kancheepuram in the state of Tamil Nadu, the district of Indore in the state of Madhya Pradesh, the taluka Ankleshwar in the district of Bharuch in the state of Gujarat, Navi Mumbai in the district of Thane in the state of Maharashtra, Sholinghur in the district of Vellore in the state of Tamil Nadu, Bidadi in the Bangalore Rural District, Karnataka, the district of Thiruvallur in the state of Tamil Nadu, the district of Gautam Budh Nagar in the state of Uttar Pradesh, the district of Nagpur in the state of Maharashtra, Tehsil of Tijara of Alwar district in the state of Rajasthan and Bhuj Taluka of Kutch District in the state of Gujarat.”

3. The field formations may suitably be informed. Receipt of this Circular may please

be acknowledged. Hindi version will follow.

Yours faithfully,

**(ROHAN)**

OSD CX.6

**Circular No. 986/ 10/ 2014-CX**

dated 09.10.2014

F. No. 206/10/2014-CX.6  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF EXCISE AND CUSTOMS

To

The Chief Commissioners of Central Excise (All)

**Sub: Audit by officers of Central Excise-reg.**

Doubts have been raised in certain quarters regarding powers of a Central Excise officer to conduct audit, in the background of a recent judgment of Hon'ble High Court of Delhi dated 04.08.2014 in case of M/s Travelite (India) [2014-TIOL-1304-HC-DEL-ST] wherein the Hon'ble court has held that the powers to conduct audit as envisaged in rule 5A (2) of the Service Tax Rules, 1994, does not have appropriate statutory backing and therefore quashed the rule.

2. It may be noted that the judgment did not deal with the issue of audit in Central Excise. It is further clarified that in Central Excise there is adequate statutory backing for audit by the Central Excise Officers. The statutory provisions relevant for audit is clause (x) of Section 37(2) and rule 22 of the Central Excise Rules, 2002. For ease of reference, Section 37(2)(x) is reproduced below :-

**Section 37: Power of the Central Government to make rules-**

*"37(2)(x) : impose on persons engaged in the production or manufacture, storage or sale (whether on their own account or as brokers or commission agents) of salt, and, so far as such imposition is essential for the proper levy and collection of the duties imposed by this Act, of any other excisable goods, the duty of furnishing information, keeping records and making returns, and prescribe the nature of such information and the form of such records and returns, the particulars to be contained therein, and the manner in which they shall be verified;"*

3. Rule 22 of the Central Excise Rules, 2002 provides that the Commissioner may empower an Officer or depute an audit party for carrying out scrutiny or verification of records of the assessee. The rule also obliges an assessee to make available records for such scrutiny.

4. The statutory backing for rule 22 thus flows from clause (x) of section 37(2) and the general rule making powers under section 37(1) of the Central Excise Act, 1944. Clause (x) of section 37(2) empowers the Central Government to make rules for verification of records and returns to check the correctness of levy and collection of duty which in the present regime of self-assessment would mean verification of correctness of self-assessment and payment of duty by the assessee. It may be noted that the expression "verification" used in the section is of wide import and would include within its scope, audit by the Departmental officers, as the procedure prescribed for audit is essentially a procedure for verification mandated in the statute.

5. It is therefore clarified that officers of Central Excise shall continue to conduct audit, as provided in the statute. This clarification may be brought to the notice of the field formations. Hindi version will follow. Difficulty, if any, in the implementation of the instruction may be brought to the notice of the Board.

Yours faithfully,

(ROHAN)  
OSD (CX.6)



[TO BE PUBLISHED IN THE GAZETTE OF INDIA, PART-II, SECTION 3, SUB-SECTION (ii),  
EXTRAORDINARY]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE  
CENTRAL BOARD OF EXCISE AND CUSTOMS

**Notification No 98/2014-Customs (N.T.)**

DATED THE 16<sup>th</sup> October, 2014  
24 Asvina, 1936(SAKA)

S.O. (E). – In exercise of the powers conferred by section 14 of the Customs Act, 1962 (52 of 1962), and in super session of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No.96/2014-CUSTOMS (N.T.), dated the 1<sup>st</sup> October, 2014 *vide* number S.O. 2574 (E), dated the 1<sup>st</sup> October, 2014, except as respects things done or omitted to be done before such super session, the Central Board of Excise and Customs hereby determines that the rate of exchange of conversion of each of the foreign currency specified in column (2) of each of Schedule I and Schedule II annexed hereto into Indian currency or *vice versa* shall, **with effect from 17<sup>th</sup> October, 2014** be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

| S.No. | Foreign Currency    | Rate of exchange of one unit of foreign currency equivalent to Indian rupees |                    |
|-------|---------------------|--|--------------------|
| (1)   | (2)                 | (3)  |                    |
|       |                     | (a)  | (b)                |
|       |                     | (For Imported Goods)   | (For Export Goods) |
| 1.    | Australian Dollar   | 54.75  | 53.45              |
| 2.    | Bahrain Dinar       | 167.95   | 158.80             |
| 3.    | Canadian Dollar     | 55.30  | 54.05              |
| 4.    | Danish Kroner       | 10.75  | 10.45              |
| 5.    | EURO                | 79.90  | 78.00              |
| 6.    | Hong Kong Dollar    | 8.00   | 7.85               |
| 7.    | Kuwait Dinar        | 220.00   | 207.55             |
| 8.    | New Zealand Dollar  | 49.80  | 48.40              |
| 9.    | Norwegian Kroner    | 9.55   | 9.25               |
| 10.   | Pound Sterling      | 99.45  | 97.25              |
| 11.   | Singapore Dollar    | 48.95  | 47.90              |
| 12.   | South African Rand  | 5.70   | 5.40               |
| 13.   | Saudi Arabian Riyal | 16.90  | 15.95              |
| 14.   | Swedish Kroner      | 8.70   | 8.45               |
| 15.   | Swiss Franc         | 66.20  | 64.60              |
| 16.   | UAE Dirham          | 17.25  | 16.30              |
| 17.   | US Dollar           | 62.05  | 61.05              |

SCHEDULE-II

| S.No. | Foreign Currency | Rate of exchange of 100 units of foreign currency equivalent to Indian |
|-------|------------------|--|
|-------|------------------|--|

|     |                | rupees               |                    |
|-----|----------------|----------------------|--------------------|
| (1) | (2)            | (3)                  |                    |
|     |                | (a)                  | (b)                |
|     |                | (For Imported Goods) | (For Export Goods) |
| 1.  | Japanese Yen   | 58.70                | 57.30              |
| 2.  | Kenya Shilling | 71.25                | 67.05              |

[F.No.468/01/2014-Cus.V]

(SATYAJIT MOHANTY)  
DIRECTOR (ICD)  
TELE: 2309 3380

F.No.137/99/2011-Service Tax  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs  
\*\*\*

New Delhi, the 24<sup>th</sup> October, 2014

ORDER NO. 02/2014-SERVICE TAX

In exercise of the powers conferred by sub-rule (4) of rule 7 of the Service Tax Rules, 1994, the Central Board of Excise & Customs hereby extends the date of submission of the Form ST-3 for the period from 1<sup>st</sup> April 2014 to 30<sup>th</sup> September 2014, from 25<sup>th</sup> October, 2014 to 14<sup>th</sup> November, 2014.

The circumstances of a special nature, which have given rise to this extension of time, are as follows:

“Natural calamities in certain parts of the country.”

Himani Bhayana  
Under Secretary (Service Tax)  
Central Board of Excise and Customs

To

All Principal Chief Commissioners of Central Excise  
Principal Directors General Service Tax /Central Excise Intelligence/Systems  
Director General of Audit  
All Principal Commissioners of Service Tax/Central Excise  
All Commissioners of Service Tax/Central Excise  
All Commissioners LTU  
All Principal Additional Directors General Systems  
All Additional Directors General Systems



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**  
[www.rbi.org.in](http://www.rbi.org.in)

RBI/2014-15/273

UBD. BPD (PCB). Cir.No .22 /14.01.062/2014-15

October 22, 2014

The Chief Executive Officer  
All Primary (Urban) Co-operative Banks

Madam/Dear Sir,

**Know Your Customer (KYC) Norms – Clarification on proof of address**

Please refer to our [circular UBD.BPD.\(PCB\).Cir.No.69/14.01.062/2013-14 dated June 10, 2014](#) on the captioned subject. In this connection we also draw your attention to our [circular UBD. BPD \(PCB\). Cir.No. 16/14.01.062/2014-15 dated September 16, 2014](#), forwarding copies of a press release dated August 26, 2014, together with a poster and a booklet on KYC simplification measures initiated by us.

2. In this regard, it has been brought to our notice that despite issuing clear instructions regarding the requirement of one proof of address whether permanent or current, some banks are still insisting on submission of a proof of address for the current address even when a customer produces a proof of permanent address, which prevents many prospective customers, especially migrant workers, from opening bank accounts.

3. In view of the above, banks are advised to ensure that customers are not unnecessarily asked to submit additional proofs of addresses for current addresses in cases where proofs of addresses for permanent addresses are already available. UCBs are requested to confirm to our Regional Offices latest by October 31, 2014, that the above mentioned instruction has been communicated to all their branches and the same have been meticulously complied with.

Yours faithfully

(Suma Varma)  
Chief General Manager

शहरी बैंक विभाग, केंद्रीय कार्यालय, गारमेट हाऊस, पहली मंजिल, डॉ ए बी रोड, वरली, मुंबई- 400018 भारत  
फोन: 022 - 2493 9930 - 49; फैक्स: 022 - 2497 4030 / 2492 0231; ई मेल: [cgmincubd@rbi.org.in](mailto:cgmincubd@rbi.org.in)

Urban Banks Department, Central Office, Garment House, 1 Floor, Dr.A.B.Road, Worli, Mumbai - 400018, India  
Phone: 022 - 2493 9930 - 49; Fax: 022 - 2497 4030 / 2492 0231; Email: [cgmincubd@rbi.org.in](mailto:cgmincubd@rbi.org.in)

बैंक हिन्दी में पत्राचार का स्वागत करता है।

चेतावनी: भारतीय रिज़र्व बैंक द्वारा ई-मेल, डाक, एसएमएस या फोन कॉल के जरिये कोई भी व्यक्तिगत जानकारी जैसे बैंक खाते का ब्योरा, पासवर्ड आदि नहीं मांगा जाता है। यह धन रखने या देने का प्रस्ताव भी नहीं करता है। ऐसे प्रस्तावों का किसी भी प्रकार से जवाब मत दीजिए।

Caution: RBI never sends mails, SMSs or makes calls asking for personal information like bank account details, passwords, etc. It never keeps or offers funds to anyone. Please do not respond in any manner to such offers.



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
www.rbi.org.in

RBI/2014-15/260

DPSS.CO.PD.No.659/02.10.002/2014-2015

October 10, 2014

The Chairman and Managing Director / Chief Executive Officers  
All Scheduled Commercial Banks including RRBs /  
Urban Co-operative Banks / State Co-operative Banks /  
District Central Co-operative Banks

Madam / Dear Sir,

**Usage of ATMs –Rationalisation of number of free transactions - Clarifications**

A reference is invited to the [circular DPSS.CO.PD.No. 316/02.10.002/2014-2015 dated August 14, 2014](#) on the captioned subject. The circular, inter alia, advises that the number of mandatory free ATM transactions (inclusive of both financial and non-financial transactions) for savings bank account customers at other banks' ATMs is reduced from the present five to three transactions per month for transactions carried out at the ATMs located in six metro centres, viz. Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad.

2. We have been receiving references from various stakeholders requesting clarifications as regards the total number of free ATM transactions that banks have to mandatorily provide to their customers in other bank's ATM from November 1, 2014. In this connection, it is clarified as under:

Prior to the issuance of the latest instructions, banks were mandated not to charge any fees to their savings bank account customers for five ATM transactions (inclusive of both financial and non-financial) in a month carried out at other bank ATMs irrespective of the location of the ATMs. With the issuance of the latest instructions while this overall cap remains unchanged, THREE transactions (inclusive of both financial and non-financial) would be free of charge if carried out at other bank ATMs located in six metro centres, viz., Mumbai, New Delhi, Chennai, Kolkata, Bengaluru and Hyderabad. Accordingly, if transactions are carried out at both the six metro centres and other locations, the total number of transactions (inclusive of both financial and non-financial) free of charge at other bank ATMs would continue to remain at FIVE.

3. As indicated in the above circular dated August 14, 2014, banks are, however, free to offer more number of free transactions per month at other bank ATMs as well as own ATMs in any geographical location. Banks are also free to decide on the combination (for metro & non-metro locations) of free transactions while adhering to the minimum requirements.



4. Further, attention is drawn to the provisions indicated in [para 4.1\(iv\)](#) of RBI Master Circular (on Customer Service in Banks) RBI/2014-15/72 DBOD No. Leg.BC.21/09.07.006/2014-15 dated July 1, 2014 placing certain restrictions on the number of withdrawals permitted in small/no frills/basic savings bank deposit accounts, including ATM withdrawals, during a month. It is clarified that the applicability of free transactions (inclusive of both financial and non-financial) at other bank ATMs to small / no frills / basic savings deposit account holders as indicated in our circular dated August 14, 2014 is subject to the provisions indicated in the above Master Circular as amended from time to time.

5. Other provisions of circular dated August 14, 2014 will remain unchanged.

6. The directive is issued under Section 10(2) read with Section 18 of Payment and Settlement Systems Act 2007 (Act 51 of 2007).

Yours faithfully

(Vijay Chugh)  
Principal Chief General Manager

**General Circular No. 38/2014**

No. 1/22/2013-CL-V  
Government of India  
Ministry of Corporate Affairs

5th Floor, "A" Wing, Shastri Bhavan,  
Dr R.P. Road, New Delhi

**Dated: 14<sup>th</sup> October, 2014**

To

All Regional Directors,  
All Registrars of Companies.

**Subject: Right of persons other than retiring directors to stand for directorship – Refund of deposit under section 160 of the Companies Act, 2013 in certain cases.**

**Sir,**

Clarity has been sought by companies registered under section 8 of the Companies Act, 2013 (corresponding to section 25 of Companies Act, 1956) about the manner in which the amount of deposit of rupees one lakh received by them under sub-section (1) of section 160 of the Companies Act, 2013 (Act) is to be handled if the depositor fails to secure more than twenty five per cent of the total valid votes. It has been noted that the relevant provision is silent on such issue.

2. The matter has been examined in the Ministry and it is clarified that in such cases, the Board of directors of a section 8 company is to decide as to whether the deposit made by or on behalf of the person failing to secure more than twenty-five percent of the valid votes is to be forfeited or refunded.

3. This issues with the approval of the competent authority.

Yours faithfully

  
(KMS Narayanan)  
Assistant Director (Policy)

Copy to:-

- ✓ 1. e-Governance Section and web contents Officer to place this circular on the Ministry website
2. Guard File

**General Circular No. 39/2014**

No. 4/2/2014-CL-I  
Government of India  
Ministry of Corporate Affairs

5th Floor, "A" Wing, Shastri Bhavan,  
Dr R.P. Road, New Delhi.

**Dated: 14<sup>th</sup> October, 2014**

To

All Regional Directors,  
All Registrars of Companies,  
All Stakeholders.s


**Subject: Clarification on matters relating to Consolidated Financial Statement.**

Sir,

Government has received representations from stakeholders seeking clarifications on the manner of presentation of notes in Consolidated Financial Statement (CFS) to be prepared under Schedule III to the Companies Act, 2013(Act). These representations have been examined in consultation with the Institute of Chartered Accountants of India (ICAI) and it is clarified that Schedule III to the Act read with the applicable Accounting Standards does not envisage that a company while preparing its CFS merely repeats the disclosures made by it under stand-alone accounts being consolidated. In the CFS, the company would need to give all disclosures relevant for CFS only.

2. This issues with the approval of the competent authority.

Yours faithfully,

  
(KMS Narayanan)  
Assistant Director (Policy)

Copy to:-

1. e-Governance Section and web contents Officer to place this circular on the Ministry website
2. Guard File



**General Circular No. 40/2014**

**F.No. 02/13/2014 CL-V  
Government of India  
Ministry of Corporate Affairs**

**'A' Wing, 5<sup>th</sup> Floor, Shastri Bhawan,  
Dr. Rajendra Prasad Road, New Delhi-110001.**

**Dated: 15.10.2014**

To


All Regional Directors,  
All Registrar of Companies,  
All Stakeholders.

**Subject: COMPANY LAW SETTLEMENT SCHEME, 2014 (CLSS-2014)**

Sir,

In continuation to the Ministry's General Circular No. 34/2014 dated 12.08.2014 on the subject cited above, this Ministry has, on consideration of requests received from various stakeholders, has decided to extend the Company Law Settlement Scheme (CLSS 2014) upto 15<sup>th</sup> November, 2014.

**Yours faithfully,**

  
**(KMS Narayanan)  
Assistant Director  
23387263**

✓ Copy to:- 1. E-Governance Section and Web Contents Officer to place this circular on the Ministry's website.

2. Guard File.

भारत सरकार  
कारपोरेट कार्य मंत्रालय  
अधिसूचना

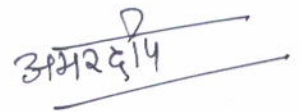
नई दिल्ली, तारीख 24 अक्टूबर, 2014

सा.का.नि. .... (अ) केंद्रीय सरकार, कंपनी अधिनियम, 2013 (2013 का 18) की धारा 467 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए उक्त अधिनियम की अनुसूची 7 में निम्नलिखित और संशोधन करती है, अर्थात्:-

- (i) मद (i) में, "और स्वच्छता का संवर्धन" शब्दों के पश्चात्, "जिसके अंतर्गत स्वच्छता के संवर्धन हेतु केन्द्रीय सरकार द्वारा स्थापित स्वच्छ भारत कोष में अंशदान भी है" शब्द अंतःस्थापित किए जाएंगे;
- (ii) मद (iv) में, "और जल की क्वालिटी बनाए रखना" शब्दों के पश्चात्, "जिसके अंतर्गत गंगा नदी के संरक्षण के लिए केन्द्रीय सरकार द्वारा स्थापित गंगा सफाई कोष में अंशदान भी है" शब्द अंतःस्थापित किए जाएंगे।

2. यह अधिसूचना राजपत्र में प्रकाशन की तारीख को प्रवृत्त होगी।

[फा.सं.1/18/2013-सीएल-V]



(अमरदीप सिंह भाटिया)  
संयुक्त सचिव, भारत सरकार

टिप्पण: अनुसूची 7, 01 अप्रैल, 2014 को प्रवृत्त हुई थी और उसमें अधिसूचना संख्यांक सा.का.नि. 130(अ) तारीख 27 फरवरी, 2014 तथा सा.का.नि. 261(अ) तारीख 31 मार्च, 2014 के शुद्धिपत्र द्वारा और संशोधन अधिसूचना संख्या सा.का.नि.568(अ) तारीख 06 अगस्त, 2014 द्वारा भी संशोधन किया गया था।



[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,  
SECTION 3, SUB-SECTION (i)]

Government of India  
MINISTRY OF CORPORATE AFFAIRS  
NOTIFICATION

New Delhi, the 24th October, 2014

G.S.R \_\_\_\_ (E) In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following further amendments to Schedule VII of the said Act, namely:-

(i) In item (i), after the words "and sanitation", the words "including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation" shall be inserted;

(ii) In item (iv), after the words "and water", the words "including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;" shall be inserted.

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No. 1/18/2013-CL-V]



(Amardeep Singh Bhatia)  
Joint Secretary to the Government of India

Note- The Schedule VII was brought into force with effect from 1st April, 2014 and was amended (effective from 1st April, 2014) vide notification number GSR 130(E) dated 27th February, 2014 and Corrigenda number GSR 261(E) dated 31st March, 2014 and also vide amendment notification number GSR 568(E) dated 6th August, 2014.



**General Circular No. 41/2014**

No. 2/13/2014-CL-V  
Government of India  
Ministry of Corporate Affairs

5th Floor, 'A' Wing, Shastri Bhawan,  
Dr. R.P. Road, New Delhi.

**Dated: 15.10.2014**

To  
All Regional Directors,  
All Registrars of Companies,  
All Stakeholders.

**Subject: COMPANY LAW SETTLEMENT SCHEME, 2014 (CLSS-2014) –  
Clarification u/s 164(2) of the Companies Act, 2013.**

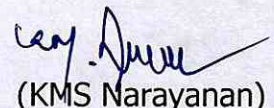
Sir,

Representations have been received from stakeholders seeking clarification as to whether immunity from disqualification of directors pursuant to clause (a) of sub-section (2) of section 164 of the Companies Act, 2013 will be applicable with respect to companies who have filed Balance Sheets and Annual Returns on or after 01/04/2014, but before coming into force of CLSS-2014 with effect from 15.08.2014 as contained in General Circular No. 34/2014 dated 12/08/2014.

2. The matter has been examined and it is hereby clarified that in case of companies, who have filed their balance sheets and annual returns on or after 01/04/2014 but prior to launch of CLSS-2014, disqualification under clause (a) of sub-section (2) of section 164 of the Companies Act, 2013 shall apply only for prospective defaults, if any, by such companies.

3. This issues with the approval of the competent authority.

Yours faithfully,



(KMS Narayanan)  
Assistant Director (Policy)  
23387263

Copy to: - 1. E-Governance Section and Web Contents Officer to place this circular on the Ministry's website.

2. Guard File



कारपोरेट कार्य मंत्रालय

अधिसूचना

नई दिल्ली, तारीख: 14/10 अक्टूबर, 2014

सा.का.नि. (अ). - केंद्रीय सरकार, कंपनी अधिनियम, 2013 (2013 का 18) की धारा 469 की उपधारा (1) और उपधारा (2) के साथ पठित धारा 139 की उपधारा (1), उपधारा (2) और उपधारा (4), धारा 140 की उपधारा (1) और उपधारा (2), धारा 141 की उपधारा (3), धारा 143 की उपधारा (2), उपधारा (3), उपधारा (8) और उपधारा (12), धारा 148 की उपधारा (3) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए कंपनी (लेखा परीक्षा और लेखा परीक्षक) नियम, 2014 का संशोधन करने के लिए निम्नलिखित नियम बनाती है, अर्थात् :-

1. (1) इन नियमों का संक्षिप्त नाम कंपनी (लेखा परीक्षा और लेखा परीक्षक) संशोधन नियम, 2014 है।

(2) ये नियम राजपत्र में प्रकाशन की तारीख से प्रवृत्त होंगे।

2. कंपनी (लेखा परीक्षा और लेखा परीक्षक) नियम, 2014 के नियम 10 के पश्चात् निम्नलिखित अंतः स्थापित किया जाएगा, अर्थात् :-

“10क. धारा 143 की उपधारा (3) के खंड (i) के प्रयोजनों के लिए 1 अप्रैल, 2015 को या उसके पश्चात प्रारंभ होने वाले वित्तीय वर्षों के लिए लेखापरीक्षक की रिपोर्ट में पर्याप्त आंतरिक वित्तीय नियंत्रण प्रणाली और उसके प्रचालन प्रभावकारिता के संबंध में कथन होगा:

परंतु किसी कंपनी का लेखापरीक्षक 1 अप्रैल, 2014 को या उसके पश्चात प्रारंभ होने वाले और 31 मार्च, 2015 को या उससे पूर्व समाप्त होने वाले वित्तीय वर्ष के लिए इस नियम में निर्दिष्ट विवरण स्वेच्छा से सम्मिलित कर सकेगी।”

[फा.सं. 1/33/2013-सीएल-V-भाग]

अमरदीप  
14/10/14

अमरदीप सिंह भाटिया, संयुक्त सचिव

टिप्पण: मूल अधिसूचना सा.का.नि. 246(अ), तारीख 31/3/2014 द्वारा भारत के राजपत्र, असाधारण, भाग-2, खंड 3, उपखंड (i) में प्रकाशित की गई थी।

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i)]

**GOVERNMENT OF INDIA**  
**MINISTRY OF CORPORATE AFFAIRS**  
**NOTIFICATION**

New Delhi, the 14<sup>th</sup> October, 2014

**G.S.R..... (E).** — In exercise of powers conferred by sub-sections (1), (2) and (4) of section 139, sub-sections (1) and (2) of section 140, sub-section (3) of section 141, sub-sections (2), (3), (8) and (12) of section 143, sub-section (3) of section 148 read with sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules to amend the Companies (Audit and Auditors) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Audit and Auditors) Amendment Rules, 2014.

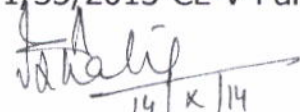
(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Audit and Auditors) Rules, 2014, after rule 10, the following shall be inserted, namely:-

"10A. For the purposes of clause (i) of sub-section (3) of section 143, for the financial years commencing on or after 1<sup>st</sup> April, 2015, the report of the auditor shall state about existence of adequate internal financial controls system and its operating effectiveness:

Provided that auditor of a company may voluntarily include the statement referred to in this rule for the financial year commencing on or after 1<sup>st</sup> April, 2014 and ending on or before 31<sup>st</sup> March, 2015."

[F. No. 1/33/2013-CL-V-Part]



AMARDEEP SINGH BHATIA, Jt. Secy.

**Note .-** The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 246(E), dated the 31<sup>st</sup> March, 2014.

GOVERNMENT OF WEST BENGAL  
DIRECTORATE OF COMMERCIAL TAXES  
14, BFLIAGHATA ROAD, KOLKATA-700015

O R D E R  
Dated: 14.10.2014

Sub: Selection of dealers for special audit under section 43  
of the WBVAT Act, 2003 for the F.Y. 2011-12.

In exercise of the power conferred by section 43A of the West Bengal Value Added Tax Act, 2003, dealers were selected for special audit under section 43A of the Act for F.Y. 2011-12, vide order dated 13<sup>th</sup> June, 2014.

It is found on assessing the progress of special audit that significant number of dealers has been audited. However, in view of intervening Puja holidays and other compelling assignments, requests have been received from Charge Officers to increase the time limit spelt out in the aforesaid order.

Accordingly, Assessing Authorities are directed to complete the special audit within five months from the date of initiation of special audit or by 30<sup>th</sup> November, 2014, whichever is earlier. Further, in rare cases, if further time beyond this period is required, written permission may be sought from me with specific reasons to increase the time limit beyond 30<sup>th</sup> November, 2014.

Sd/-14/10/14  
(Binod Kumar)  
Commissioner, Commercial Taxes,  
West Bengal.

Memo. No. 911CT/PRO  
3C/PRO/2012

Date: 14.10.2014

Copy forwarded to Addl. CCT/ ISD for information and for uploading it in the official website of the Directorate for information of all concerned.

Sd/-14/10/14  
(Adesh Kumar)  
Sr.JCCT & PRO