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GST

CENTRAL EXCISE

SERVICE TAX

CUSTOMS

STATE TAXES

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EDITORIAL

Friends,

The Rajya Sabha hurdle, notwithstanding, the administration and technical foundation for implementation of goods and services tax by 1st April, 2016, are being laid on a war footing.

Two committees have been set up that would look into the preparedness of the government and the industry for the roll out of the GST once it clears all parliamentary hurdles.

One committee is a steering committee represented by additional secretary, department of revenue, member secretary and empowered committee of state finance minister. It will monitor the progress of IT preparedness of Goods and Services Tax Network (GSTN), Central Board of Excise and Customs (CBEC) and tax authorities, along with looking at the progress on consultations with various stakeholders like trade and industry and training of officers.

The second committee, headed by Chief Economic Advisor (CEA), will recommend tax rates that would be consistent with the current level of revenue collection of Centre and states.

Just to reiterate that the GST Bill, has to be first passed in the Rajya Sabha, after which 50% of the state assemblies have to vet it. This will be followed by the formation of a GST Council that will decide the revenue neutral rate (RNR).

Hence we feel that assuming everything falls in place in the Rajya Sabha, the government would not be founding wanting on preparedness for GST.

We shall keep you updated on the recent developments on the GST front also in our weekly issues of Tax Connect.

May we reiterate that we remain available for a discussion over mail or over a telecon!

Truly Yours

Timir Baran Chatterjee
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DUE DATE	COMPLIANCES from 21/06/2015 to 27/06/2015
21-June-15	VAT/CST/ Entry Tax/ PT Payment for the month of May for Assam, Delhi, Maharashtra, Odisha, West Bengal, Nagaland, Meghalaya
21-June-15	Payment of ESI for the month of May.,2015
22-June-15	VAT/CST/WCT/ET Payment of Gujarat WCT Certificate Issue for the month of May,2015 for Delhi
25-June-15	Sales Tax TDS Certificate Issue for the month of May, 2015 for West Bengal and Mizoram

Index Guide

GST in India - A Learning from Malaysian GST

Goods and Service Tax, the biggest tax reform of India in decades is set to roll out in April 1, 2016. However, with the roll-out of the Malaysian GST in April this year there would definitely be a lesson to learn for Indian tax authorities as they go about setting up the GST edifice in the country.

In Malaysia, price control on account of the GST does not fall under the purview of the GST authorities but the ministry of domestic trade and consumer affairs. Having an anti-profiteering law is very important from the public perception point of view that the introduction of the tax will not result in a broad inflationary impact. This is essential to ensure that the final consumer benefits from the credit mechanism in a GST. Otherwise, businesses have no incentive to charge the GST on prices and costs that properly reflect credits for taxes paid on inputs. This is more about having the right carrots and sticks to drive the right behavior.

There were six months of intensive preparations and customer education before the rollout of the GST in Malaysia.

JOURNEY OF MALAYSIAN GST SO FAR

Over the last two months there have been anti-GST street protests in Kuala Lumpur; consumers have alleged overcharging by merchants; merchants were stumped by the complicated process of computing their value-added; and there have been a couple of suicides by elderly shopkeepers, with their families, blaming the GST for their deaths.

There have even been stray calls for a rollback, something that has not happened in the 140-odd countries that have introduced the value-added tax.

Undoubtedly, more exemptions and zero or reduced rates complicate the GST. They make it harder for business to get GST right. Malaysia requires all businesses with revenue of more than 500,000 ringgit to register for the GST. Businesses selling multiple products which fall under different tax slabs found the going complicated.

Businesses were provided training through pamphlets and websites with information about how to deduct input costs and charge customers for the value-added component of what they were paying for.

Malaysia's ministry of domestic trade, cooperatives and consumerism, in charge of monitoring misuse of the GST, has gone to the extent of using undercover customs officers to check whether the new tax is being imposed correctly by suppliers and merchants. It is expected that around 200 fraud cases involving the GST would be brought to the courts.

By assessing the impact early there can be a better preparation for an implementation project taking into account the impact on their IT (information technology) systems, processes and the people requirements.

Most tax experts feel that businesses need 9-12 months to be GST-ready. Malaysia's experience in handling the rollout of the GST could come in handy both for Indian administrators and businesses.

AN ANALYSIS

GST RATES ACROSS THE WORLD

Country	Rate
Canada	5%
France	Standard rate: 20% Reduced rate: 5.5% & 10%, Super reduced rate of 2.1%
United Kingdom	Standard rate: 20% Reduced rate: 5%
Japan	Standard rate: 8%
Australia	10%
Malaysia	6%
India	Suggested revenue neutral rate: 27%

Compiled by JAV & Associates

SERVICE TAX

COURT DECISIONS

NASH INDUSTRIES VERSUS COMMISSIONER OF CUSTOMS & SERVICE TAX, BANGALORE (CESTAT Bangalore)

BRIEF: The appellant is a 100% EOU and the refund claims filed by them have been denied on the ground that clearances to 100% EOU cannot be considered as export and refund cannot be allowed of the Cenvat credit availed by them. The Cenvat Credit and refund that have been have been denied are on rent-a-cab service, air travel service and rent paid on office premises by the appellant.

OUR COMMENTS: In the above case**, the Hon'ble CESTAT Bangalore** held that all the three services have a nexus to the appellants' activity. The rent-a-cab service has been used for providing transportation facility to the customers and air travel service has been used for travel of partners and employees of the company for business purposes and rent on office premises has been paid. Each action is directly connected to the business of manufacture. Hence, the assessee is eligible for the refund claims. **[Decided in favour of assessee]**

MAHINDRA & MAHINDRA LTD VERSUS COMMISSIONER OF CENTRAL EXCISE (CESTAT Mumbai)

BRIEF: The appellant is having a housing colony and club room attached to their manufacturing unit at Igatpuri, Nashi. They have availed credit of service tax paid on security services provided at the residential colony and club room, repair of mixer used in the canteen, civil work done at the colony, furniture/wooden partition done for VIP rooms and telephone lines installed at residence of the officer/club rooms during the period November 2005 to September 2010. A demand amounting to Rs.7,31,472/- was issued to them which was confirmed along with interest and penalty. Another SCN was also issued for similar services for the period October 2010 to March 2011.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Mumbai** held that what is allowed as Cenvat credit is the tax paid on input services which are integrally connected with the manufacturing of the final product. The residential colony for the employees and the clubs are welfare activity for the staff undertaken by the appellant while carrying the business which has no nexus with the business of the manufacturing the final product. The expression 'relating to business' in rule 2(l) of CENVAT Credit Rules, 2004 refers to activities which are integrally related to the business activity of the assessee and not welfare activities undertaken by the assessee. Following the **decision of the Hon'ble Supreme Court** in the case of **Maruti Suzuki Limited Vs. Commissioner of Central Excise, Delhi**. However, the penalty imposed is set aside. **[Decided partly in favour of assessee]**

M/S ARCHI-TECHNICS VERSUS COMMISSIONER OF CENTRAL EXCISE AND SERVICE TAX, MANGALORE (CESTAT Bangalore)

BRIEF: The appellant had filed their ST-3 returns for the period 1.4.2008 to 30.9.2008 on 27.10.2008 and shown the value of the service so provided by them as Rs.17,55,000/-. The service tax liability to the extent of Rs.2,10,600/- along with EC and SHEC were reflected in the said ST-3 returns. However, the appellant did not deposit the service tax and mentioned in the returns and mentioned the said facts in the said returns. The service tax along with interest was ultimately deposited by them after a period of one year and three months. The Revenue thus, imposed penalty u/s 76 of Rs.1,11,000/-. The contention of the appellant is that their mother was suffering from heart problems as a result of which they were not in a position to pay service tax.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Bangalore** held that appellant did not shut their business on the said ground and continued to do so during the above stated period. To be specific they have done business of more than Rs.17 lakhs. They also filed the returns showing their tax liability which clearly proves that the assessee was aware of his liability. The service tax to be paid was not on a higher side as compared to the business of Rs.17 lakhs. Hence, the ill-health of mother could not be considered as a valid cause for the invoking of section 80. Following the decision of **Hon'ble CESTAT Mumbai** in the case of **Triton Communication Pvt. Ltd. Vs. Commissioner of Central Excise, Mumbai (2005)**. **[Decided against assessee]**

CENTRAL EXCISE

NOTIFICATIONS & CIRCULARS

MANUFACTURE OF ALUMINIUM ROOFING PANELS

The **CBEC** vide **Notification No. 17/2015-Central Excise (N.T.) dated 8th June, 2015** hereby exempts every manufacturing unit engaged in the manufacture of aluminium roofing panels falling under rule, every manufacturing unit engaged in the manufacture of aluminium roofing panels falling under tariff item 7610 90 10 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

OUR COMMENTS: The above mentioned exemption shall be available subject to the conditions that such roofing panels are consumed at the site of manufacture for execution of the project and the manufacturer of such goods has a centralised billing or accounting system in the project in the premises or office from where such centralised billing or accounting is done.

GOODS CLEARED FOR THE PURPOSE OF NATIONAL AIDS CONTROL PROGRAMME FUNDED BY GFATM SHALL BE EXEMPTED

The **MOF** vide **Notification No. 33/2015-Central Excise dated 10th June, 2015** hereby exempts **Anti-Retroviral Drugs (ARV Drugs) and Diagnostics & Equipments** from the whole of the duty of excise leviable thereon which is specified in the Schedule to the Central Excise Tariff Act, 1985 (5 of 1986).

OUR COMMENTS: The above mentioned exemption shall be available subject to producing a certificate, before the AC/DC of Central Excise, from an officer not below the rank of Deputy Secretary to the Government of India in the Ministry of Health and Family Welfare to the effect that the said goods are required for the National AIDS Control Programme funded by Global Fund to fight AIDS, TB and Malaria (GFATM).

COURT DECISIONS

COMMISSIONER OF CENTRAL EXCISE VERSUS SARIN AND SARIN (Allahabad HC)

BRIEF: The main question for consideration that arises here is whether the Hon'ble CESTAT had erred in not confirming the demand of Central Excise duty along with interest and imposition of penalties when the party has made a confessional statement for clandestine removal of the excisable goods which was sole basis of conviction along with the corroborative evidences.

OUR COMMENTS: In the above case the **Hon'ble Allahabad High Court** held that acceptance of suppression of facts made by the assessee is voluntary in nature and the same can be taken as a material finding in the issue. The evidences obtained in the office premises during the search conducted by the officers in the form of unaccounted cash, unaccounted sale of gutka and paan masala and shortage of stock are material and the CESTAT has not recorded any finding for setting aside the penalty imposed by the Adjudicating Officer. Thus, the matter was remanded back to the CESTAT for fresh consideration of the duties and penalties. Following the decision of the **Hon'ble Supreme Court** in the case of **K.I. Pavunny v. Assistant Collector. [Decided in favour of Revenue]**

COMMISSIONER OF CENTRAL EXCISE, NASHIK VERSUS M/S. VIP INDUSTRIES LTD. (CESTAT Mumbai)

BRIEF: The issue relates to CENVAT Credit on gardening expenses.

OUR COMMENTS: In the above case the **Hon'ble CESTAT Mumbai** held that as gardening is essential under Pollution Control laws, to maintain quality of ambient air, the same is necessary business related expenses for the manufacturer/assessee. Accordingly, the credit should be allowed. **[Decided against Revenue]**

M/S R.M. DHARIWAL (HUF) VERSUS COMMISSIONER OF CENTRAL EXCISE, PUNE-III (CESTAT Mumbai)

BRIEF: The appellant filed refund claim on 19/2/2009 for Rs.90 lakhs in terms of Section 11B of Central Excise Act, 1944 against amount of pre-deposit made as per CESTAT direction. The said refund was sanctioned vide order dated 30/9/2009. Since the refund was sanctioned beyond the prescribed time limit of three months, the appellant filed appeal for claim of interest for the delayed sanction of refund which was rejected by the Commissioner.

OUR COMMENTS: In the above case the **Hon'ble CESTAT Mumbai** held that refund was against pre-deposit of amount as directed by the Tribunal in some other matter. The claim was filed with self attested copies of the TR-6 challan which was sufficient for sanctioning the refund claim. If the authority required departmental attested copies of TR6 Challan, the same could have been asked within the time period of three months. Hence, the appellant is legally entitled for interest on the refund claim for the period beyond three months from the date of filing of application of refund. **[Decided in favour of assessee]**

CUSTOMS

NOTIFICATIONS & CIRCULARS

GOODS IMPORTED FOR THE PURPOSE OF NATIONAL AIDS CONTROL PROGRAMME FUNDED BY GFATM SHALL BE EXEMPTED

The **MOF** vide **Notification No. 37/2015-Customs dated 10th June, 2015** hereby exempts **Anti-Retroviral Drugs (ARV Drugs) and Diagnostics & Equipments** from the whole of the custom duty leviable under section 3 of the Customs Tariff Act.

OUR COMMENTS: The above mentioned exemption shall be available subject to producing a certificate, before the AC/DC of Customs, from an officer not below the rank of Deputy Secretary to the Government of India in the Ministry of Health and Family Welfare to the effect that the said goods are required for the National AIDS Control Programme funded by Global Fund to fight AIDS, TB and Malaria (GFATM)..

LEVY OF ANTI DUMPING DUTY

The **MOF vide Notification No. 29/2015 Customs (ADD) dated 10th June 2015** hereby imposes anti dumping duty on import of **Vitamin E in all forms excluding natural form** where the country of origin or the country of export is the **People's Republic of China**.

Also, vide **Notification No. 30/2015 Customs (ADD) dated 12th June 2015, the MOF** hereby imposes anti dumping duty on import of **Nylon Tyre Cord Fabric (NTCF)** where the country of origin or the country of export is the **People's Republic of China**.

OUR COMMENTS: Readers are requested to go through the notifications for more information.

CHANGES/ AMENDMENTS IN THE EOU/EHTP/STP/BTP SCHEMES

The **CBEC** vide **Circular No. 19/2015-Cus dated 9th June, 2015** has revised the limit of Domestic procurement and import of goods from Rs.15 crores and above to Rs.10 crores and above in the preceding year for Fast Track Clearance as per Handbook of Procedures (HBP) 2015-20.

OUR COMMENTS: The circular is self-explanatory.

INCOME TAX

NOTIFICATIONS & CIRCULARS

CLARIFICATIONS ON ROLLBACK PROVISIONS OF ADVANCE PRICING AGREEMENT SCHEME

The **CBDT** vide **Circular No. 10/2015 dated 10TH June 2015 has** made clarifications on certain issues relating to **Rollback Provisions of Advance Pricing Agreement Scheme.**

OUR COMMENTS: The Board has made it in Q&A format, thus, making it easier for readers to understand the clarifications. Readers are requested to go through the same for a better knowledge.

REFUND OF WEALTH TAX ON AGRICULTURAL LAND

The **CBDT** vide **Circular No. 11/2015 dated 11th June 2015** has decided that where the assessees had paid wealth tax on agricultural land as per the provisions of the Wealth Tax Act as they existed prior to Finance Act 2013, such cases may be taken up for the purpose of refund through an application made by the assessees for revision, arising due to the amendment in Finance Act 2013.

OUR COMMENTS: Since the amendment was retrospective w.e.f. 1.4.1993, the wealth tax paid in respect of such agricultural land is required to be refunded on relevant information received from the assessee. Where it is a case of refund the assessee shall be entitled to interest on such refund at the rate specified in the Act in this behalf. The Board has authorized PCWT/CWT to admit such applications. The application for such claim shall be made by the assessee within one year from the date of issue of this order. After expiry of the said period, no such claim shall be admitted.

EXTENSION OF DUE DATE OF FILING RETURN OF INCOME FOR ASSESSMENT YEAR 2015-16

The **CBDT** vide **Order-Instruction Income-Tax dated 10th June 2015** hereby extends the `due date' for filing Returns of Income u/s 139(1) of the Income Tax Act for Assessment Year 2015-16 from 31st July 2015 to **31st August 2015** in respect of income tax assesses concerned.

OUR COMMENTS: The order is self explanatory.

CONDONATION OF DELAY IN FILING REFUND CLAIM AND CLAIM OF CARRY FORWARD OF LOSSES

The **CBDT** vide **Circular No. 09/2015 dated 9th June 2015** has issued Comprehensive guidelines to be followed for Condonation of delay in filing refund claim and claim of carry forward of losses u/s 119(2)(b) of the Income-tax Act.

OUR COMMENTS: Readers are requested to go through the circular for more information on the procedure to be followed for deciding such matters.

COURT DECISIONS

THE COMMISSIONER OF INCOME TAX, AURANGABAD VERSUS M/S. GAJANAN NAGARI SAHAKARI BANK LTD (BOMBAY HC)

BRIEF: The respondent is a Co-operative Bank. The respondent had filed IT Returns for the A.Y. 2009-10 declaring total loss of Rs.27,51,096/-. The A.O. debited an amount of Rs.81,67,500/- towards depreciation on investment on the Government securities held under the category "HELD TO MATURITY". In the opinion of the A.O., the securities held under the "HTM" category are in the nature of capital assets and therefore, were available for sale. He also held that the securities were held in the trading. He therefore, disallowed the amount as diminution in value of security and added the same to the total income.

OUR COMMENTS: In the above case, the **Hon'ble Bombay High Court** held that the securities were stock in trade and so depreciation would amount to loss and not income. Merely because the securities are kept under the head by the Bank till maturity, the said security cannot be treated as purely investment. It was well decided by the **Hon'ble Supreme Court** in the case of **UCO Bank vs. the CIT** and also by the **Hon'ble Bombay High Court** in the case of **CIT vs. Bank of Baroda** that the securities held by the bank under the category of "HELD TO MATURITY" is in the nature of stock in trade. **[Decided in favour of assessee]**

COMMISSIONER OF INCOME TAX-21 VERSUS SH. RAJENDER SINGH (Delhi HC)

BRIEF: The assessee was engaged in the construction business and claimed various expenses as well as credits. In the course of assessment, the AO issued notices under Section 133(6). The said parties did not respond. The amounts claimed against them were added and the AO proceeded to reject the books of accounts and apply the net profit rate of 5% of gross receipts.

OUR COMMENTS: In the above case, the **Hon'ble Delhi High Court** held that it was incorrect on the part of the A.O. to apply ad hoc and arbitrary net profit rate of 5%. Since, the assessee had effectively answered the objections raised in the assessment order; there was no rationale for estimating the net profit @ 5%. Also, there are no discrepancies and infirmities in the books of account of the appellant. Accordingly the pronouncements made by the A.O. were not justified. **[Decided against Revenue]**

C.I.T. KOLKATA – II VERSUS ORIENT PAPER & INDUSTRIES LTD. (Calcutta HC)

BRIEF: The assessee is a manufacturer of papers and the factory is based on forest wood. The course of manufacture of papers entails pollution by chimneys effluent discharge and use of chemicals. It was laid down in the national Forest Policy of 1988 that all forest based industries must take up plantation so that forest ecology is maintained. Two main questions arise for consideration:

1. **Whether payments under VRS IS revenue/capital expenditures?**
2. **Whether the pre-plantation expenditure claimed by the assessee is revenue/ capital expenditures?**

OUR COMMENTS: In the above case, the **Hon'ble Calcutta High Court** held that the assessee had complied with the directions of the State Pollution Boards and other environmental agency to monitor and ensure that atmospheric pollution is minimized. By this expenditure, there is no gain to the assessee neither did it enhance the value of the establishment. The amount expended was wholly and exclusively for the purposes of the business and was not in the nature of capital expenditure. Following the decision of **Hon'ble Madhya Pradesh High Court** in the case of **Hindustan Electro Graphites Ltd. Vs. CIT**.

The amount paid to employees under the VRS was an allowable deduction as the expenditure was incurred on grounds of commercial expediency and the expenditure was laid out wholly and exclusively for purposes of the business of the assessee. Following the decision of **Hon'ble Madras High Court** in the case of **CIT Vs. Simpson and Co. Ltd. [Decided against Revenue]**

STATE TAXES

HARYANA

The **Govt. of Bihar vide Notification No. 15/ST-1/H.A. 6/2003/S.59/2015 dated 15th June 2015** has made several amendments in Schedules B and C:
In Schedule B sl no. 12 shall be substituted with the following:

"12	Chemical fertilizer, bio-fertilizer and gypsum."

In Schedule C, following are the substituted entries for the relevant sl no.:

"21A	Compact fluorescent lamps, tubes and bulbs and chokes of T-5, 28W energy efficient, electronic tube lights with electronic ballast and LED lights";
"60	Pipes and pipe fittings of all varieties including Galvanized Iron pipes, Cast Iron pipes, ductile pipes, Poly Vinyl Chloride pipes and conduit pipes";
"63	Plant growth promoters and plant nutrients."

A new entry at sl no.68A has been inserted namely:

"68A	"Pre-engineered steel building and steel components thereof including puff panels."

OUR COMMENTS: The notification is self-explanatory.

Also, vide **Notification No. 16/ST-2/C.A.74/1956/S.13/2015 dated 18th June 2015 the Govt. of Haryana has** amended the Central Sales Tax (Punjab) Haryana Rules, 1957.
The new rules shall be called Central Sales Tax (Punjab) Haryana Amendment Rules, 2015.

OUR COMMENTS: Readers are requested to go through the notification for more information.

KARNATAKA

The **Govt. of Karnataka vide Notification No. FD 3 CET 2015 dated 9th June 2015** hereby fully exempts the tax payable u/s 11-A of the Karnataka Tax on Entry of Goods Act, 1979:

1. On the entry of plant and machinery and capital goods for use into a local area caused by a dealer which is a new Tourism unit for a period of **three years** from the date of commencement of its project implementation.
2. On the entry of any goods for use as raw materials, inputs, component parts and consumables (excluding petroleum products) into a local area caused by a dealer which is a new Tourism unit for a period of **five years** from the date of commencement of commercial production; and
3. On entry of Plant and machinery and capital goods for use into a local area caused by a dealer which is a mega project and a Tourism unit for a period of **five years** from the date of commencement of its project implementation.

OUR COMMENTS: The notification is applicable to new Tourism units or mega Projects as per the Government Order No. TD 81 TTT 2014 dated 26th March, 2015. It is also applicable to all new and additional investments for expansion or diversification or modernization of existing Tourism Units made on or after 26th March 2015, and on or before 25th March 2020.
Readers are requested to go through the notification for more information about the exemption.

RAJASTHAN

The **Govt. of Rajasthan vide Notifications dated 30th May 2015** hereby provides a rebate of CST Payable on sale of:

1. cement to the extent to which the rate of tax exceeds 6 percent
2. AC pressure pipes to the extent to which the rate of tax exceeds 6 percent
3. Polyster filament yarn and nylon filament yarn to the extent to which the rate of tax exceeds 0.75 percent
4. Polyester filament yarn / nylon filament yarn, polymer chips and polypropylene filament yarn to the extent to which the rate of tax exceeds 0.75 percent
5. all kinds of man-made fiber and man-made yarn etc. to the extent to which the rate of tax exceeds 2 percent
6. goods to the extent the rate of tax exceeds the rate notified under RST Act, 1994 / RVAT Act, 2003
7. sale of pre-engineered building system
8. tyres and tubes of motor vehicles
9. goods taxable at the rate of 4 percent
10. cereals and pulses
11. packing materials
12. all heavy commercial motor vehicles
13. Mooda, Invitation cards etc
14. Paddy, Ajwain, Sonf, Suwa etc
15. pollution control equipments
16. edible oil to the extent to which the rate of tax exceeds 1%

In addition to the above, vide Notification **No.F.12(77)FD/Tax/2014-29** rebate of CST Payable is provided on more goods mentioned in the table attached subject to the rates specified.

OUR COMMENTS: The rebate shall be available subject to fulfilment of the conditions stated in the notifications. Readers are requested to go through the conditions specified in the notifications.

Also, vide **Notification No.F.12(43)FD/Tax/2011-25 dated 12th June 2015 following amendments have been made in Schedule VI of VAT Schedules:**

1. Sl No. 4 shall be substituted with

4.	Tobacco and its products excluding bidi	45	

2. in column number 3 against serial number 13, for the existing expression "65", the expression "35" shall be substituted

3. Sl No. 22 shall be inserted:

22.	Bidi	65	

The tax rates are mentioned alongside the respective entries.

OUR COMMENTS: The notification is self-explanatory.

UTTARAKHAND

The **Govt. of Uttarakhand vide Notification NO.226/2015/181(120)/XXVII(8)/2008** dated **8th June 2015** has made amendments in **Schedule-II(b)** of the VAT Schedules namely:
At the relevant sl nos. the following entries shall be substituted:

"10. Aluminium, Aluminium alloy and their Scraps (excluding extrusions).
47. Ferrous and non ferrous metals and alloys; non metals, such as aluminium, copper, zinc and extrusion of those and their scrap"

OUR COMMENTS: The notification is self-explanatory.

ANDHRA PRADESH

The **Govt. of Andhra Pradesh vide Circular No. A I(1)/26/2014 dated 17th June 2015** has hereby provided that Purchase, sale Invoice details effected to VAT dealers should be filed along with monthly Returns.

OUR COMMENTS: Readers are requested to go through the instructions issued in this regard.

DELHI

The **Govt. of Delhi** vide **CIRCULAR NO.12 OF 2015-16 dated 10th June 2015 has issued** Instructions regarding processing of refund by the department as per the DVAT Act, 2004 and DVAT Rules, 2005.

OUR COMMENTS: The refund shall be processed in the deserving cases. The following are points that have been issued in this regard:

1. The claim for the refund is made by the dealer in the return filed and hence the return itself becomes the application for refund.
2. The refund shall be made within a period of 60 days from the date of application (except some prescribed circumstances where the VATO may requiremay require some information);
3. The refund should either be disbursed within two months of filing of application/return or the notice u/s 59(2) for seeking more information is to be issued within the prescribed time.
4. There are also provisions in the Act for payment of interest to the dealer in case of delay of disbursement of refund.