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P. K. LUHARUKA & CO.
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THIS ISSUE GIVES AN UPDATE ON THE NEW DEDUCTION UNDER INCOME TAX ACT AND PROOFS ELIGIBLE FOR PAN CARD, CENVAT ON INVOICES ISSUED BY AN IMPORTER, CLARIFICATION ON SECTIONS OF THE NEW COMPANIES ACT, 2013 AND THE STEPS TAKEN BY RBI TO CURB NPAS.

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DIRECT TAXES

- a. The Central Government vide, Notification: 94, dated 18th December, 2013, makes the scheme namely, Rajiv Gandhi Equity Savings Scheme, 2013. This scheme shall apply for claiming deduction in the computation of total income of the previous year beginning on or after the 1st, day of April, 2013 on account of investment in eligible securities u/s 80(CCG) of the Income Tax Act, 1961. This scheme shall be available to a **new retail investor** who complies with the conditions of the scheme and whose gross total income for the financial year in which the investment is made under the scheme is less than or equal to **twelve lakh rupees**. The detailed procedure for availing deduction under this scheme is available in the said notification.
- b. In the recent notification: 96 dated 23rd day of December, 2013, the CBDT hereby amends the eligible documents, as proof of identity, address & date of birth, for generation of PAN Card. Through this amendment **Aadhar Card** has become eligible as proof of identity & address.

INDIRECT TAXES

CBEC has amended the Central Excise Rules, 2002 and CENVAT Credit Rules, 2004 in relation to procedures to be followed for availing cenvat credit on invoices issued by an importer vide Notification No. 17/2013- CE(NT) and 18/2013- CE(NT), dated 31st December, 2013, effective from 1st of March, 2013.

COMPANY LAW

- a. The Ministry of Corporate Affairs vide General Circular No. 20/2013, dated 27th December, 2013, hereby clarified that, the shares held by a company or power exercisable by it in another company in a 'fiduciary capacity' shall not be counted for the purpose of determining the holding-subsidary relationship in terms of the provision of Section 2(87) of the Companies Act, 2013.
- b. The Ministry of Corporate Affairs vide General Circular No. 19/2013, dated 10th December, 2013, hereby clarified that, Companies contributing any amount or amounts to an 'Electoral Trust Company' for contributing to a political party or parties are not required to make disclosures required u/s. 182(3) of the Companies Act, 2013. It will suffice if the Accounts of the Company disclose the amount released to an Electoral Trust Company.

RESERVE BANK OF INDIA

The Reserve Bank of India (RBI) in December, last year, outlined a corrective action plan to minimize rising non-performing assets. The plan would include incentivizing early identification of problem cases, timely restructuring of viable accounts. In a discussion paper, the RBI said it would set up a Central Repository of information on large credits (CRILC). Banks will have to furnish credit information to CRILC, of all their borrowers having aggregate fund-based and non-fund based exposure of ₹ 5 Crore and above. In addition, banks would have to furnish details of all current accounts of their customers with outstanding balance (debit or credit) of ₹ 1 Crore and above.