

**2015  
MARCH**

**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 MARCH.

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### DIRECT TAXES

Central Board of Direct Taxes (CBDT) vide circular issues Explanatory Notes to the Provisions of the Finance (No. 2) Act, 2014. (Attached Circular No. 01/2015 dated, 21<sup>st</sup> January, 2015)

### INDIRECT TAXES

CBEC has clarified that minimum two documents – one for Proof of Identity & other proof of address are required for KYC verification to Authorized Courier, as stated in the Board Circular no. 33/2010 – dated 07.09.2010. Board has also decided to expand the list of documents required for KYC verification by including 'Addhar Card' as one of the valid documents for individuals. (Attached Circular No. 07/2015-Customs, dated, 12<sup>th</sup> February, 2015)

### COMPANY LAW

The ministry hereby prescribes Form AOC-5 for intimation to ROC in case books of accounts are prepared at any other place.

### RESERVE BANK OF INDIA

- a. RBI, in its Sixth Bi-Monthly Monetary Policy Statement, 2014-15 decided to keep both the policy repo rate under Liquidity Adjustment Facility and Cash Reserve Ratio of scheduled banks unchanged at 7.75 per cent and 4.0 per cent respectively. The central bank cited that no major developments on the disinflationary process or on the fiscal front since its last month policy on January 15, 2015 has prompted it to maintain the current unchanged rate stance. (Attached Circular Dated 03<sup>rd</sup> February, 2015)
- b. RBI, in its Notification dated 20.02.2015, has put in place revised guidelines for NBFCs seeking to raise money through private placements of Non-Convertible Debentures (NCDs) and has further notified that provisions of Companies Act, 2013 and Rules issued thereunder shall be applicable wherever not contradictory. (Attached Notification Dated 20<sup>th</sup> February, 2015)
- c. RBI, in its Notification dated 24.02.2015, has notified that in terms of Section 3(6) of the SARFAESI Act, 2002, every Securitisation Company / Reconstruction Company (SC / RC) is required to obtain prior approval of the Reserve Bank for any substantial change in its management. For the purpose of this section, the expression "substantial change in management" means the change in the management by way of transfer of shares or amalgamation or transfer of the business of the company. . (Attached Notification Dated 24<sup>th</sup> February, 2015)

### MEMBERS

With a view to support our members for fast resolution of bank audit queries, the Auditing and Assurance Standards Board (AASB) is pleased to offer an Online support to our members from **23th March, 2015 to 11th April, 2015** for the bank branch audits for the year ended 31st March 2015. The queries can be sent at **bankauditfaq@icai.in**.

### WEST BENGAL STATE LAWS

- a. For Sale-Purchase Mismatch for the 2012-13 the last date for submission of reconciliation if further extended till 23/03/2015.
- b. For obtaining MICRO-BUSINESS CREDIT CARD for obtaining loan upto five lakh rupees, Dealers registered for a minimum of three years please contact Charge Officers or PRO along with two copies of passport size photograph. Application for MICRO-BUSINESS CREDIT CARD is now available in Notice board.

### CASE LAWS

- a. S. 54F is a beneficial provision which has to be construed liberally. Even if construction/ purchase of new house is not completed within stipulated period, deduction is admissible if investment is made – **S. Uma Devi vs. CIT (ITAT Hyderabad)**
- b. The entire unaccounted sales cannot be assessed as undisclosed income particularly if the purchases have been accounted for. Only the net profit on such unaccounted sales can be taken as income – **CIT vs. Hariram Bhambhani (Bombay High Court)**
- c. S. 143(3) assessment order is not a scrap of paper & AO is expected to have applied his mind. Reopening on ground of "oversight, inadvertence or mistake" is not permissible. **CIT vs. Jet Speed Audio Pvt. Ltd. (Bombay High Court)**