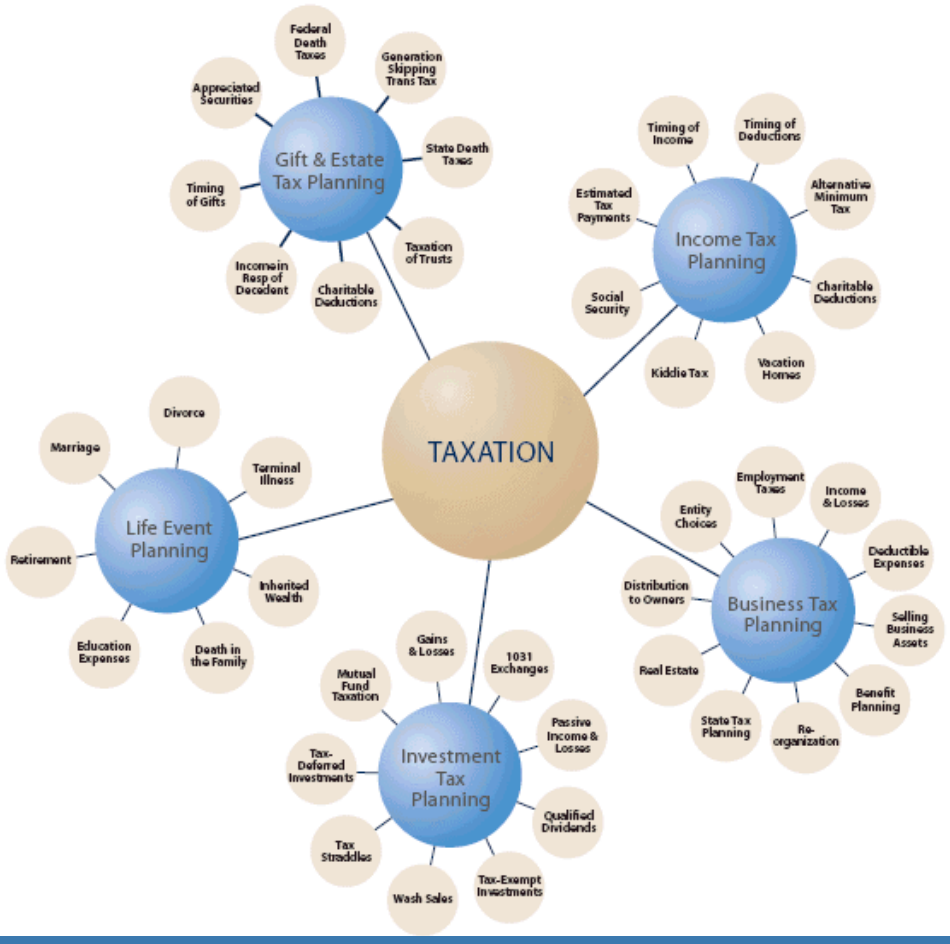
ASC Times

All India Taxes Weekly Referencer

Vol: February 15-21, 2015



From the CEO's Desk

Dear Friends!!!!!

Greetings!!

After so many months of uncertainty and speculations Delhi will now have, not only stable government but also an almost absolute powerhouse in terms of majority. They do have created history, and must have learned their lesson from the failure last time. But how will it impact in the behavior of AAP leaders that is a "wait and watch" situation. They definitely have an impressive manifesto and have made soaring promises. But here we are more concerned about the status of a permanent and full statehood for Delhi. And also about the promises they have made to decrease the rate of VAT and ease out the VAT procedures. We really hope that this time around they will have some solid output rather than excuses. They have to be in the good books of BJP led central government because Delhi being the capital is more vulnerable and always a target for criticism.

Other thing we are excited about is the Cricket World Cup, which has started with a bang. India has shown its mettle by winning the last cup, so obviously expectations from team India are high. Hope they are able to take the pressure and perform well too, especially when the matches are happening in Australia and New Zealand.

People have already started staring at Finance Minister, in the anticipation of the Budget 2015. We invite analysis of the Budget, as we will be publishing a dedicated issue of ASC Times on Budget. So any insights are welcome and we would like to incorporate them in our issue.

Wishing you good health and wealth.

CEO
ASC Group

TAX CALENDAR

Due Date	Compliances from 15/02/15 to 21/02/15
15th Feb	VAT/CST/WCT/ET Payment of Bihar, Sikkim for the month of January Issue of Quarterly TDS/TCS certificate for Dec quarter for Govt. deductors Provident Fund e-Payment for Jan, 2015
20th Feb	VAT/CST/WCT/ET Payment of Andhra Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh, Uttarakhand, Manipur for the month of Jan
21st Feb	VAT/CST/ Entry Tax/ PT Payment for the month of Jan for Assam, Delhi, Maharashtra, Odisha, West Bengal, Nagaland, Meghalaya

Country Wide Holidays for the Week

Date	State	Occasion/Festival
17th Feb	All States	Maha Shivratri
19th Feb	Maharashtra (Mumbai) Sikkim	Chhatrapati Shivaji Maharaj Jayanti Losar

Index Guide

CENTRAL TAXES

SERVICE TAX

COURT DECISIONS

COMMISSIONER OF CENTRAL EXCISE, TIRUNELVELI V/S AIR KING TRAVELS (Madras HC)

BRIEF: The respondent, a travel agent who is bound to pay service tax has made a short payment. Thus, a show cause notice has been issued. However the demand made in the show cause notice has been rejected by the Commissioner of Appeals as well as by the CESTAT. Hence, the Department filed an appeal against the said order.

OUR TAKE: In the above case**, the Hon'ble Madras High Court** held that the respondent has made a short payment of service tax in respect of the service rendered by it. Under the said circumstances, the claim made by the Department is inconsonance with law and the same cannot be turned down. Since the assessee has made a short payment of service tax, it means that there is a suppression of value of taxable service. Hence, it is liable to penalty u/s 78 of the Finance Act, 1994 and the case is decided in favour of revenue

M/S. SOUTHERN PROPERTIES & PROMOTERS V/S THE COMMISSIONER OF CENTRAL EXCISE, COIMBATORE (Madras HC)

BRIEF: The appellant, providing taxable service under the category of 'Construction of Residential Complex Service' entered into a joint venture agreement with a land owner for construction of 72 flats in three blocks, viz., 24 flats in each block. The appellant owned 48 flats and balance 24 were owned by the land owner as his share equivalent to the land. Although, the appellant has paid the service tax on the sale of 48 flats to independent third parties, it failed to pay service tax on 24 flats owned by the land owner, the reason being that the appellant had not received any amount as consideration for the construction of the flats allotted to the land owner. Hence, a SCN demanding service tax, interest and penalty was issued.

OUR TAKE: In the above case, the **Hon'ble Madras High Court** held that value of taxable service should be equivalent to the gross amount charged by the service provider to provide similar service to any other person, that is to say, the value of taxable service rendered in relation to the flats sold to independent persons. The ratio decided here is the consideration of Rule 3 of the Service Tax (Determination of Value) Rules, 2006. The appeal by the assessee was therefore dismissed and the pre-deposit ordered by the Tribunal was justified.

HARITA TVS TECHNOLOGIES LTD. V/S COMMISSIONER OF SERVICE TAX, BANGALORE-SERVICE TAX (CESTAT Bangalore)

BRIEF: The appellant rendered consulting engineer service and temporary manpower supply service. Where, technically qualified engineers are provided on a temporary basis, service tax has not been paid. However, service tax has been regularly paid on the consulting engineer service provided by them to their customers. The assessee submits that the services provided were only of manpower supply. Yet the submissions were not considered and, service tax along with interest and penalty has been ordered.

OUR TAKE: In the above case **the Hon'ble CESTAT Bangalore** held that the claim of the appellant that the service rendered was covered by manpower supply service had some validity. Further the claim that the service tax had been paid under consulting engineer service was not made before the original adjudicating authority. Moreover, a small amount relates to IT support service which is also required to be considered for the purpose of levy. Since the issues had not been examined in detail, the matter was remanded back.

M/s CREST PREMEDIA SOLUTIONS PVT LTD. V/S COMMISSIONER OF CENTRAL EXCISE, PUNE–III (CESTAT Mumbai)

BRIEF: Appellant is a provider of "Business Auxiliary Services" which is exported. They were filing refund claims regularly under Rule 5 of CENVAT Credit Rules in respect of unutilized CENVAT credit of input services, used in the output services which were exported. On one such occasion the rebate claim along with the declaration to be

filed was delayed. The rebate claim was rejected on the ground that the declaration was to be filed prior to expiry of one year from the date of export of services.

OUR TAKE: : In the above case **the Hon'ble CESTAT Mumbai** held that the conditions prescribed in **Notification No. 12/2005-ST dated 19.04.2005** have been complied with by the appellant. The procedure was not followed only to the extent that declaration was filed after the export of services. All records are easily verifiable and there hasn't been any duplication of refund. The appellant had not availed CENVAT Credit under Rule 5 of the CENVAT Credit Rules, 2004. Hence the procedure not being followed for filing the declaration is only a procedural formality and the rebate was thus sanctioned, thereby deciding the case in favour of assessee.

CENTRAL EXCISE

NOTIFICATIONS & CIRCULARS

INSTRUCTIONS REGARDING ADJUDICATION OF CENTRAL EXCISE AND SERVICE TAX CASES BOOKED BY DGCEI

The **CBEC vide Circular No. 994/01/2015-CX dated 10th Feb, 2015** has extended the jurisdiction of the Director General over to Principal Commissioners/ Commissioners of Central Excise so that he may assign cases, where SCNs have been issued by the officers of the DGCEI, for adjudication to the field Commissioners also.

To assign cases for adjudication following general guidelines shall be followed:-

i) All cases where the duty involved is more than Rs. 5 crores shall be adjudicated by the ADG (Adjudication).

ii) Cases to be adjudicated by the executive Commissioner, when pertaining to jurisdiction of one executive Commissioner of Central Excise, shall be adjudicated by the said executive Commissioner of the Central Excise.

iii) When cases pertain to jurisdiction of multiple Commissionerates, they shall be adjudicated by the Commissioner in whose jurisdiction the noticee from whom the highest demand of duty has been made, falls.

iv) Where DGCEI proposes appointment of an adjudicating authority not in conformity with the above guidelines, DGCEI shall forward such proposal to the Board.

v) Past cases pending adjudication shall be examined in the light of above guidelines and DGCEI shall take appropriate actions.

vi) Cases to be adjudicated by the officers below the rank of Commissioner shall be adjudicated only by the field officers in the executive Commissionerates.

OUR TAKE: Pursuant to the Cadre structuring and reorganization of CBEC, new posts in the rank of Principal Commissioners of Central Excise or Commissioners of Central Excise have been created in DGCEI, for various purposes including for adjudication of cases. Additional Director General (Adjudication) in DGCEI shall adjudicate cases where the show cause notices are issued by the officers of DGCEI. The practice of adjudication of DGCEI cases by field Commissioners shall also continue.

COMMISSIONER OF CENTRAL EXCISE CHENNAI V/S M/S. ALLIED INDUSTRIES (Madras HC)

BRIEF: The respondent is a manufacturer of iron and steel products. It had opted for payment of duty under the compounded levy scheme in terms of sub-section (1) of Section 3A of the Central Excise Act read with Rules 96 ZP of the Central Excise Rules and accordingly, duty was determined by the Commissioner. As per provisions of this rule, a manufacturer opting for compounded levy scheme should pay the whole amount of duty so determined by the 10th day of such month or else the duty is liable to be paid along with interest and penalty. Since the assessee failed to make payment as prescribed, a SCN was issued. However, the penalty was reduced by the CESTAT. The Revenue filed an appeal against the same.

OUR TAKE: In the above case **the Hon'ble Madras High Court** held that penalty under Rule 96 ZP is mandatory penalty. There is no discretion available for reducing the penalty. Since the payment has not been made as per the standing provisions, the assessee has to make the payment of the whole amount. There is no question of reduction of the penalty.

M/S. JUBILIANT ENGINEERING LTD. V/S CCE, COIMBATORE (CESTAT Chennai)

BRIEF: The appellants are 100% EOU registered with the Central Excise for the manufacture of valve assemblies. Though the appellants are not required to pay duty on the export goods, they have exported the goods on payment of duty by debiting through their CENVAT Credit account. Subsequently, they have filed rebate claim before the ACCE. Thereafter the appellants vide a letter requested the Department to cancel the rebate claim. Since no reply was received from the department, they have availed the re-credit. The adjudicating authority issued a SCN on the ground that the appellants are not entitled to avail CENVAT Credit.

OUR TAKE: In the above case **the Hon'ble CESTAT Chennai** held that the appellants are eligible to avail CENVAT Credit on the inputs. Once the appellants' rebate claim is cancelled they

are entitled to take re-credit in their CENVAT account. Accordingly, the appellants are eligible for re-credit of the amount in their CENVAT account. Hence, the impugned order is set aside.

CUSTOMS

COURT DECISIONS

HITACHI HOME & LIFE SOLUTION LTD. V/S COMMISSIONER (Supreme Court)

BRIEF: The appellant filed 12 bills of entry declaring the goods under importation, originating from Thailand and classifying the goods under CTH No.84182100 and claiming the benefit of notification No. 85/04-Cus dated 31-8-2004 which provides for a concessional rate of customs duty on specified goods imported from Thailand under the Free Trade Agreement between India and Thailand. The A.O. classified the goods under CTH 84181090 on the ground that the goods under importation were combined refrigerators-freezers, fitted with separate external doors and therefore, not eligible for the aforesaid exemption. The assessee filed an appeal against it.

OUR TAKE: In the above case, the **Hon'ble Supreme Court** seconded the decision passed by CESTAT where it was held that classification of combined refrigerator-freezer with separate external doors would be under sub-heading 8418.10 and not under 8418.21. Accordingly these goods are not covered under Sl.No. 50 of notification No. 85/2004-Cus dated 31-8-2004. Hence the appeal was dismissed.

DINESH D. BAJAJ V/S THE COMMISSIONER OF CUSTOMS (SEAPORT-EXPORT), CUSTOM HOUSE AND THE CUSTOMS EXCISE AND SERVICE TAX APPELLATE TRIBUNAL (Madras HC)

BRIEF: The appellant imported consignments of self-adhesive tapes. A SCN was issued together with penalty under Section 114A of the Customs Act equivalent to the duty along with interest, alleging mis-declaration of the value of the goods imported. It was also alleged that the appellant was involved in gross mis-declaration of value of payment of duty. The Tribunal ordered a pre-deposit of Rs 45 lacs.

OUR TAKE: In the above case, the **Hon'ble Madras High Court** held that since the appellant had admitted the undervaluation of the goods he is rightly liable to pay the pre-deposit amount equal to 30% of the total amount demanded. The grant of waiver of pre-deposit depends on the facts and circumstances of each case and the discretion is vested with the Tribunal to grant the same. Since there is no documentary evidence in favour of the financial hardship, the order of the Tribunal cannot be interfered with.

OM SHIVAY ENTERPRISES V/S THE CHIEF COMMISSIONER OF CUSTOMS & ORS (Delhi HC)

BRIEF: The appellant has paid the Special Additional Duty (SAD) of Customs in respect of a certain Bill of Entry. The goods imported under the said bill of entry were sold and accordingly the VAT Payment was made within one year from the date of payment of SAD. The lower appellate authority has however rejected the refund stating that the VAT payment had been made only after the filing of Refund application. The assessee filed an appeal against the same.

OUR TAKE: In the above case, the **Hon'ble Delhi High Court** held that Notification No. 102/2007-Cus dated 14/09/2007 governs the payment of SAD. The conditions stipulated therein are that the goods sold in the domestic market on payment of Sales Tax/VAT and the documents evidencing payment of SAD and payment of appropriate sales tax should be produced and the claim should be made within a period of one year from the date of payment of SAD which the appellant has rightly done. The stipulated conditions are therefore complied with by all means. Therefore, the refund claim cannot be rejected.

INCOME TAX

NOTIFICATIONS & CIRCULARS

CHARGEABILITY OF INTEREST UNDER SECTION 234A OF THE INCOME-TAX ACT, 1961 ON SELF-ASSESSMENT TAX PAID BEFORE THE DUE DATE OF FILING OF RETURN OF INCOME

The **CBDT vide Circular No. 02/2015 dated 10th February 2015** has decided that no interest under section 234A of the Act is chargeable on the amount of self-assessment tax paid by the assessee before the due date of filing of return of income.

OUR TAKE: Interest under Section 234A of the Income-tax Act, 1961 (hereinafter the Act) is charged in case of default in furnishing return of income by an assessee. The interest is charged at the specified rate on the amount of tax payable on the total income, as reduced by the amount of advance tax, TDS/TCS, any relief of tax allowed under section 90 and section 90A and any other deduction in accordance with the provisions of the Act. Since self-assessment tax is not

mentioned as a component of tax to be reduced from the amount on which interest is chargeable, interest is being charged on the amount of self-assessment tax paid by the assessee even before the due date of filing of return.

Henceforth the interest under section 234A shall be payable only on the amount of tax that has not been deposited before the due date of filing of the income-tax return for the relevant assessment year.

COURT DECISIONS

COMMISSIONER OF INCOME TAX, AHMEDABAD-IV V/S AKZO NOBLE NON STICK COATINGS LTD. (Gujarat HC)

BRIEF: The assessee is engaged in the manufacturing of goods and is also entitled to deduction U/s. 80IB and 10B of the Act. The deductions have been claimed by the assessee in the past and have also been allowed in the scrutiny assessments. However for the year under consideration, the A.O. discarded the books of accounts of the assessee while considering the benefit of exemption under Section 10B and 80IB of the Income Tax Act stating that the production shown by the assessee is exceeding the sanction limit and the production data are inflated. Thus, he has re-worked the deduction U/s 80IB and 10B.

OUR TAKE: In the above case, the **Hon'ble Gujarat High Court** held that the A.O. has not brought on record the findings of any other government or regulatory authority who has doubted the production of the assessee. Even after the rejection of books of accounts, the total income before deduction has not been disturbed by A.O. Since the Revenue has not brought any material on record to support the contention of the A.O., the re-working of the deduction u/s 10B and 80IB are not justified.

THE COMMISSIONER OF INCOME-TAX AND THE ASSISTANT COMMISSIONER OF INCOME-TAX, CENTRAL CIRCLE-1(4) BANGALORE V/S M/S. FIRST SECURITIES PVT. LTD. (Karnataka HC)

BRIEF: The assessee is a share broker and a member of both National Stock Exchange and Bangalore Stock Exchange whose business is trading of shares on behalf of clients, which is known as jobbing or arbitrage. The assessee incurred loss in the business which was set off against income from other sources. However, the assessing authority considers that the loss should be treated as speculative business loss and could not be set off against any other profits. Therefore, he rejected the claim of the assessee.

OUR TAKE: In the above case, the **Hon'ble Karnataka High Court** held that transactions in the nature of jobbing and arbitrage are not to be considered as speculative transaction and the loss suffered in such transactions would be a business loss. It is a loss which may arise in the course of such business and may be set of against income from the other sources. Therefore the claim of the assessee was allowed.

STATE TAXES

ALL INDIA VAT

NOTIFICATIONS & CIRCULARS

SIKKIM

The **Govt. of Sikkim vide Notification No. Gos/CTD/06-07/12-A2(79)/115 dated 7th February 2015** hereby specifies the rate of local sales tax in respect of the following goods listed in Schedule - II as under, namely :-

Sl.No.	Name of goods	Rate of tax
1.	Motor Spirit	25 paise per rupee
2.	High Speed Diesel	15 paise per rupee

OUR TAKE: The notification is self explanatory.

RAJASTHAN

The **Govt. of Rajasthan vide Dealer Circular – 20 dated 6th February 2015 has** communicated about the procedure to be adopted for filing the application for closure of business in form VAT- 06A which may be submitted electronically through Rajasthan tax web portal, i.e. ***www.rajtax.gov.in***

OUR TAKE: The dealers are required to file all the returns due by the date of submission of the application. Only the last return can be filed after the application for the relevant period up to the date of closure. All returns that need to be revised should be filed before submitting Form VAT-06A application. Dealers should ensure that the data in the last return is filed correctly as there will be no option to revise the return.

Also, vide **Dealer Circular – 19 dated 6th February 2015**, the **Govt. of Rajasthan** has made provisions for submission and correction of PAN data on Rajasthan tax web portal i.e. ***www.rajtax.gov.in*** to facilitate the proposed GST registration. An online functionality has been provided to

submit correct PAN data or to correct the same as per Income Tax data base.

OUR TAKE: The detailed instructions can also be sought from **"A HAND BOOK ON PROCESS FOR APPLICATION OF PAN SUBMISSION/CORRECTION"** provided in user guide under e-services guidelines on the Department's web portal. Dealers are required to correct the particulars of the constitution of the business and provide the correct details as given on the PAN Card.

Further, vide **Notification No. F.12(16)FD/Tax/2009-188 dated 10th February 2015**, the **Govt. of Rajasthan** has notified Amnesty Scheme-2015 for waiver of interest and penalty where total outstanding demand under Rajasthan Sales Tax Act, Rajasthan Value Added Tax Act and Central Sales Tax Act is up to Rs. 5 crore.

It shall apply to cases where:

a) the demand has been created on or before 31st March, 2011 or

b) the demand is under dispute and case(s) have been filed by the applicant or by the Department on or before 31st December, 2013 which are pending before any Court, Tax Board or Appellate Authority

c) the dealer / person has been permitted to pay the demand in instalments and all the instalments, which have become due at the time of filing of the application under the Scheme, have been deposited by such dealer / person

d) the case of prosecution has been filed by the Department under clause (d) of sub-section (1) of section 67 of the Rajasthan Value Added Tax Act, 2003 or any provisions of the Act repealed by the said Act.

The benefits of the scheme can be better understood from the table below:

S. No.	Category of Demand	Conditions	Extent of Waiver of Interest and Penalty
1.	Demand related to.- (i) evasion or avoidance of Tax; or (ii) misuse of declaration form(s)/ Certificate(s); or (iii) unaccounted goods; or (iv) Goods/ vehicle in transit.	(i) The applicant has deposited the whole amount of tax, along with 25% of the outstanding penalty amount and 20% of the outstanding interest amount (as per Demand and Collection Register) on the date of filing of application. (ii) The applicant submits the proof of withdrawal of case from the concern Court, Tax Board, Appellate Authority- In case the demand is under dispute, if applicable.	Remaining amount of penalty and interest along with interest accrued up to the date of order under the Scheme.
2.	Demand comprises entirely of interest.	(i) The applicant has deposited 15% of the outstanding interest amount (as per Demand and Collection Register) on the date of filing of application. (ii) The applicant submits the proof of withdrawal of case from the concern Court, Tax Board, Appellate Authority- In case the demand is under dispute, if applicable.	Remaining amount of interest along with interest accrued up to the date of order under the Scheme.
3.	Demand not covered at serial number (1) and (2) above.	(i) The applicant has deposited the whole amount of tax, along with 20% of the outstanding interest amount (as per Demand and Collection Register) on the date of filing of application. (ii) The applicant submits the proof of withdrawal of case from the concern Court, Tax Board, Appellate Authority- In case the demand is under dispute, if applicable.	Remaining amount of penalty and interest along with interest accrued up to the date of order under the Scheme.

PROCEDURE FOR AVAILING BENEFIT

1) To avail the benefit under the Scheme, the applicant shall submit an application in Form AS-I appended to this notification to the assessing

authority, along with detail of deposit of tax and/or penalty and/or interest, as the case may be, and proof of withdrawal of case from the concerned Court, Tax Board, or Appellate Authority, if any, up to 31.03.2015.

2) The Assessing Authority shall on receipt of the application, verify the facts mentioned in the application and on being satisfied, shall complete the Form AS-II appended to this Scheme.
3) The Assessing Authority shall also reduce the outstanding demand of penalty and / or interest, as the case may be from Demand and Collection Register.
4) Where the case of prosecution has been filed by the Department under clause (d) of subsection (1) of section 67 of the Rajasthan Value Added Tax Act, 2003 or any provisions of the Act repealed by the said Act and the applicant has deposited the amount as required under this Scheme, on being satisfied, the Assessing Authority shall proceed to withdraw the case from the Court.
5) The assessing authority shall forward the copy of Form AS-II to the concerned Deputy Commissioner (Administration) and he shall also forward the copy of Form AS-II to the Commissioner, in the cases where amount of waiver is above Rs. 5 lacs.

OTHER UPDATES

RBI

THE DEPOSITOR EDUCATION AND AWARENESS FUND SCHEME, 2014 –SECTION 26A OF BANKING REGULATION ACT, 1949- UNCLAIMED DEPOSITS/ INOPERATIVE ACCOUNTS IN BANKS- UPDATION OF LIST OF INOPERATIVE ACCOUNTS ON THEIR WEBSITE

a.

The **RBI vide Notification DBR.No.DEA Fund Cell.BC.67/30.01.002/2014-15 dated 2nd February 2015** has hereby advised the banks to update their websites with the list of unclaimed deposits/ inoperative accounts which are inactive/ inoperative for ten years or more. This should be done at least on a monthly basis by:

i) adding the names and address of the account holders whose deposits have been transferred to the Depositor Education and Awareness Fund along with the interest accrued
ii) deleting the names and address of account holders whose claim were admitted by the banks during the month/period. In doing this the banks need not wait for refund from the Fund.

However, the account number, its type and the name of the branch shall not be disclosed on the bank's website.

INSTALLATION OF OFF-SITE CASH DEPOSIT MACHINES (CDMS) /BUNCH NOTE ACCEPTOR MACHINES (BNAMS)

The **RBI vide Notification DBR. No. BAPD. BC.68 /22.01.001 /2014-15 dated 2nd February 2015** has permitted Scheduled Commercial Banks (including RRBs) to install Cash Deposit Machines / Bunch Note Acceptor Machines at centres / places identified by them without having the need to take permission from Reserve Bank subject to following conditions:

a) CDMs/BNAMs may be installed at any place identified by banks with adequate security arrangements.
b) CDMs/BNAMs should not return any note which is suspect / counterfeit to the customer.
c) An audit trail of transactions should be available to enable reporting detection of counterfeit notes.

The banks (including RRBs) should report full details of opening such off-site CDMs / BNAMs (that are not installed in existing branch premises / ATM rooms) to the Regional Office of concerned DBS or DBR, CO (in respect of CDMs / BNAMs installed in Maharashtra and Goa) immediately after installation, and in any case not later than two weeks after making the machines active / live.

MCA

EXTENSION OF TIME FOR FILING OF NOTICE OF APPOINTMENT OF THE COST AUDITOR IN FORM CRA-2

The **MCA vide General Circular 02/2015 dated 11th February 2015** has in continuation to the General Circular No. 42/2014, extended the last date of filing of Form CRA-2 without any penalty / late fee from 31st January 2015 to 31st March 2015.

FAQS ON GST

Q.1. **What are the implications of GST on imports and exports?**

A. Basic Custom Duty will continue to be there under GST system. However, the additional custom duty in lieu of CVD /Excise and the Special Additional Duty (SAD) in lieu of sales tax/VAT will be subsumed in the import GST.
The import of services will be subject to Central GST and State GST on a reverse charge mechanism. In other words, the GST will be payable by the Importer on a self declaration basis. Place of supply rules will determine which state will have the authority to get the tax. However, the taxes so paid will be available as Input Tax Credit and therefore it would be revenue neutral.
Exports, however, will be zero rated, meaning exporters of goods and services need not pay GST on their exports. GST paid by them on the procurement of goods and services will be refunded.

Q.2. **Whether Cross utilization of credits between Goods and services be allowed under GST system?**

A: Yes. Under GST system cross utilization of credit is allowed between goods and services. In other words, input tax credit received on purchase of goods can be adjusted against supply services and vice versa.

Q.3. **Will the Input Tax Credit (ITC) and Cenvat Credit (CC) accumulated on the day of implementation of GST (expected date, 1st April, 2016) be allowed to be carried forward??**

A: Most likely "Yes". It is expected that both ITC and CC will be allowed to be carried forward under GST regime subject to fulfilment of certain conditions. The exact procedure and conditions will be specifically mentioned in the GST legislature.

Q.4. **Will there be any threshold limits for the levy of GST?**

A. It is expected that there will be uniform threshold limit and will be based on cumulative turnover of goods and services. Dealers with turnover below the threshold limit would not be covered under GST. Proposed threshold limit is Rs. 10 lacs as announced by the States. However, Central Government want to increase it to Rs. 25 lacs. However, the matter is still under negotiation.

Q.5. **Will exemptions from GST will be available? What will happen to the area based exemptions already granted to the investors?**

A. Under GST regime, there will be a common list of exemptions for both the Central and State GST.
The tax benefits already enjoying by the EOU, SEZ, Soft ware Technology Park would continue to be available in the GST regime as well.
All area based exemptions schemes already in force are expected to be converted to post-tax cash refund schemes.

Q.6. **Will there be a process of assessment under dual GST?**

A. The dual GST is expected to be self assessed tax like existing VAT/CENVAT. However the authorities would have the power to audit and re-assess on a selective bases. The detailed procedural guidelines in this regard would be stated in the GST legislature.

We may be contacted at the following offices:

CORPORATE OFFICE
73, National Park
Lajpat Nagar IV,
New Delhi - 110024
INDIA
P: +91-11-41729056-57, 41729656/57

GURGAON
605, Suncity Business Tower
Golf Course Road, Sector-54,
Gurgaon,
Haryana - 122002
P: +91-124-4245110/116/117 +91-124-4245111

KOLKATA
1, Old Court House Corner
Tobacco House 1st floor,
Room No. 13 (North),
Kolkata - 700001
P: +91-33-2262 5203
M: +9198315 94980

MUMBAI
Sitai Vihar,
Plot No 67A, Sector New 50
4th Floor, B- Wing
Navi Mumbai – 400706
Mumbai
M: +91- 9022131399

NOIDA
C-100,Sector-2,
Noida- 201301
Uttar Pradesh
M: +91- 9811481093

ASSAM
House No. 76,
Near Godrej Interio,
Forest Gate, P.O. Narangi,
Guwahati – 781026
P: +91-0361-2552302
M: +91-9864857565

INTERNATIONAL BRANCH
303,5th Avenue Suite 1007,
New York, NY 10016, U.S.A

For enquiries related to:

Service	Contact Person	Service	Contact Person
DVAT:	faiz@ascgroup.in	Service Tax:	nitin@ascgroup.in
HVAT:	deepak@ascgroup.in	WBVAT:	cavivekjalan@gmail.com
TDS:	mayank.singhal@ascgroup.in	Transfer Pricing & PE:	shailendra@ascgroup.in
Excise:	deepak@ascgroup.in	Legal Metrology:	legal@ascgroup.in
UPVAT:	jaswant@ascgroup.in	Company Law:	legal@ascgroup.in
Income Tax:	vikash@ascgroup.in	PR/Media	socialmedia@ascgroup.in