ASC Times

All India Taxes Weekly Referencer

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From the CEO's Desk

Dear Reader,

First of all, RIP to the most powerful President in the recent times who proved that the highest post of the country is not only a stamp. But if used intelligently the impact is far and above. Dr. A.P.J. Abdul Kalam is no more but his contributions to the science and society will be remembered and used for generations to come. He was truly a noble man.

Though the government is having some break through as far as the GST concerned. The Union Cabinet has approved the amendments to the constitution (122nd Amendment) Bill to launch the GST. The key change, which is approved by the Cabinet, is of providing full 5-year compensation to the states for possible loss of revenues. According to the proposal, both, center and states will simultaneously levy GST across the value chain. Centre would levy and collect Central Goods and Services Tax (CGST) and states would levy and collect States Goods and Services Tax (SGST). The Centre would levy and collect the integrated goods and services Tax (IGST) on all interstate supply of goods and services.

But there is still a long way to go. Finance Minister Mr. Arun Jaitely has told in an interview that any delay in the legislation for GST, Congress will be responsible. He said, "If the GST bill gets delayed in this session and its legislation gets delayed, the responsibility will be squarely on the Congress party. India will suffer because it has a party which is refusing to advise itself adequately."

In addition to above, Maharashtra government informed the Legislative Council that the controversial Local Body Tax (LBT) would be abolished by August 1 for traders with a turnover of less than Rs. 50 crores.

Alok Kumar Agarwal
CEO
ASC Group.

TAX CALENDER

Due Date	Description	Law
4st August	Issuance of TDS Certificate for the TDS deducted in June Certificate	Tamil Nadu VAT
5th August	Deposit of TDS and issuance of TDS Certificate	Kerala VAT
	Tax Payment	Rajasthan VAT
6th August	Tax payment	Service Tax Law Excise Law
7th August	Deposit of TDS on monthly basis	Tripura VAT
	Due date for deposit of Tax deducted/collected for the month of July, 2015	Income Tax Law
	Issue of TDS certificates for the tax deducted at source - 7 days from the date of deposit of TDS	Delhi VAT
9th August	Return filing	Gujarat VAT

COUNTRY WIDE HOLIDAYS FOR THE WEEK

Date	Occasion/Festival	Region
8th August	Tendong Lho Rum Faat Ker Puja	Sikkim Tripura

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CENTRAL TAXES

SERVICE TAX

COURT DECISIONS

RIYA TRAVEL & TOURS (I) PVT. LTD. VERSUS THE COMMISSIONER OF SERVICE TAX-I (BOMBAY HIGH COURT)

BRIEF: The case is related to Computerized Reservation System (CRS). At prima facie stage Tribunal should not have rendered any conclusion and particularly that the service rendered by the Assessee merits classification as business auxiliary service as defined in law.

OUR TAKE: The **Hon'ble BOMBAY HIGH COURT** held that it may be that the CRS companies receive huge amounts from the airlines so that they access their ticketing systems and to the maximum. Thereafter, the systems of CRS companies are accessed by these travel agents like the Assessee. The Tribunal will have to ultimately hold that such of the airlines which give incentive to the CRS companies allowing them to get the benefit of payment made to the CRS companies by them. Meaning thereby if travel agents access the system of CRS companies and in most cases to book tickets of the airlines the financial incentives to the CRS companies by the Airlines reveals the marketing and promotional agreement.

Tribunal should not have directed that the entire amount which according to it is a demand within the period of limitation needs to be secured. If the Tribunal has to devote at least 5 to 6 paragraphs to find out what is the nature of the service allegedly provided and to whom and whether that falls within the definition, then, this was a imminently arguable case. It could not be termed as absence of a prima facie case in any event. In the circumstances, we think that the Tribunal should not have rendered any conclusion and particularly that the service rendered by the Assessee merits classification as business auxiliary service as defined in law. [**Partial stay granted**]

M/S GLOBAL FRANCHISE ARCHITECTS INDIA PVT LTD VERSUS COMMISSIONER OF SERVICE TAX, BANGALORE (CESTAT BANGALORE)

BRIEF: Whether franchiser is required to pay service tax on the sale of various proprietary items such as pizza dough as also cheese etc. when the same are being sold by him to the franchisees?

OUR TAKE: The **Hon'ble CESTAT BANGALORE** held that the sale of material, on which the appellant has also admittedly discharged sales tax, cannot be included in the value of 'Franchise Services'. Accordingly, we dispense with the condition of pre-deposit. [**Stay granted**]

TOP SECURITY LTD. VERSUS COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX (BOMBAY HIGH COURT)

BRIEF: Tribunal's order granting conditional stay has been complied with albeit belatedly. Tribunal could not have dismissed the appeal preferred by the assesees without adjudication on merits.

OUR TAKE: The **Hon'ble BOMBAY HIGH COURT** held that two affidavits have been filed by counsel of both parties and compliance is reported by the assessee of the order passed by the Tribunal while granting a conditional stay. However, the revenue insists that such a compliance will not in any manner mean that further recurring liability is effaced or wiped out. The argument that neither the liability nor recovery of the sums in relation thereto can be stopped or interfered with merely because, an appeal for earlier period is pending. This court is not required to go into these contentions or any wider controversy simply because in this statutory appeal, this court is only concerned with the correctness of the order passed by the Tribunal. - The statutory mandate is clear. So long as the Parliament has not intervened and to take any steps to amend or clarify the legal position, we are obliged to hold that the Tribunal could not have dismissed the appeal preferred by the assessees without adjudication on merits.

Tribunal's order granting conditional stay has been complied with albeit belatedly. We also find that presently the Appellant is facing difficulties on account of the attachment of their bank accounts. They have also found that certain recoveries and from their customers are affected by the revenue directly without deciding the legal issue or questions in further details; we quash and set aside the impugned order. [**Decided in favour of assessee**]

COMMISSIONER OF CENTRAL EXCISE VERSUS M/S DHARWAD CO-OPERATIVE MILK PRODUCERS SOCIETIES UNION LTD. (KARNATAKA HIGH COURT)

BRIEF: The present case related to denial of refund claim and unjust enrichment - The Assistant Commissioner while dealing with the application for refund was not justified in sitting in judgment over the findings of Commissioner (Appeals).

OUR TAKE: The **Hon'ble KARNATAKA HIGH COURT** held that if the revenue was aggrieved by the OIA No.237/2005 CE, it

ought to have taken such further action in accordance with law. It is trite law that once the appeal is allowed in favour of the assesse, the assessee must be entitled to all the benefit flowing there from. The Assistant Commissioner while dealing with the application for refund was not justified in sitting in judgment over the findings of Commissioner (Appeals), firstly because the Commissioner (Appeals) had passed the appellate order in a different jurisdiction and secondly because the Commissioner (Appeals) is a superior to the Assistant Commissioner. By recording a finding extracted supra, the Assistant Commissioner has clearly traversed beyond his jurisdiction. Similarly, the Appellate Authority was also not justified in rejecting the appeal filed against the order passed by the Assistant Commissioner. Thus, no exception can be taken to the order passed by the CESTAT by allowing the appeal. No substantial questions of law arise for consideration of this case. [**Decided against Revenue**]

CENTRAL EXCISE

COURT DECISIONS

M/S. COASTAL PAPER LTD. VERSUS COMMNR. OF CENTRAL EXCISE, VISAKHAPATNAM (SUPREME COURT)

BRIEF: In classification of Manufacture of Pulp from the waste of jute bags or gunny bags, revenue could not point out to a single dictionary or could take us through any technical literature which even remotely suggests that jute gunny bags come under the category of rags in the context of paper technology.

OUR TAKE: The **Hon'ble SUPREME COURT** held that Pulp from the waste of jute bags or gunny bags would not be covered by the term 'rags' appearing in Notification dated 01-03-1994 as it could never be the intention to exclude non-conventional material from the benefit of the aforesaid Notification when that was precisely the purpose for which this Notification was issued to encourage use of non-conventional material for the purposes of manufacturing paper or paper products. Still, we would now like to take note of the dictionary meaning that is assigned to the aforesaid terms, that too from the 'Dictionary of Paper' by American Paper and Pulp Association, which obviously is the most relevant and authenticated dictionary for the purpose of the present case as what is in vogue and understood in paper industry is contained in such a dictionary.

Thus, almost all the books on the subject uniformly define 'rag' or 'rag pulp' as one which is made from cotton waste or cotton textile material. On the other hand, the learned counsel appearing for the Revenue could not point out to a single dictionary or could take us through any technical literature which even remotely suggests that jute gunny bags come under the category of 'rags' in the context of paper technology. Tribunal has simply brushed aside the aforesaid material with a mere observation that it is not relevant and this approach of the Tribunal cannot be justified. Impugned decision of the Tribunal does not stand judicial scrutiny and warrants to be set aside. [**Decided in favour of assessee**]

COMMISSIONER OF CENTRAL EXCISE VERSUS UNITED PHOSPHORUS LTD. (GUJARAT HIGH COURT)

BRIEF: The issue is regarding MODVAT Credit on captive consumption of capital goods. The situation might have been different had the Revenue succeeded in establishing that the electricity generated by the assessee was not used captively but sold outside. Credit is allowed by Court.

OUR TAKE: The **Hon'ble GUJARAT HIGH COURT** held that quite apart from the decision of the Chennai Bench in case of Kothari Sugars & Chemicals Ltd. (2005 (11) TMI 124 - CESTAT, CHENNAI), we are informed, is carried in appeal before the Madras High Court and is pending, we notice that the Supreme Court in case of Collector of Central Excise v. Solaris Chemtech Limited reported in [2007 (7) TMI 2 - SUPREME COURT OF INDIA] has occasion to deal with a substantially similar issue. It was held that when inputs are used to generate electricity which is captively consumed for manufacture of final product, the assessee would be entitled to MODVAT Credit in view of the expression "used in relation to the manufacture" used in the statute. The situation might have been different had the Revenue succeeded in establishing that the electricity generated by the assessee was not used captively but sold outside. [**Decided against Revenue**]

SARAL WIRE CRAFT PVT. LTD. VERSUS COMMISSIONER CUSTOMS, CENTRAL EXCISE AND SERVICE TAX & OTHERS (SUPREME COURT)

BRIEF: The case is related to condonation of delay. Order served on unauthorised person who was a Kitchen boy employed on daily wages. Order must be tendered on the concerned person or his authorized agent in other words on no other person to ensure efficaciousness.

OUR TAKE: The **Hon'ble SUPREME COURT** held that order had not been passed in the presence of the Appellant, so as to render its subsequent service a formality, and secondly, that the Order came to be passed after an inordinate period of eight months should not have been ignored. This fact should not have been lost sight of by the Authorities below as it has inevitably led to a miscarriage of justice. The Inspector of the Department should have meticulously

followed and obeyed the mandate of the statute and tendered the Adjudication Order either on the party on whom it was intended or on its authorized agent and on one else. Miscarriage of justice has taken place, in that the Authorities/Courts below have failed to notice the specific language of Section 37C(a) of the Act which requires that an Order must be tendered on the concerned person or his authorized agent, in other words, on no other person, to ensure efficaciousness. [**Decided in favour of assessee**]

COMMISSIONER OF CENTRAL EXCISE, DELHI-III, GURGAON VERSUS M/S. KAP CONES (SUPREME COURT)

BRIEF: The case is related to condonation of delay. Eight days delay in issue of the review order under Section 35-E(1) by the Committee of Chief Commissioners, Full Bench decision of the tribunal in the case of Monnet Ispat & Energy Ltd. (2010 (8) TMI 50 - CESTAT NEW DELHI) endorsed and held has correct in favor of revenue.

OUR TAKE: The **Hon'ble SUPREME COURT** held that sub-section (4) of Section 35-E(4) provided that appeals should be filed within a period of three months from the date of communication of the order under sub-section (1) or (2) to the adjudicating authority. The Court has taken note of the fact that period that was given by the legislature to the revenue was one year which is more than adequate to take appropriate action in proper cases in comparison with the much shorter period within which the assessee has to exercise his right of appeal. The Court gave emphasis on the administrative chaos that would result if a further period was granted and accordingly opined that the statutory provision was to be given a literal meaning. As is noticeable, the amendment made by the Finance Act, 2008, the Committee of Chief Commissioners was required to pass an order within three months from the date of communication of the decision or the order. This period of three months is identical to the period of three months stipulated in Section 35-B of the Act.

As per the scheme of the Act, sub-section (4) of Section 35-B(5) of the Act authorises the appellate tribunal to admit an appeal or permit filing of memorandum of cross-objections after expiry of relevant period if the tribunal is satisfied there was sufficient cause for not presenting the appeal within that period. As stated earlier, the power under sub-section (4) of Section 35-B has been made applicable to appeals preferred following the administrative procedure prescribed under Section 35-E of the Act. The statutory position as it existed in 1984, as we find, has undergone a change by the amendment made under the Finance Act, 2008. Under the changed circumstances, it would not be appropriate to restrict and bar an application of the provisions of sub-section (4) of Section 35-E to the period after passing of an order under sub-sections (1) and (2) of Section 35-E of the Act, Full Bench decision of the tribunal in the case of Monnet Ispat & Energy Ltd. (2010 (8) TMI 50 - CESTAT, NEW DELHI) endorsed and held has correct. [**Decided in favour of Revenue**]

CHACKOLAS SPINNING AND WEAVING MILLS LTD. VERSUS COMMISSIONER OF CENTRAL EXCISE, COCHIN (SUPREME COURT)

BRIEF: The case is related to Valuation in case of captive consumption. Whether the provision of Rule 6(b)(ii) of the Central Excise (Valuation) Rules 1975 are applicable to the case at hand or not. The notional profits could be taken into consideration and added while arriving at the value of captive material.

OUR TAKE: The **Hon'ble SUPREME COURT** held that under clause (i) of Rule 6(b), the value is to be based on the value of comparable goods produced or manufactured by the assessee or any other assessee. Since there was no such commodity or material available to show the value of any chargeable goods, the case was covered under sub-rule (ii) of Rule 6(b). That is, thus, the only provision under which the value could be determined. The only statement of the appellant is that since it was incurring losses in the production of yarn in the previous year it did not include any notional profit while dealing with price of goods under Rule 6(b)(ii) by the Department. That cannot be accepted in as much as sub-clause (ii) of Rule 6(b) does not deal with the situation where profits should be actually earned which is clear from the language "which the assessee would have normally earned on the sale of such goods". Thus, the notional profits could be taken into consideration and added while arriving at the value of captive material. This is exactly the exercise that was undertaken by the Department and has been upheld by the CESTAT. No infirmity in impugned order. [**Decided against assessee**]

CUSTOMS

NOTIFICATIONS & CIRCULARS

The **Govt. of India vide Notification No. 34/2015, dated 28th July, 2015** seeks to levy definitive anti-dumping duty on imports of Compact Fluorescent Lamps (CFL), originating in or exported from the People s Republic of China for a period of five years.

OUR TAKE: The said notification is self-explanatory.

The **Govt. of India vide Public Notice No. 57/2015 (F.No. EDI/Misc-82/2015 JNCH), dated 23rd July, 2015** for Integration of Extra Duty Deposit module in ICES.

OUR TAKE: The Public Notice is regarding online system in Extra Duty Deposit module. Readers are requested to read the said Notice. It is self-explanatory.

The **Govt. of India vide Public Notice No. 26/2015, dated 10th July, 2015 (now published)** seek to introduce New Modules - User manuals for EDD, SEZ SB, Bond Recredit.

OUR TAKE: The new modules have been implemented in ICES.v.1.5 Systems for Extra Duty Deposit Payment, Bond Re-credit Module for Sea-Sea Transshipment, SEZ SB Verification Module.

COURT DECISIONS

SCHEFIELDS INTERNATIONAL PVT. LTD. VERSUS UNION OF INDIA (CALCUTTA HIGH COURT)

BRIEF: When the export transaction fails in the sense that there is no accrual of foreign exchange from the overseas buyer there can be no duty drawback that can be claimed by the exporter.

OUR TAKE: The **Hon'ble CALCUTTA HIGH COURT** held that once it is inescapable that despite the petitioner's participation before the revisional authority, no other result could have followed, the complaint of breach of natural justice in declining the adjournment sought is of no merit. The provision relied on from the Handbook of Procedures does not expressly apply to duty drawback. Indeed, duty drawback is covered by Section 75 of the said Act. The second proviso to sub-section (1) of Section 75 of the said Act clearly stipulates that when the payment for an export transaction is not received with the time permitted by the Indian exporter, the drawback would be deemed to never have been allowed unless exceptions are made by rules by the Central Government.

Fundamental premise of the petitioner is completely flawed. It does not stand to reason that an exporter whose export transaction has not been paid for by the foreign buyer would jeopardise the Central Government twice over in not only availing of the cover provided by ECGC, which is a government organisation, but also seeking the benefits of the duty drawback under Section 75 of the said Act despite the failed export transaction. The basis for allowing duty drawback is that the economy would gain in the export transaction that would have been completed by the importer who has used some imported components for ultimately manufacturing the goods that are sought to be exported. When the export transaction fails in the sense that there is no accrual of foreign exchange from the overseas buyer, there can be no duty drawback that can be claimed by the exporter unless there is a specific exemption stipulated in any rules made by the Central Government. [**Decided against assessee**]

INCOME TAX

NOTIFICATIONS & CIRCULARS

The **Govt. vide Notification No. 61/2015, dated 29th July, 2015** issued Income-tax (Tenth Amendment) Rules, 2015. It shall be deemed to have come into force with effect from the 1st day of April, 2015.

OUR TAKE: In the Income-tax Rules, 1962, in Appendix-II, for **FORM ITR-3, FORM ITR-4, FORM ITR-5, FORM ITR-6 and FORM ITR-7,** are substituted.

The **Govt. of India vide Notification No. 60/2015, dated 24th July, 2015 (now published)** declares Cost Inflation Index for the FY 2015-16 is 1081. And thereby makes amendment in Notification Number S.O. 709(E) dated the 20th August 1998.

OUR TAKE: The said Notification is self-explanatory.

The **Govt. of India vide Circular No. F. No. 328/08/2015-WT, dated 27th July, 2015 clarifying** due date for filling Return of wealth by such assesses for assessment year 2015-16 stands extended from 31st July 2015 to 31st August 2015**.**

OUR TAKE: The said Circular is self-explanatory.

COURT DECISIONS

P. MUTHUKARUPPAN VERSUS THE JOINT COMMISSIONER OF INCOME TAX, PONDICHERRY RANGE, PONDICHERRY (MADRAS HIGH COURT)

BRIEF: Assessee accepted and repaid loan in cash in excess of Rs. 20,000 in contravention to section 269SS and section 269T. The appellant could not explain as to the urgency compulsion or any other important circumstance for the breach and that too repeatedly. Levy of penalty u/s 271D and u/s 271E was confirmed.

OUR TAKE: The **Hon'ble MADRAS HIGH COURT** held that he sworn statement recorded from Mr.A.Kannan, Prop. of M/s Vadamalayan Finance, in response to the summons issued under Section 131 on 21.9.2011 shows that the financier has admittedly lent a huge amount of Rs. 74 lakhs to various parties by cash and he has also admitted that he had lent Rs. 2 lakhs to the appellant. When a specific question was posed to him as to whether he was doing the money lending business by cheque or cash, he has answered that till then he has been doing the money lending business only by cash payment and cash repayment. Again Mr.Kannan, Prop. of M/s Vadamalayan Finance has also further admitted that he has been doing money lending business for the last 30 years. The appellant having taken loan amount by cash in contravention of the provisions of Section 269SS and repaying the same by cash in contravention of the provisions of Section 269T, cannot seek the support of Section 273B. The appellant has not explained as to the urgency, compulsion or any other important circumstance for the breach and that too repeatedly. Taking into account the conduct of the assessee, the assessing authority, after giving repeated reasonable opportunities, finding no explanation whatsoever, was unable to exercise his discretion under Section 273B and accordingly imposed the penalty under Sections 271D & 271E of the Act.

Penalty orders confirmed. [**Decided against assessee**]

COMMISSIONER OF INCOME TAX, THANEII VERSUS M/S. SMC AMBIKA JV (BOMBAY HIGH COURT)

BRIEF: The case is with regard to the liability to deduct TDS for the payments made to subcontractors u/s 194C. The Tribunal found that there is no subcontract or relationship of a subcontractor emerging from this undisputed factual position. Section 194C (2) has no application to the facts of the case.

OUR TAKE: The **Hon'ble BOMBAY HIGH COURT** held that the tribunal found that the assessee is an Association of Persons (AOP). The association comprises of M/s. SMC Infrastructure Pt. Ltd. which is a company incorporated under the Indian Companies Act, 1956 and M/s. Ambika Enterprises which is a proprietary firm. The association was for the purposes of bidding for contract of the Thane Municipal Corporation. It is the association which placed its bid and was eventually awarded the contract by the Thane Municipal Corporation on 16th November, 2004. The Tribunal noted this admitted fact in para 9 of the order under challenge and found that the contract received from Thane Municipal Corporation was made over to the two entities noted above. The work was carried out by these two entities. The amount was received after the work was carried out and the same was handed over to the members to enable them to execute the contract. The association has neither kept any commission of its own nor any profit. The association comprising of these two members/partners joined together for the purposes of executing the project. It is in such circumstances, that no inference of any sub contractorship can be drawn. It is not correct to say that the Tribunal insisted on any written contract evidencing such relationship. The Tribunal noted the admitted facts and found that there is no subcontract or relationship of a subcontractor emerging from this undisputed factual position. It is in these circumstances, that it is correctly held that section 194 C (2) of the Income Tax Act has no application to the facts of the assessee's case. [**Decided in favour of assessee**]

THE COMMISSIONER OF INCOME TAX (TDS), COCHIN. Versus MR. THOMAS MUTHOOT, MUTHOOT HOUSE, KOZHENCHERRY (KERALA HIGH COURT)

BRIEF: Ignorance of law it is trite is no excuse in law and if that be so ignorance of law cannot also be a reasonable cause as contemplated under Section 273B. Levy of penalty under Sec 271C was confirmed.

OUR TAKE: The **Hon'ble KERALA HIGH COURT** held that while Section 194A provided for deduction of tax on interest, by virtue of the provisions contained in sub section (3), only such income credited or paid by a firm to a partner of the firm is exempted from deduction. The language of the provision does not leave scope for any ambiguity on the liability of a partner to deduct tax on interest paid by him to the firm and there is absolutely no warrant for a belief to the contrary. That being the legal position, we do not know how the assessees, who admittedly are persons having the services of experienced chartered accountants at their disposal, could entertain a belief that they were not liable to deduct tax at source on the interest paid to the firm. This, therefore, means that the alleged belief of the assessees is certainly not one a reasonable person would have entertained nor such persons would have acted in the same way given the totality of circumstances.

Therefore, we cannot accept the plea that the belief allegedly entertained by the assessees was a bonafide one or could be accepted as a reasonable cause as provided

under Section 273B. In effect, the defence put forward by the assessees is one of ignorance of law. Ignorance of law, it is trite, is no excuse in law and if that be so, ignorance of law cannot also be a reasonable cause as contemplated under Section 273B.

As contended by assessee it may be true that penalty levied under section 201 read with Section 221 has been set aside by the Tribunal accepting the plea of "good and sufficient" reasons urged by the assessees. However, the object of these provisions being different from section 194A read with Section 271C, such an order passed by the Tribunal cannot come to the rescue of the assessees. In any case, principles of res-judicata and estoppel are alien to tax jurisprudence and therefore, this contention also cannot improve the case of the assessees. One another reason which has weighed with the Tribunal is that the firm had declared the interest received in its return and that since the firm had returned loss and was not liable to any tax, no loss was caused to the revenue. In our view, even if the findings are factually correct, statutory provisions do not recognize this as a defence in a proceeding under Section 271C. Thus the orders of the Tribunal are unsustainable. [**Decided in favour of revenue**]

STATE TAXES

ALL INDIA VAT

ANDHRA PRADESH

The **Govt. vide Circular No. CCTs Ref. No.AI(1)/12/2014, dated 28th July, 2015 issued instructions regarding** Input Tax Credit declared in the return in Form VAT 200 for May 2014, Section 13 of APVAT Act, 2005 and **certain process of adjustment of provisional gross 28 NCCF as on May, 2014 tax period.**

OUR TAKE: Readers are requested to go through the said Circular.

DELHI

The **Govt. vide Circular No. 16 of 2015-16 No.F.7(420)/Policy/VAT/2011/PF/449-455, dated 27th July, 2015** issues Circular regarding **filing of online return for 1st quarter of 2015-16 and extension of period thereof.**

OUR TAKE: The last date for filing online/hard copy of **first quarter** return for the year 2015-16, in **Form DVAT-16, DVAT-17 and DVAT-48** along with required annexure/enclosures is extended to **4th August, 2015**.

The dealers filing the returns through digital signature need not be required to file hard copy of the return/Form DVAT-56.

The **Govt. vide Notification No. F.3(11)/Fin(Rev-1)/2015-2016/dsVI/599, dated 31.07.2015** seek to amend Third Schedule appended to the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005). This notification shall come into force with effect from 1st August, 2015.

OUR TAKE: There has been following amendments:
(a) for the entry at Sl.No. 6, the following entry shall be substituted, namely:-
"6. All utensils and cutlery items made of metals (including pressure cookers/pans) except those made of precious metals.":
(b) for the entry at Sl.No.120. the following, entry shall he substituted. namely:-
"120. Wax of all kinds not covered by any other entry of any schedule.";
(c) the following entry shall be inserted at Sl. No. 169, namely:-
"169. Wood and Timber".

HIMACHAL PRADESH

The **Govt. vide Notification No. EXN-F(10)-20/2014, dated 25th July, 2015** seeks to amend Schedules 'A' and 'B' appended to the Himachal Pradesh Value Added Tax Act, 2005.

OUR TAKE: In Schedule 'A', Part-II- 'A' after item No.37 and 66, the following items 37-A and 66-A shall respectively be inserted, namely:-
"37-A Fabrication of body of trucks and buses and 66-A LED bulbs".
And, In the said Act, in Schedule 'B', after item No.18, the item "18-A Energy Efficient Chullahs certified by the Energy & Resources Institute(TERI) or approved by the

Ministry of New & Renewable Energy(MNRE)" shall be inserted.

The **Govt. vide Notification No. EXN-F(10)-23/2014, dated 30.07.2015** amends Schedule-'D' appended the Himachal Pradesh Value Added Tax Act, 2005 (Act No.12 of 2005), in column No.3 of the commodity shown against serial number 2 below item No.1, "Motor-spirit (Petrol including Aviation Turbine Fuel and Diesel)", for the existing figures and signs "11.5%", the figures and signs "16%" shall be substituted".

The **Govt. vide Notification No. F.3(11)/Fin.(Rev.-1)/2015-16/DSVI/599, dated 31st July, 2015** seek to amend Third Schedule appended to the Delhi Value Added Tax Act, 2004 (Delhi Act 3 of 2005). This Notification shall come into force with effect from 1st August, 2015.

OUR TAKE: The amendment is as follows:
(a) entry as "All utensils and cutlery made of metals (including pressure cookers/pans) except those made of precious metals" shall be substituted at Sl. No. 6,
(b) entry as "Wax of all kinds not covered by any other entry of any Schedule" shall be substituted at Sl. No. 120,
(c) entry as "Wood and Timber" shall be inserted at Sl. No. 169".

HARYANA

The **Govt. vide Notification No. 19/ST-1/H.A.6/2003/S.60/2015, dated 23rd July, 2015** seek to amend Rule 25 of the Haryana Value Added Tax (Amendment) Rules, 2015 and these rules shall be deemed to have come into force with effect from 17th May, 2010.

OUR TAKE: Readers are requested to read the said Notification for details of amendment. It is self-explanatory.

JHARKHAND

The **Govt. vide Notification S.O. 56, dated 24th July, 2015** amends the Departmental Notification No S.O. 219 Dated 31 March, 2006.

OUR TAKE: There has been addition of a proviso to Rule 3 and changes in Rule 19.

KARNATAKA

The **Govt. vide Circular No. 07 of 2015/16 No. CCW/CR-44/2013-14, dated 27th July, 2015** issued certain instructions regarding Extension of Revision option under e-UPaSS module for the Tax periods May 2014 to January 2015 enabled for all Targeted dealers till 31/08/2015.

MADHYA PRADESH

The **Govt. vide Madhya Pradesh Bill No. 12 of 2015** issued **The Madhya Pradesh Vat (Amendment) Bill, 2015.**

OUR TAKE: It contains amendment of Section 4-A, Section 10, Section 14, Section 16-A, Section 18, Section 29 and Repeal and savings.

NAGALAND

The **Govt. issued Office Memorandum (No. FIN/TAX/ESTT/23/96(Pt)) dated 8th July 2015 (now published)** regarding Deduction and deposit of Tax Deducted at Source (TDS) by Government Departments, Establishments and Undertakings etc. on account of Works Contract, Purchases, Sales and Supplies affected by them.

The **Govt. vide Notification No. CT/LEG/130/2006, dated 29th July 2015** introduce mandatory "e- Uploading of Sales and Purchase Invoice details" in the tax soft (Tax administration application software), for Settlement of Input Tax Credit (ITC) claims of VAT registered dealers with certain the terms and conditions.

The **Govt. vide Notification No. FIN/REV-3/VAT/10/05, dated 16th July 2015 (published now)** seek to amend the Schedule IV, V and VIII of the Nagaland Value Added Tax Act, 2005. This notification shall come into effect from the first day of August 2015.

OUR TAKE: The amendments are as follows:
(i) In Schedule IV;
a. the rates prescribed in all the Entries including Entry

45- "Declared Goods as specified in Section 14 of the CST Act, 1956 (Central Act 74 of 1956) other than goods specified in Schedule I" shall stand increased from 4.75% to 5%.

b. "Spare parts of motor vehicles" listed in Entry 353 shall stand deleted.

(ii) In Schedule V;

a. the rates prescribed in all the Entries, except Entry 154 - "Tobacco and tobacco products" shall stand increased from 13.25% to 14.50%.

b, the rate prescribed under Entry 154 - "Tobacco and tobacco products" shall stand increased from 18% to 25%.

c After entry 174, a new Entry shall be inserted:-

SI. No. being “175”, description of goods being “Spare parts of motor vehicles” and Rate of tax Being “14.5%”

(iii) In Schedule VIII, the rate prescribed on works contract under Entry 1 and Entry 2 shall stand increased from 4.75% to 5% and from 13.25% to 14.5% respectively.

The **Govt. vide Notification No. FIN/TAX-3/89(Pt), dated 16th July 2015 (now published)** seek to notify that the rate of tax prescribed under Entry Serial Number 1,2,5,7 and 8 of Scheduie-ll of the Act shall stand amended.

OUR TAKE: This notification shall come into effect from the first day of August 2015. Readers are requested to read the said Notification for the amended rates. It is self-explanatory.

PUNJAB

The **Govt. issued Public Notice** stating that the last date of e-filing of VAT-15 for the 1st Quarter of 2015-16 has been extended till 4th August, 2015

UTTARAKHAND

The **Govt. vide Notification No. 438/2015/120(120)/XXVII(8)/2007, dated 23rd July, 2015** seeks to amend Schedule-I of the Uttarakhand Value Added Tax Act, 2005.

OUR TAKE: In Schedule-1, after the existing entry at serial no. 81, a new entry 82 with Description of Goods as “Mandua, Chaulai(Amaranth) and their products” as “exempted Goods” shall be added.

The **Govt. vide Notification No. 630/2015/181(120)/XXVII(8)/2008, dated 23rd July, 2015** seeks to amend Schedule-I and Schedule-II(B) of the Uttarakhand Value Added Tax Act, 2005.

OUR TAKE: In Schedule-I, for the existing entry at serial no. 71, the Description of Goods shall be substituted by “Atta, Maida, Suji, Besan and Dalia” as “exempted Goods”. And, in Schedule-II(B) the goods specified at serial No. 13 shall be deemed deleted.

WEST BENGAL

The **Govt. on 28th July, 2015 issued an Order whereby it extended the due date** of submission of return under section 32 of the West Bengal Value Added Tax Act, 2003, read with rule 34A and rule 34AA of the West Bengal Value Added Tax Rules, 2005.

OUR TAKE: Extended date of transmission of data electronically of the return in Form 14/14D for quarter ended 30.06.2015 to 20.08.2015 subject to rule 34A(3A) and extended date of furnishing paper form of that return to 27.08.2015.

And, extended date of transmission of data electronically of return in Form 15 for quarter ended 30.06.2015 to 20.08.2015 and extended date of furnishing paper form of that return to 27.08.2015.

OTHER UPDATES

LBT

The **Govt. of Maharashtra vide Notification No. LBT-2015/CR-47/UD 32, dated 23rd July, 2015 (now published)** seeks to amend LBT Rules 2010.

OUR TAKE: The Notification is self-explanatory.

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