25TH
ISSUE

TAX CONNECT

JULY 19TH - JULY 25TH

GST

CENTRAL EXCISE

SERVICE TAX

CUSTOMS

STATE TAXES

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EDITORIAL

Friends,

The Hon'ble CCT had in the consultative committee meeting of the stakeholders said that now the notices , orders, etc would be sent to dealers on e-mail. He has made his intentions very clear vide Trade Circular 13/2015 dated 14.7.2015. **For dealers registered under WB VAT, it is most urgent to update their correct e-mail Ids and mobile no's on the website www.wbcomtax.gov.in.** It is to be noted that a notice, order or demand delivered on e-mail shall be a valid under Rule 208 of The WB VAT Rules. The procedure of updation of contact details is discussed in this bulletin.

In Income Tax The **CBDT vide Notification No. 58/2015 dated 1st July, 2015** has introduced the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Rules, 2015.

Further in a major relief, taxpayers can now file their return without worrying about sending copy of ITR-V acknowledgment to the CPC, Bengaluru. The **CBDT vide Notification No. 2/2015 dated 13th July, 2015** has laid down the procedures, data structure and standards for Electronic Verification Code.

On the GST front it is expected that the Govt. may a cue from the offer made by several states on the Land bill to take the pressure off the Centre as it seeks to push through the GST legislation. We all await the monsoon session of the Parliament in this regard.

The details of our **Workshop on Indirect & Direct Taxes to be held on 7th August 2015,** are penned in the next page. Do feel free to contact us in this regard.

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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Vivek Jalan
FCA, CIDT (ICAI), B. Com

DUE DATE	COMPLIANCES FROM 19TH JULY, 2015 TO 25TH JULY, 2015	STATUTE
20th July, 2015	ER-3 Return for the quarter ended June, 2015	Central Excise Act
20th July, 2015	Deposit of Tax for the month/quarter ended June, 2015	Andhra Pradesh VAT Act, Tamil Nadu VAT Act, Uttar Pradesh VAT Act, Punjab VAT Act
21th July, 2015	Deposit of Tax for the month/quarter ended June, 2015	Delhi VAT Act, Maharashtra VAT Act, Odisha VAT Act, Assam VAT Act, West Bengal VAT Act
21th July, 2015	Payment of ESI for the month ended June, 2015	
22nd July, 2015	Deposit of Tax for the month ended June, 2015	Gujarat VAT Act
25th July, 2015	Issue of Sales Tax TDS Certificate	West Bengal VAT Act
25th July, 2015	Provident Fund Return	

INDEX GUIDE

WORKSHOP ON INDIRECT TAX AND DIRECT TAX

[GST, SERVICE TAX, VAT, FTP & INCOME TAX]

01.30 p.m. onwards, 7th August, 2015
The Bengal Chamber of Commerce and Industry
Williamson Magor Hall
Royal Exchange, 6, Netaji Subhas Road, Kolkata 700001

"TAX CONNECT" is organizing a Workshop on Indirect Tax & Direct Tax in the Bengal Chamber of Commerce and Industry from 01.30 p.m. onwards on 7th August, 2015.

The Workshop will cover important topics/issues of **Goods & Service Tax [GST], Service Tax, Value Added Tax [VAT], Foreign Trade Policy [FTP] AND Income Tax**. The programme schedule with names of speakers is enclosed for your kind reference.

We do hope that the programme will be relevant to you. You may please also nominate suitable representatives to attend the programme. For the purposes of registration, please email the enclosed Ready Reply Form, suitably filled in, to **p5.javaa@gmail.com**.

The overheads per participant are Rs.500/-.

Following is the Tentative Programme:

TIMING	EVENT	CONDUCTED BY
01.30 p.m. – 02.00 p.m.	**Registration**	
02.00 p.m. – 02.15 p.m.	**Welcome & Keynote Address**	**TAX CONNECT**
02.15 p.m. – 02.55 p.m.	**Technical Session I:** **Goods & Service Tax [GST]**	**Mr. T B Chatterjee,** Chairperson, Indirect Taxes Committee The Bengal Chamber of Commerce and Industry & Chief Corporate Officer, Legal and Corporate Affairs, DIC India Ltd
03.00 P.m. – 03.40 p.m.	**Technical Session II:** **Service Tax**	**Mr. Vivek Jalan,** FCA, CIDT [ICAI], Member, Indirect Taxes Committee, The Bengal Chamber of Commerce and Industry JAV & Associates, Chartered Accountants
03.45 p.m. – 04.25 p.m.	**Technical Session III:** **Value Added Tax [VAT]**	**Sri Khalid Anwar** Joint Commissioner, West Bengal Commercial Taxes
04.30 p.m. – 05.10 p.m.	**Technical Session IV:** **Income Tax Returns**	**Mr. Sanjay Bhattacharya, FCA**
05.15 p.m. – 05.55 p.m.	**Technical Session V:** **Foreign Trade Policy [FTP]**	**Mr. T B Chatterjee,** Chairperson, Indirect Taxes Committee The Bengal Chamber of Commerce and Industry & Chief Corporate Officer, Legal and Corporate Affairs, DIC India Ltd

Tea/Coffee

GOODS & SERVICE TAX

GST PANEL MAY BAT TO SECURE RIGHTS OF LOCAL BODIES

The Rajya Sabha's Select Committee on the Goods and Services Tax (GST) Bill is likely to put forward some suggestions to protect the income of panchayats and other local governments prior to the implementation of the new tax regime. It wants status quo on all levies imposed by panchayats.

The Panchayati Raj Ministry has also raised concerns over certain proposals in the panel's meeting held recently. On the issue of taxes levied by panchayats, most members seem to be supporting the arguments of the Panchayati Raj Ministry.

There is near unanimity in the panel that the rights of local bodies should be protected. Its members have suggested amendments to Clause 17 and Clause 19 of the Constitutional Amendment Bill.

A note circulated by the Ministry to the members said there should be "absolute clarity" on the protection of local taxes levied by panchayats, which varies across the country in quantum and buoyancy.

A RELOOK AT THE IT SYSTEMS - A MUST FOR GST IMPLEMENTATION

A Demat Model as in case of TDS will be implemented in GST whereby a seller would file his returns with the details of GST collected from each of buyer electronically and the buyer would avail the said credit against his liability payable. **This would be a herculean task considering the fact that the return period can be monthly/ periodically.**

According to the IT strategy for GST reporting, there has been a consensus on a common portal providing three core services: registration, returns and payments. GST will be a dual tax, with both the central and state component levied on the same base. The integrated GST framework will be used for goods and services exported across state boundaries. Thus, all goods and services, barring a few exceptions, would be brought into the GST base.

Government has set up a special purpose vehicle named as Goods and Services Tax Network (GSTN) to provide information technology support to various stakeholders under the proposed GST. This network will bring together taxation data from the Centre and states that was so far processed separately. The GSTN is already in place as a private limited company. This body will control all new indirect tax data from the Centre and states and will have access to past data as well. The charges it will impose for processing this data will be the revenue that sustains its operations.

It is therefore of upteen importance how the ERP network of the assessee talks to the GSTN.

It is assured that the GST Net would merely facilitate tax-payers services in an integrated manner while the core and statutory functions of the taxmen would remain intact.

Biggest task of this GSTN is going to be seamless management of clearing house work in respect of huge IGST transactions.

The main task before the government before actual GST roll-out will be to computerise the commercial tax departments in all states.

Many states have already started the process of automating their commercial tax departments. Once GST is introduced, all the states would have to quickly gear-up to get into the GST regime by taking their IT infrastructure and applications up and running

It's because there are intricate linkages between the central government and the state governments under a GST regime. If one level is not correlated with the other, then there will be a break in linkage and data flow and that will affect GST computation.

SERVICE TAX

COURT DECISIONS

FUN MULTIPLEX PRIVATE LIMITED VS. THE UNION OF INDIA AND OTHERS [BOMBAY HIGH COURT]

BRIEF: The Circular would not govern the controversy. The controversy must be dealt with strictly in terms of the statutory provisions and the circular cannot override the same.

OUR COMMENTS: In the above case, the **Hon'ble Bombay High Court** held that merely making a reference to some Circular would not mean that the Appellate Tribunal cannot be approached or that the Appellate Tribunal will not view the matter in its entirety and in proper perspective. The Tribunal shall consider and pass appropriate orders in accordance with law, after hearing the parties. Equally, it would be open for the Petitioner to seek such reliefs as are permissible in law and to apply for dispensation of the condition of pre-deposit of the tax amount. **[Petition disposed of]**

INDSUR GLOBAL LIMITED VS. ADDITIONAL COMMISSIONER OF SERVICE TAX, VADODARA [GUJARAT HIGH COURT]

BRIEF: Levy of penalty is confirmed where assessee had recovered service tax from the service recipient but not deposited the same and also declared service tax liability as nil in the return.

OUR COMMENTS: In the above case, the **Hon'ble Gujarat High Court** held that even if the provisions of Sections 76, 77 and 78 of the Act are otherwise applicable, no penalty would be imposed on an assessee for the failure referred to in such provision, if he proves that there was reasonable cause for such failure. In the given case, there is no question of law arises as the assessee had in fact recovered service tax periodically from the service recipient and it was not deposited with the Government. In the returns filed, it was declared that service tax liability was nil. Therefore, levy is penalty is confirmed. **[Decided against assessee]**

LAWSON TOURS & TRAVELS [INDIA] PRIVATE LIMITED VS. DY. DIRECTOR, DGCEI, ZONAL UNIT, MUMBAI [BOMBAY HIGH COURT]

BRIEF: Merely on issuance of show-cause-cum-demand notice, the bank account could not be frozen and attached.

OUR COMMENTS: In the above case, the **Hon'ble Bombay High Court** held that there is no reason for the authority to hastily freeze and attach the bank account. If the Petitioner has a huge liability and which is towards taxes due to the Government, then, the least that was expected is that the competent authority decides the adjudication proceedings and by an appropriate order. It is only thereafter that the dues could be said to be crystallized and adjudicated. **[Decided in favour of assessee]**

WARBURG PINCUS INDIA PRIVATE LIMITED VS. COMMISSIONER OF CENTRAL EXCISE, MUMBAI-I [CESTAT MUMBAI]

BRIEF: Once the refunds are under the amended rules and notifications issued thereunder, the same cannot be denied merely because they relate to period prior to date of amendment.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Mumbai** held that the appellant is eligible for the refund of an amount availed as CENVAT credit on the inputs services which were received by the appellant during the period prior to date of amendment. **[Decided in favour of assessee]**

CLARIFICATION ON "SERVICE CHARGES" COLLECTED BY THE RESTAURANTS/HOTELS/EATERIES

Some restaurants/hotels/eateries besides charging for the food and beverages are also charging 'service charges' in their bills. The proceeds of the 'service charges' are retained by the restaurants/hotels/eateries. Some of the consumers have a misapprehension that these 'service charges' are being collected by the restaurant on behalf of the Government as tax. It is clarified that these 'service charges' collected by the restaurants/hotels/eateries are retained by the restaurants/hotels/eateries and are not 'service tax' imposed by the Government.

CENTRAL EXCISE

COURT DECISIONS

THE COMMISSIONER OF CENTRAL EXCISE VS. M/S. JOY FOAM PRIVATE LIMITED, CESTAT [MADRAS HIGH COURT]

BRIEF: Since the goods are lost or destroyed due to unavoidable accident, remission of duty is granted to the assessee on such goods.

OUR COMMENTS: In the above case, the **Hon'ble Madras High Court** held that value once the goods are destroyed or lost due to natural cause, remission of duty is granted on such goods. Since the inputs are considered to be put to intended use in the manufacture of finished products, it is deemed to have been consumed in the process of manufacture and since the goods are lost or destroyed due to unavoidable accident, the claim of reversal of credit cannot be countenanced. **[Decided in favour of assessee]**

KRIPA FABS PRIVATE LIMITED, VS. CESTAT, THE ADDL. COMMISSIONER OF CENTRAL EXCISE [MADRAS HIGH COURT]

BRIEF: Subsequent information by the assessee to the respondent/Department cannot justify a plea of no suppression. The act of suppression had already happened at the time of clearance of the exempted goods in excess of the exemption limit.

OUR COMMENTS: In the above case the **Hon'ble Madras High Court** held that there has been failure on the part of the appellant to discharge the duty liability on clearance in excess of the exempted production. The adjudicating authority, the Commissioner (Appeals) as well as the Tribunal concurrently have come to the clear conclusion that it is a case of suppression. Subsequent information by the assessee to the respondent/Department cannot justify a plea of no suppression. The act of suppression had already happened at the time of clearance of the exempted goods in excess of the exemption limit and, therefore, it is not open to the assessee to plead a case of no suppression. **[Decided against assessee]**

THE COMMISSIONER, CUSTOMS & CENTRAL EXCISE VS. M/S. VOLTARC INDIA (P) LIMITED [ANDHRA PRADESH HIGH COURT]

BRIEF: Benefits of exemption allowed where symbol, which is being used on the wrapper and packer, is reflecting only the name of the company and not the trade mark of the product.

OUR COMMENTS: In the above case the **Hon'ble Andhra Pradesh High Court** held that where name/symbol has been inscribed on the packets/cartons and not affixed on the goods, it cannot be said that other brand names has been affixed. Therefore, the assessee is eligible to avail the benefit of exemption. **[Decided in favour of assessee]**

MAHINDRA UGINE STEEL CO. LTD., S.V.SIRSIKAR, MEEGORA STEELS PVT. LTD., AL-KARIM SCRAPS TRADERS PVT. LTD., LACHHAMIDHAR KANSHIRAM VS. COMMISSIONER OF CENTRAL EXCISE, RAIGAD [CESTAT MUMBAI]

BRIEF: Levy of penalty confirmed where invoices are issued without delivery of goods with intent to enable evasion of duty to which effect a finding has been recorded and the same has not been challenged.

OUR COMMENTS: In the above case the **Hon'ble CESTAT Mumbai** held that the person who purports to sell goods cannot say that he was not a person concerned with the selling of goods and merely issued invoice or that he did not contravene a provision relating to evasion of duty. The appellant issued invoices without delivery of goods with intent to enable evasion of duty to which effect a finding has been recorded and which finding has not been challenged. Thus, appellant is liable to pay any penalty.

COMMISSIONER OF CENTRAL EXCISE, SALEM AND OTHERS VS. K.G.DENIM LIMITED AND OTHERS [CESTAT CHENNAI]

BRIEF: Pre-deposit amount voluntary paid cannot be allowed by way of cash refund and said refund is to be allowed by way of re-credit in CENVAT Account.

OUR COMMENTS: In the above case the **Hon'ble CESTAT Chennai** held that both pre-deposit and the subsequent voluntary payment of the demand were paid through debit in CENVAT Credit. The appellant's main plea for refund in cash is that as they cannot utilize the credit and they are availing full exemption. They relied Tribunal's decision in the case of Raymond Ltd. vs. CCE [CESTAT, Mumbai] and the Tribunal decision in CCE vs. Ashok Arc [High Court of Jharkhand at Ranchi] where the Tribunal upheld the refund of deposit made through RG-23A Part-I sanctioned in cash. In the above cases the Tribunal had allowed refund in cash only on the ground that assessee was not in a position to utilize the credit as the unit was closed.

In the given case, appellant neither closed their unit nor their registration is cancelled and they are fully viable and functioning and producing Denim fabrics and clearing for domestic as well as for exports and also discharging service tax liabilities. Therefore, the appellant's contention that refund of pre-deposit and voluntary duty payment should be paid in cash only cannot be allowed by way of cash refund and said refund is to be allowed by way of re-credit in CENVAT Account. **[Decided against assessee]**

RELAXATION OF ADDITIONAL FEES AND EXTENSION OF DATE OF FILING FORM MGT-7 AND FORM AOC-4

[GENERAL CIRCULAR NO. 10/2015 DATED 13TH JULY, 2015]

The Ministry of Corporate Affairs has released the circular on Relaxation of additional fees and extension of last date of in filing of forms MGT-7 (Annual Return) and AOC-4 (Financial Statement) under the Companies Act, 2013.

Versions of e-Forms MGT-7, AOC-4 and AOC-4 XBRL shall be available for electronic filing by 30th September, 2015. Form for filing of Consolidated Financial Statement (CFS) with the AOC-4, CFS will be available by October, 2015. Similar relaxation will also be available for filing CFS upto 30th November, 2015.

The additional fee payable on Forms AOC-4, AOC-4 XBRL and Form MGT-7 relaxed upto 31st October, 2015.

CUSTOMS

COURT DECISIONS

SANCO TRANS LIMITED VS. THE COMMISSIONER OF CUSTOMS SEA PORT/IMPORTS CUSTOMS HOUSE [MADRAS HIGH COURT]

BRIEF: When the impugned show cause notice has been issued beyond the statutory period, the same cannot be sustained for want of jurisdiction.

OUR COMMENTS: In the above case, the **Hon'ble Madras High Court** held that it is explicit that the show cause notice under Regulation 20(1) is required to be issued within 90 days from the date of receipt of the offence report as prescribed under Regulation 22. In the present case, it is clearly revealed that the show cause notice was issued beyond the period stipulated in Regulation 22(1). Therefore, when the impugned show cause notice has been issued beyond the statutory period, the same cannot be sustained for want of jurisdiction. There is no impediment for the respondent to renew the Customs Broker Licence of the petitioner in terms of Regulation 9(1) of the CBLR, 2013. **[Decided in favour of appellant]**

ANTI-DUMPING DUTY IMPOSED ON PHENOL FROM SOUTH AFRICA

The Finance Ministry has imposed definitive anti-dumping duty on phenol imports from South Africa. Based on the recommendations of the Designated Authority in the Commerce Ministry in its Sunset review investigations, the revenue department has imposed an anti-dumping duty of $342.76 a tonne on all phenol imports from South Africa. Phenol is a basic organic chemical used in plywoods, laminates, particle boards, pharmaceuticals and phenyl formaldehyde resins.

INCOME TAX

NOTIFICATIONS & CIRCULARS

EXTENSION OF TIME LIMIT FOR SUBMITTING ITR-V FOR ELECTRONICALLY FILED RETURNS FOR A.Y. 2013-14 AND A.Y. 2014-15

OUR COMMENTS: The **CBDT vide Notification No. 1/2015 under the CPC Scheme, 2011 dated 10th July, 2015** hereby extends the time limit for submitting ITR-V forms relating to Income Tax Returns filed electronically [without digital signature certificate] for A.Y. 2013-14 [filed on or after 1st April, 2014 till 31st March, 2015] and for A.Y. 2014-15 [filed on or after 1st April, 2014 till 30th June, 2015]. These ITR-V forms can now be submitted upto 31st October, 2015 or within a period of 120 days from the date of uploading of the electronic return data, whichever is later.

ELECTRONIC VERIFICATION CODE [EVC] FOR ELECTRONICALLY FILED INCOME TAX RETURN

OUR COMMENTS: The **CBDT vide Notification No. 2/2015 dated 13th July, 2015** hereby lays down the procedures, data structure and standards for Electronic Verification Code. Thus, taxpayers can now file their return without worrying about sending copy of ITR-V acknowledgment to the CPC, Bengaluru. The new procedure is as under:

Verification of person via EVC

EVC means a code generated for the purpose of electronic verification of the person furnishing the return of income. EVC will be a unique number linked to assessee's PAN. It cannot be used for filing return of income of any other PAN. One EVC can be used to validate one return, irrespective of assessment year or type of return.

EVC generated via Adhaar Card will be valid only for 10 minutes and in any other case, it will be valid for 72 hours.

Who cannot file return via EVC?

- Persons, whose accounts are required to be audited under Section 44AB;
- Political parties filing their return of income in ITR-7; and
- Companies.

Modes of generating EVC

- **Through Net-Banking:** Banks registered with Income-tax Department are providing direct access to the e-filing website to their account holders. By clicking on e-filing option, account holder will be redirected to the e-filing website where he can generate the EVC using "e-File" menu. EVC generated will be sent to the registered e-mail id and mobile number of taxpayer, which can be used to verify income-tax return.

- **Through Aadhaar Number:** Taxpayers can link their Aadhaar Number with their PAN on e-filing website to generate the EVC. Aadhaar Number can only be linked if the PAN database (i.e., name, DOB and gender) are similar to data available with UIDAI for his Aadhaar number. Once the Aadhaar Number is linked to PAN, 'one time password' ('OTP') will be generated by UIDAI and sent to the taxpayer's mobile number registered with UIDAI. This Aadhaar based OTP will be the EVC and can be used to verify the income-tax return.

- **Through ATM:** All taxpayers can generate EVC through ATM only if ATM card of taxpayer is linked to PAN validated bank account and bank is also registered with the Income-tax Department. Taxpayer can access ATM of registered bank using his Debit/Credit Card and thereafter he/she needs to select option of "Generate EVC for Income Tax Return Filing" on ATM screen. The bank will communicate this request to e-filing website which will generate EVC and send the EVC to assessee on his registered mobile number.

- **Through E-filing Website of Income-tax Department:** Assessee can also generate EVC by using e-filing website of Income-tax Dept. (i.e., www.incomeindiaefiling.gov.in). However, this facility is available only to the assessee's having total income of Rs. 5 Lakhs or below and who are not claiming Income-tax refund. To use this facility, assessee can visit the e-filing website and select the option 'Generate EVC' from e-File menu. EVC generated will be sent to the registered email ID and mobile number.

COURT DECISIONS

CIT VS. M/S MECHMEN [MADHYA PRADESH HIGH COURT]

BRIEF: With reference to Section 153C of the Income Tax Act, 1961, even if the AO of the searched person and of the "other person" (i.e. the assessee) is the same, the proper satisfaction has to be recorded before assuming jurisdiction over the assessee. Failure to record satisfaction renders the assessment order null and void.

OUR COMMENTS: In the above case, the **Hon'ble Madhya Pradesh High Court** held that the fact that incidentally the Assessing Officer is common at both the stages would not extricate him from recording satisfaction at the respective stages. In that, the Assessing Officer is satisfied that the items referred to in Section 153C belongs or belong to a person (other than the person referred to in Section 153A), being sine qua non. He cannot assume jurisdiction to transmit those items to another file which incidentally is pending before him concerning other person (person other than the person referred to in Section 153A). The question as to whether that may influence the opinion of the Assessing Officer having jurisdiction over such other person, also cannot be the basis to take any other view.

CIT VS. SMCC CONSTRUCTION INDIA LIMITED [DELHI HIGH COURT]

BRIEF: With reference to Section 37(1) of the Income Tax Act, 1961, the very nature of a license agreement is that it is not of a permanent nature. The fact that the payment is spread over a period of 10 years does not make the assessee the owner of the technical knowhow. The payment is not of an enduring nature.

OUR COMMENTS: In the above case, the **Hon'ble Delhi High Court** held that although the payment is spread over a period of 10 years, it does not make the Assessee the owner of the technical knowhow. The very nature of the license agreement is that it is not of a permanent nature. The benefit to the Assessee as a result of payment of royalty for technical knowhow was not of an enduring nature, and therefore cannot be construed to be a capital expenditure.

ACIT VS. SAGAR NITIN PARIKH [ITAT MUMBAI]

BRIEF: With reference to Section 54 of the Income Tax Act, 1961, booking a flat which is going to be constructed by the builder is a case of "construction" of the flat. If the flat is booked prior to the date of transfer of the old flat, deduction u/s 54 is not available. The date of receiving possession of the new flat cannot be regarded as the date of "purchase" of the new flat.

OUR COMMENTS: In the above case, the **Hon'ble ITAT Mumbai** held that the booking of a flat which is going to be constructed by a builder has to be considered as a case of "Construction of flat". Deduction u/s 54 is available only if the assessee constructs a new house within three years after the date of transfer. In the instant case, the assessee has constructed a house prior to the date of transfer of original house, in which case, the assessee is not entitled to claim deduction u/s 54 of the Act in respect of the cost of new flat.

STATE TAXES

BIHAR

EXEMPTION IN RELATION TO CARRYING DECLARATIONS IF THE VALUE OF GOODS TRANSPORTED IS RS. TWO LAKHS OR LESS

OUR COMMENTS: **The Commercial Tax Department, Government of Bihar vide Notification No. Bikri kar/Vividh-43/2011-3605 dated 10th July, 2015** hereby exempts consignment of the following value from requirement of Section 61(1)(c) in so far as it relates to the carrying declarations as prescribed under Rule 41 of the Bihar Value Added Tax Rules, 2005:

"In case of transportation within the state of Bihar, if the Value of goods transported is Rupees 2,00,000 (Rs. Two lakhs) or less."

DELHI

INFORMATION REGARDING MATCHING OF ANNEXURE 2A AND 2B

OUR COMMENTS: **The Department of Trade and Taxes, Government of National Capital Territory of Delhi vide Circular No. 14 dated 9th July, 2015** hereby informed to all concerned that department proposes to further streamline the matching of Annexure 2A and 2B as per the following procedures:

- To block all the matching entries of Annexures b of the selling dealer and Annexure 2A of the purchasing dealer, after filling of their return.
- To blocked entries shall not be allowed for revision by either of the dealers (selling / purchasing dealer).
- Mismatch of 2B-2A
- Mismatch of 2A-2B
- To enforce the dealer to mandatorily furnish the above declaration in respect of its previous returns, before it could proceed for current tax period return.
- To enforce the dealer to furnish revised return of preceding tax period, in case the sales and purchases related entries are accepted by him in his declaration.
- To carry out assessment of the purchasing dealer on account of Annexure 2A/2B mismatch after the seller disowns the sales made to the purchaser.

Comments of all stakeholders are invited upto 20th July, 2015 before finalization of the same.

THE DELHI VALUE ADDED TAX [2ND AMENDMENT] BILL, 2015

OUR COMMENTS: **The Legislative Assembly of National Capital Territory of Delhi vide Bill No. 08 of 2015** has passed **The Delhi Value Added Tax [2nd Amendment] Bill, 2015 on 30th June, 2015.** Amendments have been made in Section 4, 8, 10, 22, 38, 51, 86, 89 and Fourth Schedule of Delhi Value Added Tax Act, 2004.

DATE OF EFFECT OF DELHI VALUE ADDED TAX [SECOND AMENDMENT] ACT, 2015

OUR COMMENTS: **The Finance [Revenue-I] Department of Trade and Taxes, Government of National Capital Territory of Delhi vide Notification No. F.3(4)/Fin.(Rev.-1)/2015-16/dsVI/536 dated 15th July, 2015** hereby appoints the 15th July, 2015 as the date on which Delhi Value Added Tax [Second Amendment] Act, 2015 shall come into force.

AMENDMENT IN THE DVAT SICTH SCHEDULE-REGARDING EMBASSY OF BANGLADESH

OUR COMMENTS: **The Finance [Revenue-I] Department of Trade and Taxes, Government of National Capital Territory of Delhi vide Notification No. F.3(10)/Fin.(Rev.-1)/2015-2016/DS-VI/546 dated 15th July, 2015** hereby omits Entry at S.No.10 [related to Embassy of Bangladesh] of the Sixth Schedule appended to the Delhi Value Added Tax Act, 2004 with effect from 16th July, 2015.

AMENDMENT IN THE DVAT FOURTH SCHEDULE

OUR COMMENTS: **The Finance [Revenue-I] Department of Trade and Taxes, Government of National Capital Territory of Delhi vide Notification No. F.3(10)/Fin.(Rev.-1)/2015-2016/DS-VI/547 dated 15th July, 2015** hereby makes the following amendments in the Fourth Schedule appended to the Delhi Value Added Tax Act, 2004 effective from 16th July, 2015:

- For the existing entries against Sl. No. 1, the following shall be substituted:

1.	Petroleum Products [other than Petrol (Motor Spirit), Diesel, Liquid Petroleum Gas, Piped Natural Gas, Compressed Natural Gas, Wax and Kerosene] such as (i) Naphtha; (ii) Aviation Turbine Fuel; (iii) Lubricants; (iv) Furnace oil; and (v) Mixture and combination of above products.	Twenty paise in the rupee.

- After Sl.No.11, the following shall be inserted:

12.	Petrol (Motor Spirit)	25 paise in the rupee
13.	Diesel (High Speed Diesel, Super Light Diesel Oil, Light Diesel Oil)	16.6 paise in the rupee

HARYANA

INCREASE IN RATE OF TAX ON DIESEL

OUR COMMENTS: The Excise & Taxation Department, Government of Haryana vide Notification No. 18/ST-1/H.A. 6/2003/S.59/2015 dated 15th July, 2015, hereby makes the following amendment in Schedule A and D appended to the Haryana Value Added Tax Act, 2003, with immediate effect:

- In Schedule A, against serial number 4, i.e., Diesel subject to Entry No. 7 shall be taxable @16.40% instead of 11.50%.
- In Schedule D, against serial number 3 i.e., Diesel shall be taxable @16.40% instead of 11.50%.

JAMMU & KASHMIR

ESTABLISHMENT OF CHECK-POST

OUR COMMENTS: The Finance Department, Government of Jammu & Kashmir vide Notification No. SRO 221 dated 10th July, 2015 hereby direct the establishment of Commercial Taxes Check-post at Borehallan Heepur, Tehsil and District Shopian for the purposes of the Jammu and Kashmir Value Added tax Act, 2005 and Jammu and Kashmir General Sales Tax Act, 1962.

MAHARASHTRA

ONLINE GRANT OF REGISTRATION UNDER MVAT ACT, 2002 AND CST ACT, 1956

OUR COMMENTS: The Commissioner of Sales Tax, Government of Maharashtra vide Corrigendum No. JC (Reg)/Corrigendum/Document Regn/2015/10T dated 7th July, 2015 to Trade Circular No.7T of 2015 dated 19th May, 2015 hereby substitutes Point No. ix(a) of the said Circular which provides for verifications associated with the registration application and the grant of registration. The said para is being replaced as under:

> ***"After examining the uploaded application, scanned documents and photo of applicant with photo ID as mentioned in "Annexure A" and "Annexure B" and "C", if Registration Authority finds that, application is correct and complete, scanned documents are uploaded properly and payment of fees and deposit, whichever is applicable is received, then the Registration Authority will grant the registration (TIN) within a day of allocation of application".***

CLARIFICATION REGARDING LEVY OF VAT ON TRANSFER OF RIGHTS TO USE GOODS OF INTANGIBLE NATURE

OUR COMMENTS: The Commissioner of Sales Tax, Government of Maharashtra vide Trade Circular No. 11T of 2015 dated 13th July, 2015, with reference to **Bombay High Court's judgement in the case of Tata Sons Ltd. decided on 20th January, 2015,** hereby clarifies that VAT can be levied on transfer of right to use goods of intangible nature i.e. trade mark, technical know-how, copy right and other intangibles etc even if it is transferred to multiple users.

UTTARAKHAND

LEVY OF ENTRY TAX ON SUGAR BROUGHT FROM OTHER STATES

OUR COMMENTS: Vitta Anubhag-8, Government of Uttarakhand vide Notification No. 604/2015/03(120)/XXVII(8)/2007 dated 14th July, 2015 hereby notified that the tax on entry of sugar bought from other States shall be levied and collected at the rate of 5% of the value of goods.

WEST BENGAL

CORRIGENDUM TO TRADE CIRCULAR UNDER ITEM RELATING TO POLLUTION CONTROL EQUIPMENT

OUR COMMENTS: **The Directorate of Commercial Taxes, Government of West Bengal vide Corrigendum to Trade Circular No. 09/2015 dated 27th May, 2015** hereby substitutes Item No. 18(ii) of the said Trade Circular related to pollution control equipment, for ***"Sale of this item will attract tax @ 5 % w.e.f. 01.04.2005"*** to ***"Sale of this item will attract tax @ 4 % from 01.04.2005 to 31.03.2013 and @ 5% w.e.f. 01.04.2013".***

UPDATING OF E-MAIL ID AND MOBILE NUMBERS

OUR COMMENTS: **The Directorate of Commercial Taxes, Government of West Bengal vide Trade Circular No. 13/2015 dated 14th July, 2015** hereby amends Rule 208 of the West Bengal Value Added Tax Rules, 2005. to include sending of notices by e- mails. Thus it is of utmost importance that dealers have their correct contact details (e-mail address and mobile No.) in the dealer's profile. The guidelines/conditions regarding the same are as under:

- For dealer's own email-ID field, a restriction is to be imposed so that a unique email-ID can be inserted against at the most five different TINs.
- Whenever an attempt to insert same email-ID against more than five TINs shall be made, that will be notified through a pop-up message and a separate email-ID will be asked for. The same restriction shall also be applicable for Dealer's own mobile number.
- Dealer's own email-ID and mobile number shall be verified by PIN/OTP before accepting the same by the application and the given PT enrolment number shall be verified with the PT database before acceptance.
- Dealers should provide the required information through the application to update the database and ensure seamless e-services by the Directorate.
- It may be noted that updation of above details and correction of PAN (in case of inaccuracy) should be done immediately and definitely prior to filing of return for the quarter ended June, 2015.