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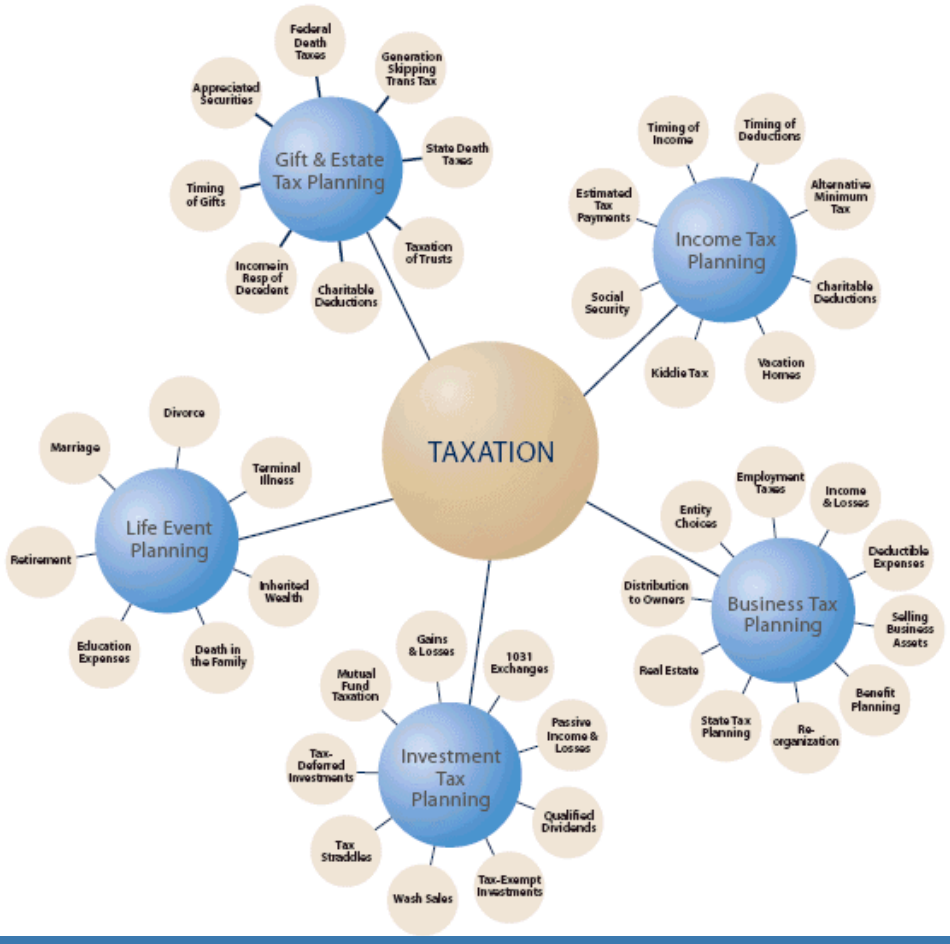

From the CEO's Desk

Hi All!!!!!
Greetings!!
There was a lot of stir about the suit Mr. Modi wore in his meeting with Mr. Obama in New Delhi when US president last visited India. It was told that the suit had inscriptions of Mr. Modi's name all over, embroidered with a gold thread (and the price tag was over Rs. 10 Lakhs as advertised by the opposition). But Mr. Modi showed his virtues when he put the suit for auction, along with various other gifts, which he had accumulated during his visits to other countries and by other leaders in our country, whose proceedings will be used for the "Clean Ganga Mission". To add on, it fetched Rs. 4.31 crores in the auction. All applause for him..!!
In its Pre-Budget memorandum to the government, the Federation of Indian Chambers of Commerce and Industry had said about the dip in the exports of the gold jewellery by 45% and a rise in the smuggling of gold in the current financial year in comparison to last financial year. To combat the negative effects of the trend on the BOP, RBI has allowed banks to import gold in bullion form on a consignment basis and given them a freehand in extending gold loans. This will discourage the smuggling and has given a relief to 'Star Trading Houses' and 'Premier Trading Houses' and in turn will promote exports of gold jewellery.
Spring is finally here after the chill and flowers are in full bloom. People have wrapped up there woolens and enjoying the breeze. But there are a set of people who are not allowed to go out of the office and they are instructed not to meet their families even except the Finance Minister for the week. Yes, I am talking about the north block, where activities are a buzz and everybody toiling, preparing for the Budget 2015-16, which is due on 28thFebruary. Stock markets, BSE and NSE, have been directed to be open on the day. Hope to have a people friendly Budget, fingers crossed!!
Till Then,
Wishing you good health and wealth.
CEO
Alok Kumar Agarwal

TAX CALENDAR

Due Date	Compliances from 22/02/2015 to 28/02/2015
22nd Feb	VAT/CST/WCT/ET Payment of Gujarat. WCT Certificate Issue for the month of Jan, 2015 for Delhi
25th Feb	WCT Certificate Issue for the month of Jan, 2015 for West Bengal, Mizoram.
28th Feb	VAT/CST/ WCT/ET Payment for the month of Jan for Mizoram, Himachal Pradesh, Jammu & Kashmir, Arunachal Pradesh Extended Due Date of filing West Bengal VAT/CST/ ENTRY TAX RETURN for Oct-Dec Quarter

Country Wide Holidays for the Week

NO HOLIDAYS FOR THE WEEK

Index Guide

CENTRAL TAXES

SERVICE TAX

NOTIFICATIONS & CIRCULARS

JURISDICTION OF PRINCIPAL DIRECTOR GENERAL OF CENTRAL EXCISE INTELLIGENCE FOR THE PURPOSE OF ASSIGNING SHOW CAUSE NOTICES

The **CBEC vide Notification No. 02/2015 - Service Tax dated 10th February 2015** hereby specifies that the Principal Director General of Central Excise Intelligence shall have jurisdiction over the Principal Commissioners of Service Tax or the Commissioners of Service Tax for the purpose of assigning show cause notices issued by the Directorate General of Central Excise Intelligence, for adjudication, by such officers.

OUR TAKE: The Principal Director General of Central Excise Intelligence shall now have the power of adjudication over the officers mentioned above for assigning of show causes notices.

COURT DECISIONS

UNION OF INDIA V/S INTERCONTINENTAL CONSULTANTS & TECHNOCRATS (P.) LTD. (Supreme Court)

BRIEF: The assessee received payments not only for its service but was also reimbursed expenses incurred by it such as air travel, hotel stay, etc. It was paying service tax in respect of amounts received by it for services rendered to its clients. It was not paying any service tax in respect of the expenses incurred by it, which was reimbursed by the clients. Thus a SCN was issued by the department on the basis of service tax being chargeable on the gross value including reimbursable and out of pocket expenses. **Hon'ble Delhi High Court** had quashed the SCN stating that Rule 5(1) could not overrule Section 66 which provide for charging only the consideration for the taxable service. The Revenue filed an appeal against the same.

OUR TAKE: In the above case**, the Hon'ble Supreme Court** granted the leave in the appeal filed by the Revenue against the decision of the High Court.

EID. PARRY INDIA LIMITED V/S CUSTOMS EXCISE AND SERVICE TAX APPELLATE TRIBUNAL, AND THE COMMISSIONER OF CENTRAL EXCISE (APPEALS) AND OTHERS (Madras HC)

BRIEF: The appellant has availed the services of Goods Transport Operator during different periods between 1997 and 1999 and has paid the service tax under protest and claimed refund, which was rejected by the Tribunal. The appellant is of the understanding that service tax is not payable by them. Thus, it has filed an appeal against the said decision.

OUR TAKE: In the above case, the **Hon'ble Madras High Court** held that users of service rendered by the Goods Transport Operators are liable to pay service tax UNDER Reverse Charge Mechanism. Here, the appellant is using the services of the Goods Transport Operators during different periods between 1997 to 1999 and is therefore liable to pay service tax. Since the appellant has already paid the service tax, as per the law laid down by the Supreme Court in the case of Gujarat Ambuja Cements Ltd. V. Union of India, there is no question of refund. **[Decided against assessee]**

COMMISSIONER OF CENTRAL EXCISE, KOLHAPUR V/S M/S. YASHWANTRAO MOHITE KRISHNA SSK LTD (CESTAT Mumbai)

BRIEF: The assessee is manufacturing country liquor under their own brand name with the packing material, essence, etc. required for the manufacture of the liquor supplied by Talreja Trader. The sale proceeds for the liquor sold to customers are collected by Talreja Trader who supply the materials required for the manufacture of liquor. The Talreja Trader deduct their price for the materials supplied and remaining sale proceeds is handed over to the assessee. However, a SCN has been issued to the assessee for manufacture being undertaken on job work basis and their activity falling under the category 'Business Auxiliary Services'. Further, Department is of the opinion that the assessee has allowed Talreja Trader to use its brand name and opines this activity to fall under the category intellectual property services.

OUR TAKE: In the above case **the Hon'ble CESTAT Mumbai** held that assessee has directly purchased packing material and essence from Talreja as well as from others. For, the materials supplied by Talreja proper sale invoices have been issued by it charging Sales Tax/VAT as applicable. In the sale

invoices issued by the assessee, Talreja Trader is shown as selling agent and the sale has been declared in the returns filed with the Sales Tax Dept. There is a selling agency agreement between the assessee and Talreja which makes it clear that there is no business auxiliary service. The agreement between the two parties is for maximization of production and sales. The minimum guarantee of profit per month given or assured by the agent to the respondent have been misunderstood as 'Royalty' and therefore there is no intellectual property service. **[Decided against Revenue]**

KARUR VYSYA BANK LTD. V/S CCE, TRICHY (CESTAT Chennai)

BRIEF: The assessee submits that it is the interest income of the Bank that has been taxed in the present adjudication even though there were no service charges received. Revenue opposed the above proposition on the ground that hypothecation is a banking service. Even leasing of the equipments and the goods shall be covered by the banking and financial services. Therefore, any amount received other than the recovery of principal amount shall be liable to service tax.

OUR TAKE: : In the above case **the Hon'ble CESTAT Chennai** held that the financial leasing services and hire purchase of vehicles/machineries squarely falls under the explanation of financial leasing services as defined under Section 65(12) of the Finance Act, 1994. But from the reading of the aforesaid provisions of law and judgement of the Apex Court, it can be held that the service tax is the tax on an activity carried out and, consideration received for carrying out such activity is only taxable by the Act. **[Decided in favour of assessee]**

CENTRAL EXCISE

NOTIFICATIONS & CIRCULARS

JURISDICTION OF PRINCIPAL DIRECTOR GENERAL OF CENTRAL EXCISE INTELLIGENCE FOR THE PURPOSE OF ASSIGNING SHOW CAUSE NOTICES

The **CBEC vide Notification No.02/2015- Central Excise (N.T.) dated 10th February 2015** hereby specifies that the Principal Director General or the Director General of Central Excise Intelligence shall have jurisdiction over the Principal Commissioners of Central Excise or the Commissioners of Central Excise for the purpose of exercising the powers of the Central Board of Excise and Customs and for assigning the cases for adjudication of show cause notices.

OUR TAKE: The Principal Director General of Central Excise Intelligence shall now have the power of adjudication over the officers mentioned above for assigning of show causes notices.

COMMISSIONER OF CENTRAL EXCISE V/S M/S. ASIAN PAINTS INDIA LTD. (Bombay HC)

BRIEF: Assessee is engaged in the manufacture of excisable goods viz. paints, varnishes, miscellaneous chemicals and organic surface active agents. A SCN was issued alleging the assessee to have contravened the provision of Rule 57F read with Rule 57A of the Central Excise Rules, 1944, since they had availed and utilized the credit of duty paid on inputs which were lost due to fire and not used in the manufacture of finished goods. The allegations are that once the finished goods have not come into existence, the modvat credit on inputs was not admissible and that is liable to be reversed.

OUR TAKE: In the above case **the Hon'ble Bombay High Court** held that so long as the inputs have been brought in for the purpose of usage in or in relation to the manufacture of the said final products, the credit can be claimed in terms of the Central Excise Rules, 1944. There was nothing in the Rules which would mandate that the credit of duty can be claimed in relation to such inputs only if there is emergence of a final product or that the manufacture of the final product is complete. Had that been the intent, the words "goods used in or in relation to the manufacture of the said final products" would not have appeared in sub-rule (1) of Rule 57A. Fire occurring in the manufacturing plant of the assessee is a contingency over which the assessee had no control. **[Decided against revenue]**

MUKAND LTD. V/S COMMISSIONER OF CENTRAL EXCISE, BELAPUR (CESTAT MUMBAI)

BRIEF: The appellant is engaged in manufacture of excisable goods and was availing CENVAT Credit on inputs. The appellant was sending semi processed inputs for carrying out the process of drawing, straightening, grinding, pickling, peeling etc. to different job workers. The semi processed inputs after being processed for job-work were returned back to M/s Mukand Ltd. It appeared to Revenue that there were always shortages in quantity of processed inputs received back by Mukand Ltd. It appeared that the appellant was not reversing CENVAT Credit attributable to inputs contained in the material not received back (waste and scraps). Accordingly, a SCN was issued on the allegation that the appellant has not received back the quantity of waste and scrap from the job-workers, which amounts to clearance of the waste and scrap without payment of duty by the job-worker.

OUR TAKE: In the above case **the Hon'ble CESTAT Mumbai** held that waste and scrap are not manufactured goods whether they are generated at the premises of the principal manufacturer or at the premises of job-worker. Accordingly, the legislature has consciously not made any provisions for reversal of any credit taken on duty paid inputs in case of clearance of waste and scrap and/or, there non-return from the job worker's premises under the Central Excise Rules, 2002 read with Cenvat Credit Rules, 2002/2004. **[Decided in favour of assessee]**

CUSTOMS

NOTIFICATIONS & CIRCULARS

AMENDMENT IN THE UREA OFF-TAKE AGREEMENT

The **Govt. of India vide Notification No.04 /2015 – Customs dated 16th February 2015** hereby exempts Urea when imported into India under the UOTA from so much of the custom duty leviable thereon which is specified in the First Schedule to the Customs Tariff Act, and from the additional duty leviable thereon **u/s 3(1) of the Customs Tariff Act**, as is in excess of the amount calculated on the declared value of Urea as agreed under the UOTA, subject to the condition that the importer shall produce, prior to clearance of the said goods, before the Assistant Commissioner of Customs or Deputy Commissioner of Customs having jurisdiction, as the case may be, a certificate from an officer not below the rank of Under Secretary to the Government of India in the Department of Fertilizer to the effect that such declared value is in terms of agreed price under UOTA.

OUR TAKE: Urea being imported into India under the UOTA shall be exempted from custom duty and additional duty leviable on the excess amount so calculated as per the declared value of urea under the UOTA subject to production of certificate stating that the value so declared is as per the agreed price under UOTA.

KYC VERIFICATION OF THE COURIER COMPANIES

The **CBEC vide Circular No.07/2015-Customs dated 12th February 2015** has decided that in case of individuals being importer /exporter, if any one document contains both 'proof of identity' and 'proof of addresses', the same shall suffice for the purpose of KYC verification at the time of delivery/pick up of shipment. Board has also decided to expand the list of documents required for KYC verification by including 'Aadhar Card' as one of the valid documents for individuals. For other than individuals the existing instructions will remain in force.

Further, in order to expedite decision making for outsourcing activities by Courier companies, Board has decided that permission mandated under the Courier Imports and Exports (Clearance) Regulations, 1998 and Courier Imports and Exports (Electronic declaration and Processing) Regulations, 2010 should be granted without delay and in any case within 7 days.

OUR TAKE: The Board has examined the problems faced in complying with the KYC norms stipulated by RBI and has therefore provided a relaxation in the documentation required for KYC verification by listing any one document which may suffice the purpose of both 'proof of identity' and 'proof of address'.

COURT DECISIONS

CHAKRESHWARI SHIPPING AGENCY P. LTD. V/S CC. (ACC & EXPORT), MUMBAI (CESTAT Mumbai)

BRIEF: The applicant filed application for waiver of pre-deposit of penalty of 25,000/- imposed under Sec 112 of the Customs Act. The applicant is a CHA and filed a Bill of Entry. The adjudicating authority loaded the value to the extent of 20%. The importer paid appropriate duty on the enhanced value. The adjudicating authority upheld the enhancement and imposed penalty on the importer as well as on the present applicant. The contention of the applicant is that there is no evidence on record to show that the applicant had done anything contrary to the provisions of the Customs Act to make him liable for penalty. The Commissioner of Customs also ordered forfeiture of security deposit of Rs 5000 because the appellant had not advised the importer properly while declaring the value of the imported consignments.

OUR TAKE: In the above case, the **Hon'ble CESTAT Mumbai** held that the assessable value of the imported goods has been loaded on account of adding the air freight. The freight charges were paid by the foreign supplier. The appellant, along with Bill of Entry filed the airway bill and all other documents supplied by the importer. In these circumstances, the imposition of penalty on the present appellant is not sustainable and the order of forfeiture of security amount is set aside. **[Decided in favour of assessee]**

DENSO FARIDABAD PVT. LTD. V/s COMMISSIONER OF CUSTOMS (IMPORT), NHAVA SHEVA (CESTAT Mumbai)

BRIEF: The appellant is in appeal against the impugned order wherein the learned Commissioner (Appeals) held that the appellant has not passed the bar of unjust enrichment, and therefore they are not entitled for refund

of revenue deposit paid by them at the time of provisional clearance of the goods.

OUR TAKE: In the above case, the **Hon'ble CESTAT Mumbai** held that when the appellant has shown the revenue deposit as receivable and the same has been certified by the CA, the appellant has passed the bar of unjust enrichment and is therefore entitled to refund of revenue deposit. **[Decided in favour of assessee]**

INCOME TAX

NOTIFICATIONS & CIRCULARS

CLARIFICATION REGARDING 'AMOUNTS NOT DEDUCTIBLE' UNDER SUB-CLAUSE (i) OF CLAUSE (a) OF SECTION 40 OF INCOME-TAX ACT, 1961 ('ACT')

The **CBDT vide Circular No. 03/2015 dated 12th February 2015** has clarified that in cases where tax is not deducted at source u/s 195 of the Act, the A.O. shall determine the appropriate portion of the sum chargeable to tax, as mentioned in section 195(1), to ascertain the tax-liability on which the deductor shall be deemed to be an assessee in default u/s 201 of the Act. It has been further clarified that such appropriate portion of the said sum will depend on the facts and circumstances of each case taking into account the nature of remittances, income component therein or any other fact relevant to determine such appropriate proportion.

The Board has also clarified that for the purpose of making disallowance of 'other sum chargeable' u/s 40(a)(i) of the Act, the appropriate portion of the sum which is chargeable to tax under the Act shall form the basis of such disallowance and shall be the same as determined by the A.O. having jurisdiction for the purpose of sub-section (1) of section 195 of the Act Further, where determination of 'other sum chargeable' has been made under sub-sections (2), (3) or (7) of section 195 of the Act, such a determination will form the basis for disallowance, if any, u/s 40(a)(i) of the Act.

OUR TAKE: The Board has clarified that where tax is not deducted at source u/s 195, the A.O. shall determine the appropriate portion of the sum chargeable to tax to ascertain the tax-liability on which the deductor shall be deemed to be an assessee in default u/s 201. Also, for the purpose of making disallowance of 'other sum chargeable' u/s 40(a)(i), the appropriate portion of the sum which is chargeable to tax shall form the basis of such disallowance.

COURT DECISIONS

COMMISSIONER OF INCOME TAX V/S SUNSET DRIVE-IN CINEMA PVT. LTD. (Gujarat HC)

BRIEF: The assessee firm which runs a theatre had an agreement with the distributor of certain movies for exhibiting films in the theatre owned by it. The distributor was to get part of the amount collected by the respondent by way of sale of tickets for these movies. The A.O. observed that the said payment would require deduction of tax at source as per section 194C of the Act. Since the same was not deducted it was treated to be in default of section 201(1) and 201(1A) of the Act.

OUR TAKE: In the above case, the **Hon'ble Gujarat High Court** held that exhibition of film in the theatre has not been described in the Explanation to section 194C, therefore, there is no case of the revenue, by which it can be held that the assessee was required to deduct tax at source from the payments made by it to the distributor. Since the distributor is getting his share only because he has acquired rights of the distribution of the films in the particular area and as no work is carried out by the distributor for which the payment is made, Tribunal was right in holding that cinecasting /distribution of movies would be outside the purview of section 194C of the Income Tax Act, 1961. **[Decided in favour of assessee]**

COMMISSIONER OF INCOME TAX, ROHTAK V/S STOCK HOME INDIA LTD. (Punjab & Haryana HC)

BRIEF: The assessee was deriving income under the head "Business and profession" by trading in share and also from investment in shares. The assessee had also claimed exemption under section 10(38) of the Act on the long-term capital gains on sale of securities/shares. During the course of the assessment proceedings, the A.O. noted that the assessee was liable to pay tax under the provisions of section 115JB of the Act. The A.O. included the LTCG u/s 10(38) for calculation of the book profits and the tax liability as per MAT provisions. Hence, a penalty was imposed upon the assessee for concealment of income.

OUR TAKE: In the above case, the **Hon'ble Punjab & Haryana High Court** held that it was for the first time from when the LTCG on shares was includible in the book profits as inserted by Finance Act 2006 prior to which LTCG was not required to be included while determining the book profits under section 115JB. Therefore, the plea of the assessee was considered bonafide and the appeal of the Revenue was dismissed.

STATE TAXES

ALL INDIA VAT

NOTIFICATIONS & CIRCULARS

UTTAR PRADESH

The **Govt. of Uttar Pradesh vide Notification No. KA.NI.-2-221/XI-9(27)/2014-U.P.Act-5-2008-Order-(128)-2015 dated 13th February 2015** has substituted entry at **Sl. No. 123 "Tools, aari, and kanni used by carpenter and masons"** of **Schedule-II Part-A** with "**Tools including aari and Kanni"**

OUR TAKE: The notification is self explanatory.

Also, vide **Notification No. KA.NI.-2-222/XI-9(223)/2012-U.P.Act-5-2008-Order-(129)-2015 dated 13th February 2015**, entry at **Sl. No. 11 of Schedule I** shall be substituted with Charkha, Amber Charkha, Handlooms (including pitlooms, frame looms, light shuttle looms, and paddle looms); implements used in the production of khadi/khaddar, handloom fabrics and parts thereof; Khadi fabrics of all kinds, Gandhi Topi, Khadi Garments and Khadi made-ups including unfilled Rajai, unfilled Gaddey, unfilled Gaddi, unfilled pillow; **Cotton filled Gaddey, Quilt, Masnad and pillow made of Khadi**.

OUR TAKE: The notification has added the above highlighted entry to the existing entry in the said Schedule.

ANDHRA PRADESH

The **Govt. of Andhra Pradesh vide Circular dated 16th February 2015** has issued further instructions in continuation to circular instructions issued with reference to conducting of VAT Audits.

All the VAT Audit cases should be identified as per the previous instructions at least by the 28th of every month which will be taken up for Audit in the succeeding month. All such cases identified should be communicated to DC for issuing Authorization to DCTOs. If the CTOs fail to identify the cases as instructed, the DC will issue authorizations for conducting Audits to CTOs and DCTOs. The CTOs will also be called for explanation for non-compliance of the instructions issued earlier.

Similarly, DCs and ACs also should identify the cases by 28th of every month, which will be taken up for Audit in the succeeding month. Hence all the DCs and CTOs are instructed to follow the guidelines issued without any deviation.

OUR TAKE: The instructions should be complied by the officers accordingly, failing which an explanation in this regard would be required.

DELHI

The **Govt. of National Capital Territory of Delhi vide Circular No. 26 of 2014-15 dated 16th February 2015** has extended the last date of filing of online reconciliation return in Form 9 for the year 2013-14 prescribed u/r 4 of Central Sales Tax (Delhi) Rules, 2005 to 31st March 2015.

The return is to be filed by dealers who have made interstate sale at concessional rates against statutory forms 'C' or stock transferred against 'F' forms or sold the goods against 'H' forms to dealers (other than Delhi) or claimed deduction from taxable turnover against E-I/EII forms or I/J forms etc. Others who have not made the sale as mentioned need not file reconciliation return in Form 9.

OUR TAKE: The Department has extended the date of filing the reconciliation return to facilitate the easy generation of CST Forms and remove any mismatch which would have otherwise been a predicament.

HARYANA

The Govt. of Haryana vide Notification No. 1/ST-1/H.A. 6/2003/S.59/2015 dated 12th February 2015 has made the following amendments to the VAT Schedules namely:

1) **i) In Schedule A, Entry at Sl. No.3 "Aviation Turbine Fuel and Petrol subject to entry 7"** shall be substituted with **"Petrol subject to entry 7"** and the rate of tax **"20%"** against the same shall increased to **"25%"**

   ii) After serial number 3, Sl.No.3A shall be added **"Aviation Turbine Fuel subject to entry 7"**with rate of tax **"20%"** against it.
2) **In Schedule D against entry at Sl. No.2**, the tax rate shall be increased from "**20%"** to **"25%".**

OUR TAKE: The notification is self explanatory.

OTHER UPDATES

RBI

GUIDELINES ON IMPORT OF GOLD BY NOMINATED BANKS / AGENCIES

The **RBI vide A.P. (DIR Series) Circular No. 79 dated 18th February 2015** has made the following clarifications with respect to the operational aspects of the guidelines on import of gold consequent upon the withdrawal of 20:80 scheme:

1) The obligation to export under the 20:80 scheme will continue to apply in respect of unutilized gold imported before November 28, 2014, i.e., the date of abolition of the 20:80 scheme.

2) Nominated banks are now permitted to import gold on consignment basis. All sale of gold domestically will, however, be against upfront payments. Banks are free to grant gold metal loans.

3) Star and Premier Trading Houses can import gold on DP basis as per entitlement without any end use restrictions.

4) While the import of gold coins and medallions will no longer be prohibited, pending further review, the restrictions on banks in selling gold coins and medallions are not being removed.

MCA

AMENDMENT IN DEFINITION OF SMALL COMPANY

The MCA vide **Order dated 13th February 2015** has amended the definition of Small Company.

Now a Company needs to satisfy **both** the conditions to be classified as **Small Company**, i.e.,

i) paid up capital up to Rs. 50 lakhs

AND

ii) turnover up to Rs. 2 crores

The word **OR** has been substituted with the word **AND** as per the **Companies (Removal of Difficulties) Order, 2015.**

INDIAN ACCOUNTING STANDARDS NOTIFIED

The MCA vide **Notification dated 16th February 2015** has notified the applicability of **IND AS**. The IND AS shall be applicable to the class of companies specified in Rule 4. Companies which are not required to follow Indian Accounting Standards (Ind AS) shall continue to comply with Accounting Standards as prescribed in Companies (Accounting Standards) Rules, 2006. There are 39 Indian Accounting Standards that have been notified namely:

Ind AS 101	First-time Adoption of Indian Accounting Standards
Ind AS 102	Share-based Payment
Ind AS 103	Business Combinations
Ind AS 104	Insurance Contracts
Ind AS 105	Non-current Assets Held for Sale and Discontinued Operations
Ind AS 106	Exploration for and Evaluation of Mineral Resources
Ind AS 107	Financial Instruments: Disclosures
Ind AS 108	Operating Segments
Ind AS 109	Financial Instruments
Ind AS 110	Consolidated Financial Statements
Ind AS 111	Joint Arrangements
Ind AS 112	Disclosure of Interests in Other Entities
Ind AS 113	Fair Value Measurement
Ind AS 114	Regulatory Deferral Accounts
Ind AS 115	Revenue from Contracts with Customers
Ind AS 1	Presentation of Financial Statements
Ind AS 2	Inventories
Ind AS 7	Statement of Cash Flows
Ind AS 8	Accounting Policies, Changes in Accounting Estimates and Errors
Ind AS 10	Events after the Reporting Period
Ind AS 12	Income Taxes
Ind AS 16	Property, Plant and Equipment
Ind AS 17	Leases
Ind AS 19	Employee Benefits
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance
Ind AS 21	The Effects of Changes in Foreign Exchange Rates
Ind AS 23	Borrowing Costs
Ind AS 24	Related Party Disclosures
Ind AS 27	Separate Financial Statements
Ind AS 28	Investments in Associates and Joint Ventures
Ind AS 29	Financial Reporting in Hyperinflationary Economies
Ind AS 32	Financial Instruments: Presentation
Ind AS 33	Earnings per Share
Ind AS 34	Interim Financial Reporting
Ind AS 36	Impairment of Assets
Ind AS 37	Provisions, Contingent Liabilities and Contingent Assets
Ind AS 38	Intangible Assets
Ind AS 40	Investment Property
Ind AS 41	Agriculture

Please refer the notification for any further clarifications.

FAQS ON GST

Q.1. **Whether there would be separate legislation for the Central and State GST?**

A. Yes. The Central GST law will be uniform and applicable throughout India. However, each state will legislate its own enactment to levy and collect the State GST based on common guidelines to be issued by the Empowered Committee of State Finance Ministers.

Q.2. **The Central Government is trying to set up GST Council in the Centre through Constitutional Amendment Bill. What would be the major functions of the GST Council?**

A: GST Council will be in the advisory position and shall make recommendations to the Union and States on:

(a) the taxes, cesses and surcharges levied by the Centre, the States and the local bodies which may be subsumed in the goods and services tax;
(b) the goods and services that be subjected to or exempted from the goods and services tax;
(c) the threshold limit of turnover below which goods and services tax may be exempted;
(d) the rates of goods and services tax; and
(e) any other matter relating to the goods and services tax, as the Council may decide

Q.3. **What happens if the GST's council's recommendations are not accepted by the Union or State Government?**

A: Any dispute arising out of deviation from any of the recommendations of the Goods and Services Tax Council constituted under article 279A that results in a loss of revenue to a State Government or the Government of India or affects the harmonized structure of the goods and service tax to be referred to the Goods and Service Tax Dispute Settlement Authority (GSTDSA) for adjudication. Parliament may by law provide that no Court other than the Supreme Court shall exercise jurisdiction in respect of any such adjudication or dispute or complaint referred to the GSTDSA. Exact position will be known once GST laws are published.

Q.4. **As Excise Duty will be subsumed in the proposed GST, will a dealer be able to pass CENVAT benefit on a material even though he isn't registered with excise?** The question is for a situation after GST has been introduced.

A: Excise will be subsumed under CGST. There shall not be a separate excise registration after GST. The chain of GST shall break when an unregistered dealer enters the chain just like the present system in excise, service tax or VAT. However, the option to avail of the SSI exemption under GST regime shall rest with the dealer.

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