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About **KARMA** :

Karma Management Consultants Pvt. Ltd. (KMCPL) an ISO-9001:2008 certified company is a pioneer in developing and providing customized personnel solutions, uniquely conceptualized and designed in line with the operational need of the client's organization by its promoters since 30 years. The end to end Outsourcing, Staffing, Payroll Management and Personnel Laws Consultancy Solutions are cost effective & tailor made to suit the clients business. KMCPL has today undergone a 360 degree change to provide multiple personnel solution services to its clients under one roof with the strong support of its dedicated and committed team driving the future growth and expansion for the organization.

A Complete HR Related Services Ranging From Placement to Personel Outsourcing

- * Payroll Management & PF, ESI Compliance
- * Outsourcing & Temp Staffing
- * Audit & Compliance
- * Recruitment & Talent Management
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FROM THE MANAGEMENT DESK



Kishor Vaidya
Principal Consultant | Chairman & Managing Director
Karma Management Consultants Pvt. Ltd.



Pratik Vaidya
Principal Consultant | Director
Karma Management Consultants Pvt. Ltd.

**May the blessings of Ganesha
deity of love, wealth and fortune
bestow you with
opulence
&
prosperity.
May you have sparkling Deepavali
&
Happy New Year**

With Best Wishes



- ▣ Audit & Compliance
- ▣ Outsourcing & Temp Staffing
- ▣ Recruitment & Talent Management

- ▣ Payroll Management
- ▣ PF, ESI Compliance
- ▣ Training & Development

Other Group Companies



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SC ALLOW CLUBBING OF TWO ESTABLISHMENTS AS ONE FOR THE PURPOSES OF THE PF THERE WAS UNITY OF OWNERSHIP, MANAGEMENT, CONTROL, FINANCE, LABOUR AND FUNCTIONAL INTEGRITY

When two establishments are run by the same family under a common management with common work force & with financial integrity, they are expected to be treated as branches of one establishment for the purposes of the provident fund act, the supreme court ruled last week. In this appeal the firm argued that the authorities had clubbed two establishment as one & demanded provident fund contribution from both. It argued that they were in separate business enterprises & registered as separate private limited companies. However, the Delhi high court and the Supreme Court accepted the contention of the PF Commissioner that they were not separate entities. It said that the tests in such cases was whether there was unity of ownership unity of management and control, unity of finance and unity of labour and unity of functional integrity.

HOW COSTLY CAN THE DELAY IN FILING TAX RETURNS BE?

Question:- What are the due dates ?

Answer:-Assessee having income from salary have to file return of income before July 31 of the assessment year. This is the 'due date' prescribed in section 139(1) of the Income Tax Act, 1961. Self-employed businessmen, professionals, & those deriving income from let-out property too have to file their returns by this date. However, businessmen & professionals with aggregate turnover or annual receipt exceeding Rs 60 lakh (in the case of business) & Rs 15 lakh (in the case of profession) have time up to September 30 for filing their return of income.

Question:-Are there any benefits in filing by the due date?

Answer:- An assessee filing return by the 'due date' provided in the statute is eligible to file a revised return if he discovers any omission or wrong statement therein. Time limit for filing revised return is one year from the end of the assessment year or before completion of assessment. No penalty would be levied for filing a revised return on voluntary basis.

Question:-So, by filing late, does one lose the revision option?

Answer:- Yes. If an assessee does not file his return within the 'due date' and files his return subsequently, he cannot have the benefit of revising the return, as the return filed beyond the 'due date' is treated as 'belated return'.

Question:-Any other advantages of sticking to the deadline?

Answer:-The taxpayer gets the advantage of carry forward and set off of losses, such as loss from business and loss under the head 'capital gains'. If the return is filed beyond the 'due date' mentioned in section 139(1), these losses cannot be carried and set off against the income of subsequent years. Yet another advantage of filing return before 'due date' is the eligibility for interest on tax refund from April 1 of the assessment year.

Question:-Can delay, therefore, be wasteful for 'refund' cases?

Answer:-Yes, because where the return is filed after the 'due date', interest on refund is paid only for the period from the month of filing the return to the date of refund. In other words, no interest is paid for the period from April 1 of the assessment year to the date of filing the 'belated return'.

Question:-Do those with 'nil' tax liability have anything to fear?

Answer:-Where the return is filed beyond the 'due date', the taxpayer has to pay interest if any, on tax liability existing beyond tax deducted at source (TDS) or tax collected at source (TCS) or the advance tax paid. The question of interest does not arise where tax due for payment is 'nil', as would be in the case of most salaried people who pay their taxes through the TDS route. Legally, a taxpayer can file his return before the end of the assessment year without any penalty (however with penal interest under section 234A). Again, the question of penal interest does not arise in the 'nil' cases discussed above. For the assessment year 2011-12, return of income could be filed up to March 31, 2012.

Question:-How costly can delay in filing IT return be?

Answer:-Apart from interest and penal interest, there are other implications. If the return is filed after March 31, 2012 but before March 31, 2013 the AO (Assessing Officer) could levy a penalty of Rs 5,000 under section 271F. Even when there is no further tax payable on the income admitted, penalty under section 271F is leviable for the delay. If the return is filed after March 31, 2013 then such return would become an invalid return.



IMPORTANT GLANCE ON CASE LAWS

- ▣ High Court will interfere with disciplinary enquiry when there is either perversity or unreasonableness.
- ▣ The Disciplinary Authority can change his views after going through the explanation to the show cause notice.

Reference: [Subhashchandra Mukherjee vs. Chairman 2011 LLR 1049]

- ▣ Reinstatement with back-wages, as awarded by the Labour Court to the respondents who were engaged for a short duration for less than one hour for cleaning the bank premises, is liable to be quashed since the claimants failed to prove that they have worked for more than 240 days during preceding 12 months or they had any relationship of employer and employee.
- ▣ For challenging termination by the workmen for violation of section 25F of the Industrial Disputes Act providing for payment of retrenchment compensation and one month's notice pay in lieu thereof at the time of termination of the workman. It is also imperative on the part of the claimant to prove that he has worked for more than 240 days in preceding 12 months.
- ▣ Employer-employee relationship cannot be proved without support of written original documents produced in evidence.
- ▣ Appropriate Government is State Government and not the Central Government in respect of employees of Bank having branches in more than one State.
- ▣ Granting back-wages not justified when the workmen have not pleaded in the statement of claim supported by documents that they did not get employment despite efforts or they are sitting idle without employment having no source of their livelihood.
- ▣ Reliance by Labour Court on zerox copies of the documents produced by workmen for proving their working for more than 240 days in the preceding year of filing the complaint is erroneous.
- ▣ Fixed-term employees are not entitled to claim regularization.

Reference: [The Saraswat Co-Op. Bank Limited vs. The Saraswat Co-Op. Bank Employees Union & Ors. 2011 LLR 1059]

- ▣ On transfer of property of one establishment to the other, the vendee will be liable for arrears of the provident fund dues as per the provisions of section 17B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- ▣ Even when the strength of employees of a covered establishment is reduced to less than 20, the Act will continue to apply.

Reference: [A.L. Subramanian vs. Employees' Provident Fund Appellate Tribunal, New Delhi & Ors. 2011 LLR 1074]

Amendments & Notifications

Gujrat Minimum Wages w.e.f. 1 October 2011

1	Hotel Restaurant & Eating houses	Unskilled	I	135.1	41.2	176.30	4583.80
		Semi skilled	I	136.5	41.2	177.70	4620.20
		Skilled	I	137.6	41.2	178.80	4648.80
		Unskilled	II	134.4	41.2	175.60	4565.60
		Semi skilled	II	135.8	41.2	177.00	4602.00
		Skilled	II	136.9	41.2	178.10	4630.60
		Unskilled	III	134	41.2	175.20	4555.20
		Semi skilled	III	135.4	41.2	176.60	4591.60
		Skilled	III	136.2	41.2	177.40	4612.40
2	Private Security Guard Services	Unskilled	I	94	61.2	155.20	4035.20
		Semi skilled	I	96	61.2	157.20	4087.20
		Skilled	I	98	61.2	159.20	4139.20
		Unskilled	II	93	61.2	154.20	4009.20
		Semi skilled	II	95	61.2	156.20	4061.20
		Skilled	II	97	61.2	158.20	4113.20
3	Public Motor Transport	Unskilled	I	140.5	41.2	181.70	4724.20
		Semi skilled	I	142.7	41.2	183.90	4781.40
		Skilled	I	145.6	41.2	186.80	4856.80
4	Shops and establishments	Class III	I	135.7	41.2	176.90	4599.40
		Class II	I	138.7	41.2	179.90	4677.40
		Class I-B	I	141.7	41.2	182.90	4755.40
		Class I-A	I	144.7	41.2	185.90	4833.40
		Class III	II	135	41.2	176.20	4581.20
		Class II	II	135.7	41.2	176.90	4599.40
		Class I-B	II	137.4	41.2	178.60	4643.60
		Class I-A	II	141.7	41.2	182.90	4755.40
		Class III	III	134.4	41.2	175.60	4565.60
		Class II	III	135	41.2	176.20	4581.20
		Class I-B	III	135.7	41.2	176.90	4599.40
		Class I-A	III	137.4	41.2	178.60	4643.60

Revised D.A. Rates by the Central Government w.e.f. 1-10-2011

Government of India
Ministry of Labour & Employment
Office of the Chief Labour Commissioner(C)
New Delhi

Dated: September, 2011

O R D E R

In exercise of the powers conferred by Central Government vide Notification 1285(E) dated 20-5-2009 of the Ministry of Labour and Employment the undersigned, hereby revise the rates of Variable Dearness Allowance on the basis of the average consumer price index number for the preceding period of six months ending on 30-6-2011 reaching 186.67 from 180.50 (base 2001 = 100) and thereby resulting in an increase of 6.17 points for Industrial Workers as under. This order shall come into force w.e.f. 1-10-2011.

The rates of Variable Dearness Allowance for workers employed in CONSTRUCTION OR MAINTENANCE OF ROADS OR RUNWAYS OR IN BUILDING OPERATIONS INCLUDING LAYING DOWN UNDERGROUND ELECTRIC, WIRELESS, RADIO, TELEVISION, TELEPHONE, TELEGRAPH AND OVERSEAS COMMUNICATION CABLES AND SIMILAR OTHER UNDERGROUND CABLING WORK, ELECTRIC LINES, WATER SUPPLY LINES AND SEWERAGE PIPE LINES would be as under:-

Category of worker	Rates of V.D.A. Area wise per day (in Rupees)		
	A	B	C
Unskilled	76.00	62.00	51.00
Semi-Skilled/Unskilled Supervisory	83.00	70.00	59.00
Skilled/Clerical	92.00	83.00	70.00
Highly Skilled	99.00	92.00	83.00



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List of Central Govt. Holidays 2012

MOST IMMEDIATE

F.No.12/3/2011-JCA-2

Government of India

Ministry of Personnel, Public Grievances and Pensions
(Department of Personnel and Training)

North Block, New Delhi
Dated the 27th June, 2011

Subject: Holidays to be observed in Central Government Offices during the year 2012.

It has been decided that the holidays as specified in the **Annexure - I** to this O.M. will be observed in all the Administrative Offices of the Central Government located at Delhi/New Delhi during the year 2012. In addition, each employee will also be allowed to avail himself/herself of any two holidays to be chosen by him/her out of the list of Restricted Holidays in **Annexure - II**.

2. Central Government Administrative Offices located outside Delhi / New Delhi shall observe the following holidays compulsorily in addition to three holidays as per para 3.1 below:

1. **REPUBLIC DAY**
2. **INDEPENDENCE DAY**
3. **MAHATMA GANDHI'S BIRTHDAY**
4. **BUDHA PURNIMA**
5. **CHRISTMAS DAY**
6. **DUSSEHRA (VIJAY DASHMI)**
7. **DIWALI (DEEPAVALI)**
8. **GOOD FRIDAY**
9. **GURU NANAK'S BIRTHDAY**
10. **IDU'L FITR**
11. **IDU'L ZUHA**
12. **MAHAVIR JAYANTI**
13. **MUHARRAM**
14. **PROPHET MOHAMMAD'S BIRTHDAY (ID-E-MILAD)**

3.1. In addition to the above 14 Compulsory holidays mentioned in para 2, three holidays shall be decided from the list indicated below by the Central Government Employees Welfare Coordination Committee in the State Capitals, if necessary, in consultation with Coordination Committees at other places in the State. The final list applicable uniformly to all Central Government offices within the concerned State shall be notified after seeking prior approval of this Ministry and no change can be carried out thereafter. It is also clarified that no change is permissible in regard to festivals and dates as indicated.

1. **AN ADDITIONAL DAY FOR DUSSEHRA**
2. **HOLI**
3. **JANAMASHTAMI (VAISHNAVI)**
4. **RAM NAVAMI**
5. **MAHA SHIVRATRI**
6. **GANESH CHATURTHI / VINAYAK CHATURTHI**
7. **MAKAR SANKARANTI**
8. **RATH YATRA**
9. **ONAM**
10. **PONGAL**
11. **SRI PANCHAMI / BASANTA PANCHAMI**
12. **VISHU/ VAISAKHI / VAISAKHADI / BHAG BIHU / MASHADI UGADI / CHAITRA SAKLADI / CHETI CHAND / GUDI PADA 1st NAVRATRA / NAURAJ/CHHATH POOJA/KARVA CHAUTH.**





COMPLIANCE Checkup

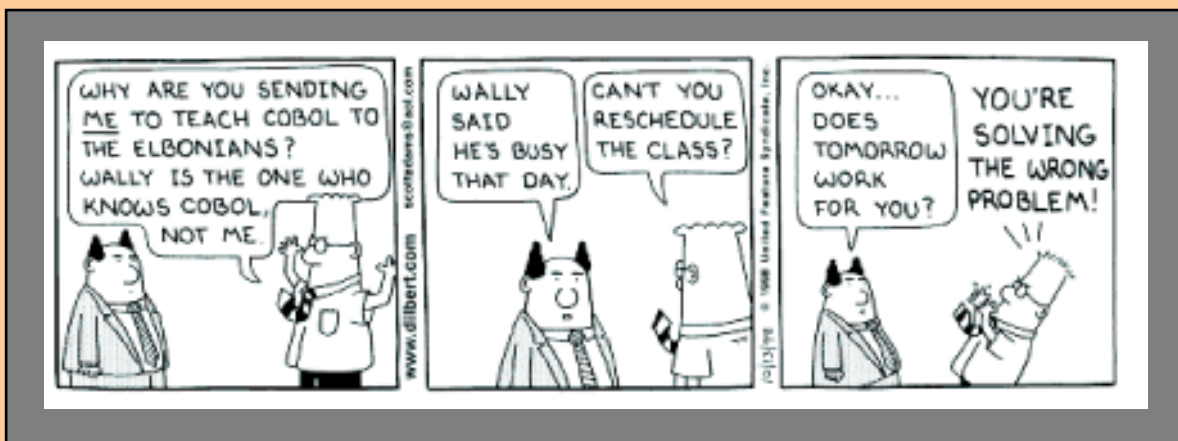
Statutory Compliance November 2011

- ✓ **Pay PF before 15.11.2011**
- ✓ **Pay ESIC before 21.11.2011**
- ✓ **Pay Profession Tax before 30.11.2011**
- ✓ **Submit Form No. 5 & 10 under PF Act before 15.11.2011**
- ✓ **Submit Form No. 12 A under PF act before 25.11.2011**
- ✓ **Submit Return of Contribution under the Employees State Insurance Act, 1948 before 12.11.2011 (Form No. 5)**

** [Employers employing International Labour to submit the information to the EPFO]*



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