33RD ISSUE

SEPTEMBER 13TH - SEPTEMBER 19TH

GST

CENTRAL EXCISE

SERVICE TAX

CUSTOMS

STATE TAXES

TAX CONNECT

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EDITORIAL

Friends,

The Provisional Indirect Tax Revenue figures have been released by The Finance Ministry. Indirect Tax Revenue in Aug' 15 and for the period Apr-Aug'15 increased by 37% vis-à-vis the corresponding period last year. The asking rate of increase was pegged at 19%.

In the period Apr-Aug'15 Excise revenue increased by 70%! Service tax and customs revenues increased by 21% each. Therefore Central Excise was the major driver of growth in the Indirect Tax Revenues.

These figures reflect in part the additional measures taken by the Government like excise increases on diesel and petrol, increase in clean energy cess, withdrawal of exemptions for motor vehicles, capital goods and consumer durables, increase in Service Tax from 12.36% to 14%; Customs duties aided by the rupee depreciation. However, stripped of all these additional measures also, indirect tax collections increased by 12%. **These collections continue to suggest a healthy growth in the underlying tax base. PM Modi's "Make In India' campaign also seems to be taking roots.**

Yet another arrest has been made by the Service Tax Dept. in Kolkata. The managing director of two IT and ITes related service providers - Park Telesolution Private Limited and Park Indicom Private Limited - was arrested in Kolkata on Tuesday morning for alleged evasion of Service Tax of approx. 3.5 crores.

In Income tax, the due date of filing the tax audit report for the PY 2014-15 is 30th September 2015. The Finance Ministry has said that there shall be no extension of this due date. A writ petition has been filed in the case of Avinash Gupta & Others Vs Union Of India in The Hon'ble High Court at Delhi seeking an extension of the due date. The hearing is expected in the coming week.

In this era where the Govt. is seeking Inclusive Growth, it should understand where to crack the whip and where to provide some leeway to Trade and Business.

Just to reiterate that we remain available over a telecon or e-mail 24X7.

Truly Yours

Timir Baran Chatterjee
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DUE DATE	COMPLIANCES FROM 13TH SEPTEMBER, 2015 TO 19TH SEPTEMBER, 2015	STATUTE
14th Sep'15	VAT & ET Payment for Aug'15	Rajasthan VAT Act
15th Sep'15	VAT Payment for Aug'15	Kerala VAT Act, Bihar VAT Act, Jharkhand VAT Act, Sikkim VAT Act
15th Sep'15	STDS Payment for Aug' 15	Rajasthan VAT Act, Bihar VAT Act, Jharkhand VAT Act, Sikkim VAT Act
15th Sep'15	VAT Return for Aug '15	Kerala VAT Act
15th Sep'15	ET Payment for Aug'15	Bihar VAT Act
15th Sep'15	1st Instalment (for non-corporate assessee) & 2nd Instalment (for corporate assessee) of Advance Tax for AY 16-17	Income Tax Act

INDEX GUIDE

GST may not apply on Firms having annual turnover upto Rs 25 Lakh

Companies having annual turnover up to Rs. 25 lakh might be exempted from GST as the Centre and states are likely to settle for this threshold by finalizing the GST laws.

As draft of the GST laws is likely to get ready by September end. The Centre and states are attempting to build on a mechanism to avoid dual scrutiny of assesses by them. The said exemption to all legal entities shall apply to 1 TIN (Taxpayer Identification Number).

With the drafting procedure going on, the union government is intending to reconvene Parliament's monsoon session to clear the constitutional bill, after which, clearance of bills on Centre's GST (CGST), states' GST and Integrated GST would follow.

On states' demand for threshold of Rs 10 lakh, the centre has assured full compensation for 5 years. Besides, ***firms with annual turnover between Rs 25 lakh and Rs 75 lakh, will have an option pay a flat rate of 1 per cent or GST rate, which, if opted for, firms will not get input credits***& for which, it is expected that dealers may choose the GST rate.

The proposed slabs for Tax rate & scrutiny are as follows:

Annual Turnover	Tax Rate	Scrutiny
=< 25 lacs	Exempted	No Scrutiny
25 Lacs-75 Lacs	1% or GST Rate	No Scrutiny
75 Lacs-1.5 Cr	GST Rate	States Scrutiny
>1.5 Cr	GST Rate	Concurrent Scrutiny by Centre & States

While the exemption limit for VAT & Service Tax among states (except North-East) is approximately Rs. 10 Lacs, considering the manufacturing view point, the exemption limit should have been higher to enable the manufacturers avail such benefits. The final decision regarding this is yet to be taken by the GST council, to be constituted within 2 months of constitutional amendment.

The union Government has also made a renewed appeal to the opposition parties to pass the Constitutional amendment through an extended monsoon session for it is significant that this be cleared at the earliest to comply to the timeline of 1st April, 2016.

Government eyeing a mid -2016 GST roll out

With the constitutional amendment yet to be cleared, the Union Government has indicated they are reworking the GST rollout deadline to October 1, 2016, and might advance the winter session of Parliament to achieve such goal, the reason being the launch in April, 16 is appearing far-fetched.

The Government has dropped the plans to pass the GST Constitutional amendment though an extended monsoon session & is targeting the implementation by October 1, 2016, if not in April, 2016.

The government is also thinking that the winter session of Parliament could be advanced to immediately after the Bihar polls to pass the key tax reform. After the said polls are over, the government is eyeing on the winter session, where it is expected that the deadline can still be reached through advancement.

Since, ratification of constitution amendment by at least half the states still needs to be done after being passed at parliament, the October 1, 2016 deadline has been on the Government's radar, for it will ensure passage other GST related bills both by Parliament as well as state assemblies.

Though big corporate groups are likely to pressurize the congress party to ensure passage GST in the winter, a string of Holidays may hamper the Government's plans. For this, it is unlikely that the government would be able to call a session before that.

SERVICE TAX

COURT DECISIONS

GEE PEE AGRI PVT LTD VS COMMISSIONER OF C. EX. & CUSTOMS [SUPREME COURT]

BRIEF: The revenue cannot hold refund of service tax, even if there remains a dispute in entitlement of refund, because revenue is not entitled to do such.

OUR COMMENTS: In the above case, the **Hon'ble Supreme Court held that** the eligible person was to get the refund. It was clear that refund of service tax was due either to the petitioner or the merchant exporter, as verified from the Additional Solicitor General. Although, there was a dispute regarding entitlement of refund of service tax, the respondents i.e. revenue could not hold the service tax as they were not entitled to do such. Pursuant to discussions & the above facts, it was held that service tax should be refunded to the petitioner within six weeks .The petitions were accordingly disposed.**[Decided in favour of assessee]**

COMMISSIONER OF SERVICE TAX, BANGALORE VS M/S KHODAY BREWERIES LTD [CESTAT BANGALORE]

BRIEF:If assessee pays service tax under force during investigation & demand gets dropped after adjudication process, the deposited amount has to be considered as pre-deposit or deposit & limitation is to be considered from date of adjudication order instead of the date of deposit.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Bangalore** held that the contention of revenue that though the appellant had paid service tax correctly in 2005-06, the refund claim in 2010 was rejected correctly for it being beyond the period specified for filing the refund claim, is not correct. The commissioner (appeals) referred to decision in **2549 of 2010** that if payment by assessee is not voluntary, but forced, such would be payment under protest & cannot be thrown out on limitation grounds. Further, pursuant to decision of **Hon'ble CESTAT**in the case of **Foods, Fats and Fertilisers Ltd. [2010 (20) STR 482 (Tri. Bang.)]**, the commissioner (appeals) held that payment of service tax by appellant during investigation (based on officer's advice) might be forced& if demand gets dropped after adjudication process, the deposited amount has to be considered as pre-deposit or deposit. Thus, the limitation has to be accounted from the date of adjudication order instead of the date of deposit of amount. Hence, the impugned order of commissioner (appeals) is correct in this regard & the appeal is rejected accordingly. (**Decided against Revenue**)

M/S AUTO WINDOW VS COMMISSIONER OF CENTRAL EXCISE, MUMBAI-II [CESTAT MUMBAI]

BRIEF: If an activity itself is not taxable & assessee pays service tax after pointing out by the department, it alone cannot be the ground to make allegation of suppression of facts & fraud & refund claim for payment of service tax cannot be denied on the basis of such improper allegation.

OUR COMMENTS: In the above case, the **Hon'bleCESTAT Mumbai held that** job work activity was exempted from service tax payment as service provider carried out the job on the material supplied by the appellant & returned the job-worked goods to the appellant and also used the said goods to manufacture other final product cleared on payment of duty. Thus when activity itself was not taxable & appellant discharged the service tax after pointing out by officers, no suppression can be alleged. Further, the concerned jurisdictional office did not issue any show cause notice to service provider for recovery of service tax & the service provider made categorical request for waiver of show cause notice u/s 73(3) of Finance Act, 1994 on the ground of payment of service tax along with interest. Further, payment of service tax by the service provider and issuance of supplementary invoices there against does not amount to suppression of facts by the service provider. It was also found that the only ground to deny refund claim was the payment of service tax on detection by department, which alone is not sufficient to make allegation of suppression of facts by the appellant. Thus, there being no suppression of facts, mis-declaration, fraud etc. on the part of the service provider in making payment of service tax and issuance of supplementary invoices, appellant has correctly availed the Cenvat Credit. Hence, the impugned order is modified & appeal is allowed with consequential relief.[**Decided in favour of assessee]**

CENTRAL EXCISE

COURT DECISIONS

M/S BIOCHEM PHARMACEUTICALS IND. LTD. VS COMMNR. OF CENTRAL EXCISE, DAMAN, VAPI [SUPREME COURT]

BRIEF: If free samples are clearly comparable with manufactured goods of assessee, Rule 7 may apply for valuation of such samples, but it is on the proper officer to determine the value as per best of judgment considering previous rules. However, decision by the recent adjudicating authority for the relevant period, if any, shall prevail.

OUR COMMENTS:In the above case, the **Hon'ble Supreme Court** held that the contention of appellant that though physician's samples are exigible to excise duty, they had to be valued at Zero cost as their cost was already included in the cost of medicines sold in open market, is incorrect &is meritless as identical case was rejected by this Court in **Bharat Heavy Electricals Ltd. vs. CCE., Indore (2003 (154) ELT 10 (SC)**.The question being whether the valuation would be done in pro-rata or cost basis, the apex court referred to the case of **Medley Pharmaceuticals Ltd. Vs. Commnr. Of Central Excise and Customs, Daman (2011 (2) SCC 601)**, where, pursuant to the decision in **CCE v. Bal Pharma Ltd**, it was held that above samples were to be valued on pro-rata basis. However, in this case Rule 7 would have applied, where the proper officer determines the value as per best of judgment considering one or more of previous rules i.e. Rule 3-6. But, the appellant had made rectification application on ground of limitation for date of show cause notice being 11.02.2000 covered F.Y. 1998-2000, but submission date covered period of April '98-November '99 & was time barred, which was allowed by the commissioner. So, as per the notice, duty was payable from December '99-March '00. Further, in other appeal CESTAT had partly allowed by stating demand was for period after 1.7.2000 & had accepted that valuation method would be `cost of production or manufacture of the goods'. So, appellant's grievance to this extent stands redressed & due to substantial relief already granted by CESTAT, it is not necessary to deal with remaining period as covered by tribunal's decision in instant case. The appeal is disposed. [**Decided against the Assessee]**

COMMISSIONER OF CENTRAL EXCISE, CUSTOMS AND SERVICE TAX, VAPI VS M/S SUN PHARMACEUTICAL INDUSTRIES LTD [BOMBAY HIGH COURT]

BRIEF: If the department does not respond to intimation by assessee of destruction of contaminated goods, the department cannot deny remission of duty on such goods to assessee on the ground of destruction of goods in absence of concerned officer.

OUR COMMENTS: In the above case, the **Hon'ble Bombay High Court** held that undoubtedly after contamination of goods due to flood & several reminders to the department, on which department was silent, the assessee had to destroy the said goods for there being a risk of contamination of entire production area & hazard to the human-life. Though the goods were destroyed after intimating the department, the department upon waking up after such act, issued notice to the assessee to remain present at the hearing of application for remission of duty on such goods & thereafter, such application was rejected on grounds of destruction of goods in absence of departmental officer. The **Chapter 18** of Excise manual provides for a time-bound programme, where the departmental officer is expected to act in such issues, which the department had not done. So, the department cannot be allowed to take advantage of its own fault. As the department did not respond to the intimations of assessee before destruction of contaminated goods, it cannot say that assessee is not eligible for remission. Thus, pursuant to view by **Madhya Pradesh High Court** that procedure of department was not just & fair, the appeal is meritless for no substantial question of law arising from this appeal. The appeal is disposed. **[Decided against revenue]**

COMMISSIONER OF CENTRAL EXCISE, JAIPUR-I VS, AKSH OPTIFIBRE LTD. [RAJASTHAN HIGH COURT]

BRIEF: Merely because of non-application to the AO by assessee for provisional clearance of goods, interest & penalty does not become leviable, if the amount of such levy is of meagre amount & assessee pays differential duty in a timely manner.

OUR COMMENTS: In the above case, the **Hon'ble Rajasthan High Court held** that the contention of revenue that, as the assessee did not request the Assessing Officer for allowing the clearances of goods on provisional basis as per Rule 7 of the Central Excise Rules, 2002, interest under Rule 7(4) & penalty was leviable, is not correct. Under Rule 7(4), interest arises only from 1st day of month succeeding the month for which such amount is determined till the date of payment thereof. And it was clear that interest liability arises only after determination of value or duty by the adjudicating authority. Now, merely because the application was not made to the Assessing Officer by the assessee on such fact, no interest or penalty would be leviable. Though, the requirement of the aforesaid rule needs to be fulfilled, but for the particular case, it would be too technical to conclude that application was not moved by assessee to AO & it becomes fatal. Since, no substantial question of law arose & amount involved in the appeal being less than Rs 12,000/- which is a meagre amount, the appeal is meritless & is hereby dismissed. **[Decided in favour of Assessee]**

CUSTOMS

NOTIFICATIONS & CIRCULARS

RATE OF EXCHANGE OF CONVERSION OF FOREIGN CURRENCY W.E.F. 4TH SEPTEMBER, 2015

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India, in supersession of the **Notification No. 81/2015-Customs (N.T.) dated 20th August, 2015,** vide Notification No. **84/2015-Customs (N.T.) dated 3rd September, 2015**has determined the exchange rate of conversion of each of the foreign currencies specified in column (2) of each of Schedule I and Schedule II annexed hereto, into Indian currency or vice versa **w.e.f. 4th September, 2015as follows:-**

SCHEDULE-I

S. No	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	47.30	45.90
2.	Bahrain Dinar	180.85	170.90
3.	Canadian Dollar	50.55	49.45
4.	Danish Kroner	10.10	9.85
5.	EURO	75.35	73.55
6.	Hong Kong Dollar	8.65	8.50
7.	Kuwait Dinar	225.70	213.25
8.	New Zealand Dollar	42.75	41.60
9.	Norwegian Kroner	8.15	7.90
10.	Pound Sterling	102.60	100.35
11.	Singapore Dollar	47.30	46.35
12.	South African Rand	5.10	4.80
13.	Saudi Arabian Riyal	18.20	17.20
14.	Swedish Kroner	7.95	7.75
15.	Swiss Franc	69.25	67.50
16.	UAE Dirham	18.55	17.55
17.	US Dollar	66.85	65.80

SCHEDULE-II

S. No	Foreign Currency	Rate of exchange of hundred unit of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	55.60	54.35
2.	Kenya Shilling	65.25	61.60

AMENDMENT IN NOTIFICATION NO. 12/97-CUSTOMS (N.T.)

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide Notification No. **85/2015-Customs (N.T.) dated 4th September, 2015**has amended the **Notification No. 12/97-Customs (N.T) dated 2nd April, 1997** as follows:

In the said notification, in the Table, against **Sl no 10** relating to the **State of Rajasthan**, after **item (viii)** and the entries relating thereto, in **columns (3)** and **(4),** the following item and the entries shall respectively be inserted, namely-

(3)	(4)
"(ix) Kathuwas and Mandhan Village,District Alwar	Unloading of imported goods and loading of export goods".

COURT DECISIONS

COMMISSIONER OF CUSTOMS (IMPORT) VS M/S WINGS ELECTRONICS & ANR. [SUPREME COURT]

BRIEF: If the department fails to substantiate allegations with authentic evidences & further fails to object during import involving mis-declaration of country of origin by the assessee, re-opening of assessment of the relevant year is not possible.

OUR COMMENTS: In the above case, the **Hon'ble Supreme Court** held that revenue imposed the demand of duty by relying upon the statements of Mr. K.M.Puri & unauthenticated trade declaration copies produced by him, which were unreliable. Further, no material was produced by the department indicating payment by importer assessee based on alleged invoice showing higher amounts. Further, the revenue imposed redemption fine on the grounds of mis-declaration of country of origin as USA instead of Australia by the assessee, but such fine was set aside by tribunal by giving findings that declaration of country of origin were to be made by supplier/exporter. If goods bore Australia marking, Appraising Officers of Department should have objected at time of import. Since, no objection was raised at time of import; assessments cannot be reopened for valuation under guise of mis-declaration of country of origin. In spite of serious allegation, no cogent material was available to substantiate such allegations, which was result of shoddy and slip shod investigation. Since, the matter pertains to year 1997, remitting the matter back would be futile. Thus, appeal is dismissed as no question of law involved.**[Decided against Revenue]**

INCOME TAX

NOTIFICATIONS

NOTIFICATION OF PRESS TRUST OF INDIA AS NEWS AGENCY FOR SECTION 10(22B) OF THE INCOME TAX ACT, 1961

The CBDT, Dept of Revenue (Ministry of Finance) vide **Notification No. 72/2015** dated **24th August, 2015** has notified **Press Trust of India Limited**, New Delhi as a **news agency set up in India** solely for collection and distribution of news, **for the purpose of Sec 10(22B) of the Act for 3 assessment years 2016-17to 2018-19**, subject to the condition that *such news agency applies its income or accumulates it for application solely for collection and distribution of news and does not distribute its income in any manner to its members*.

PROCEDURE FOR REGISTRATION & SUBMISSION OF REPORT U/S 285BA(1)(K) OF THE INCOME TAX ACT, 1961

The Directorate of Income Tax (Systems), CBDT, Ministry Of Finance vide **Notification No 3/2015 dated 25th August, 2015** has laid down the **procedures, data structure and standards for ensuring secure capture and transmission of data, evolving and implementing appropriate security, archival and retrieval policies** as under:

a) **Registration of the reporting financial institution:**

The reporting financial institution is required to get registered with the department by logging in to the e-filing website with the login id used to file the institution's Income Tax Return. Under 'My Account', a link to register reporting financial institution has been provided. The reporting financial institution is to submit registration details on the screen & it may submit different registration information under respective categories.

b) **Submission of Form-61B:**

After successful registration, the reporting financial institution shall submit Form-61B or NIL statement under 'e-file' menu. The prescribed schema for the report under Form 61B can be downloaded from the e-filing website. The calendar year for which report is to be submitted & the relevant reporting entity category are to be submitted. Then, the reporting financial institution will be provided with the option to upload Form 61B & it is to be submitted using Digital Signature Certificate (DSC).

c) **Submission of Nil statement:**

To submit NIL statement, the option to submit NIL statement is to be selected & then, the reporting financial institution has to submit a declaration of pre-existing accounts (as per R**ule 114H(2)(h) of Income Tax Rules, 1962**) & new accounts (As per**Rule 114H(2)(d) of Income Tax Rules, 1962)** using a DSC.

d) **Digital Signature Certificate(DSC):**

In case the designated dealer (as reported in registration details submitted by the reporting financial institution as per para 2(a) above) is same as the person authorized to verify the return of income of the reporting financial institution as per **Sec 140** of the Act, **Form-61B** or **NIL** statement is to be submitted with DSC of the person authorized to sign such return of income. In other cases, the procedure shall be notified separately.

COURT DECISIONS

TRIYOGI NARAYAN SINGH VS CIT, KOLKATA-X, KOLKATA [CALCUTTA HIGH COURT]

Brief: If Assessing Officer exercises powers u/s 144, & submits that it was as per sec 143(3) & wrongly recorded u/s 144, such submission is not acceptable. Further, if such officer wishes to make assessment u/s 144, for he being a creature of the statute, can only exercise power either according to the statute or not at all.

OUR COMMENTS: In the above case, the **Hon'ble Calcutta High Court held that** it appeared from the order of the Assessing Officer (AO) that the AO had first exercised his power u/s 145 & thereafter, had exercised power u/s 144. Thus, the submission by revenue that the assessment was made u/s 143(3) & mistakenly recorded to have passed the same u/s 144 is not acceptable. Best judgment Assessment i.e. assessment u/s 144 is to be made by the AO after considering all relevant materials obtained after giving opportunity to the assessee, but the AO did not make the assessment based on materials. Instead, he assessed on item wise expenditure where some were allowed & some were disallowed. The submission by revenue that in assessment u/s 144, AO can make disallowances, would have been correct in the backdrop that assessee may raise contentions disputing materials collected by AO. The AO exercised power u/s 145 as books of accounts were not believable for they were neither correct nor complete. If, in such a case the AO wishes to make assessment u/s 144, he has to do that only as per provisions u/s 144. The AO being a creature of the statute can only exercise power either according to the statute or not at all (**ref-Bhavnagar University v. Palitana Sugar Mill (P) Ltd. reported in 2003(2)SCC 111**). Hence, for the above reasons the impugned order & CIT's order are all set aside & matter was remanded back to the AO to make assessment only as per Sec 144. The appeal is disposed.**[Decided in favour of Assessee]**

ANDHRA PRADESH

GRANT OF REFUND OF TAX PAID BY SOLAR POWER DEVELOPERS

OUR COMMENTS: **The Revenue (Commercial Taxes-II) Department, Government of Andhra Pradesh** vide **Notification No. G.O.MS. No. 315 dated 4th September** has granted the refund of VAT paid in Andhra Pradesh by Solar Power Developers on the purchases of the following inputs used in the establishment / setting up of Solar Power Projects/Plants in Andhra Pradesh, which are commissioned by June, 2014, as envisaged under the Andhra Pradesh Solar Power Policy, 2012:

"Solar P.V. Modules, Solar Modules mounting structure components , Solar Module Tracker System including bearings (in case of Trackers are provided), Inverters, Cables, Connectors, Transformers, L.T. Panel, H.T. Panel, Switch Gear Panel, Vacuum Circuit Bracker (VCB), ABT Meters, Earthing material, Batteries & Battery Charger, DC / AC fuses, Junction Boxes, PVC Pipes ,Lux, SCADA System, Weather Station including Solar Radiation Measuring Instruments."

The above grant of refund is subject to the following conditions:

- Inputs should have been directly used to set up Solar Power Plant and should have become a part of it.
- Refund is not extendable to consumables like Diesel, Welding Rods etc.
- Refund is also not extendable to inputs used to operate Solar Power Plant.
- Refund claim is to be made in duplicate in Form-510 as per Rule 35(11) of Andhra Pradesh VAT Rules, 2005 to the CCT within 6 months from this notification date, after prior scrutiny & approval by the Energy (Pr.II) Department.
- Claim shall be accompanied by original purchase invoices.
- After verifying the invoices, CCT shall refund the tax paid on eligible inputs within 45 days from the date of submission of Form-510 as per Rule 35(11) of Andhra Pradesh VAT Rules, 2005.

BIHAR

AMENDMENT IN NOTIFICATION NO S.O.24 DATED 24TH MARCH, 2005

OUR COMMENTS: The Commercial Tax Department, Government of Bihar **vide Notification No S.O. 205 dated 3rd September, 2015, has** amended notification No. **S.O. 24, dated 24th March, 2005**w.e.f date of its issue as follows:

- The present entries in **Column (2) of Sl. No 2** of the Table appended to the aforesaid notification shall be **substituted**, by the following-

"Potable spirit, wine or liquor whether imported from other countries or manufactured in India."

- **Sl No. 8**& its **corresponding entries** of the table appended to the aforesaid notification are hereby **deleted**.

AMENDMENT IN NOTIFICATION NO S.O.43 DATED 4TH MAY, 2006

OUR COMMENTS: The Commercial Tax Department, Government of Bihar **vide Notification No S.O. 207 dated 3rd September, 2015, has** amended **notification No. S.O. 43, dated 4th May, 2006**w.e.f date of its issue as follows:

- The entries of **Column (2) of Sl No. 6** of Table appended to the aforesaid notification, shall be substituted by the following:

"Potable spirit, wine or liquor whether imported from other countries or manufactured in India"

- **Sl No 8** and its **corresponding entries** of the Table appended to the aforesaid notification is hereby **deleted**.

RATE OF SURCHARGE ON POTABLE SPIRIT, WINE OR LIQUOR IMPORTED FROM OTHER COUNTRIES OR MANUFACTURED IN INDIA

OUR COMMENTS: The Commercial Tax Department, Government of Bihar **vide Notification No S.O. 209 dated**

3rd **September, 2015, has** amended **notification No. S.O. 51, dated 4th May, 2006**w.e.f date of its issue as follows:

- After **Sl No 3** of table appended to the aforesaid notification, the following **Sl No. 4**& its corresponding entries shall be added, namely-

4	**Potable spirit, wine or liquor whether imported from other countries or manufactured in India**	**20%**

AMENDMENT IN RULE 2A - CHANGE IN TAXABLE QUANTUM

OUR COMMENTS: The Commercial Tax Department, Government of Bihar **vide Notification No S.O. 211 dated 8th September, 2015** has substituted the present entry **"5 Lakh"** of **Column No(3)** of **Sl no 2** of table appended to **Rule 2A** of **Bihar VAT Rules, 2005** by the entry **"10 Lakh"** with immediate effect.

GOA

AMENDMENT IN GOA VAT ACT, 2005

OUR COMMENTS: The **Law (Legislative Affairs) Department, Government of Goa, vide Notification No. No. 7/16/2015-LAdated 7thSeptember, 2015** has amended the **Goa VAT Act, 2005 (Goa Act 9 of 2005)** by passing the **Goa Value Added Tax (Eighth Amendment) Act, 2015& it shall come into force at once.**

Concerned readers are advised to refer to the aforesaid notification for details as significant amendments have been made in Section 29 of Goa VAT Act, 2005 & Sec 1 of Act 12 of 2013.

HARYANA

AMENDMENT IN SCHEDULE E – EXTENT OF ADMISSIBILITY OF INPUT TAX

OUR COMMENTS: The Excise & Taxation Department, Haryana Government vide **Notification No.22/ST-1/H.A.6/2003/S.59/2015 dated 7thSeptember, 2015** has amended the **Schedule E** appended to the **Haryana Value Added Tax Act, 2003 (Act 6 of 2003)**as follows:

For existing Schedule E, the following Schedule shall be substituted, namely:-

Sl No	Description of Goods	Circumstances and restrictions	Extent of admissibility of input tax
1	2	3	4
1	Petroleum products and natural gas	(i) when used as fuel; (ii) when exported out of State.	NIL
2	Capital goods	(i) when intended to be used mainly in the manufacture of exempted goods or in the telecommunications network or mining or the generation and distribution of electric energy or other form of power; or (ii) when forming part of gross block on the date of cancellation of the registration certificate.	NIL
3(a)	All goods except those mentioned atsl no 1 and2	(i) when used in the Telecommunications network, inmining, or in the generation anddistribution of electricity or otherform of power; (ii) when exported out of state or disposed of otherwise than by sale; (iii) when used in the manufacture or packing of exempted goods except when such goods are sold in the course of export of goods out of the territory of India; (iv) when used in the manufacture or packing of taxable goods which are exported out of State or disposed of otherwise than by sale; (v) when left in stock, whether in the form purchased or in manufactured or processed form, on the date of cancellation of the Registration certificate; (vi) when sold by Canteen Store Department.	NIL
3(b)	All goods including those mentioned	(i) when the goods are sold as such in the course of interstate trade or commerce; or	Input Tax to the extent of the amount

	at SlNo 1 and 2.	(ii) when the goods are used in the manufacture of goods and the manufactured goods are sold in the course of interstate trade or commerce	of tax actually paid on the purchase of such goods in the State under the Act or tax payable on sale of such goods under the Central Sales Tax Act,1956, whichever is lower.
		(iii) when sold at a sale price lower than the purchase price.	To the extent of output tax liability, if any, on the sale of Such goods.
4	Liquor as defined in the Punjab Excise Act, 1914 (1 of 1914)	when sold in the State by Bar licensees (Licenses L4/ L5/L12C/L12G/L10E).	NIL

JHARKHAND

INTRODUCTION OF JHARKHAND INDUSTRIES FACILITATION AND SINGLE WINDOW CLEARANCE ORDINANCE, 2015

OUR COMMENTS: The Finance Department, Government of Jharkhand vide **Notification No.LG.-37/2015-83-Leg. dated 3rdSeptember, 2015** has introduced an ordinance to provide for accelerated and time bound grant for various licenses, permissions and approvals to promote industrial development& facilitation of new investments & simplification of regulatory framework by reducing procedural requirements and rationalizing documents. This ordinance may be called the "**Jharkhand Industries Facilitation and Single Window Clearance Ordinance, 2015**". It shall extend to the whole of the State of Jharkhand &shall come into force on such date as the Government of Jharkhand may issue, by notification in the official Gazette appoint.

Concerned readers are advised to refer to the afore said notification for details of the ordinance as many new procedural & economical aspects have been brought by this ordinance.

RAJASTHAN

AMENDMENT IN SCHEDULE VI OF RAJASTHAN VAT ACT 2003

OUR COMMENTS: The Finance Department, Government of Rajasthan vide Notification No **F. 12(100) FD / Tax / 09-Pt-87 dated 9th September, 2015**has amended **Schedule VI appended to the said Act, with effect from 10th September, 2015**as follows:

*In **Schedule VI** appended to the said Act, in **column no. 3** against **Sl. No. 12**, for the **existing expression "20", the expression "26"** shall be **substituted**.*

UTTAR PRADESH

AMENDMENT IN SCHEDULE II & V- FOR LEVY OF ADDITIONAL TAX ON CERTAIN ITEMS

OUR COMMENTS: The Commercial Taxes Department, Government of Uttar Pradesh vide **Notification No. KA.NI. -2-1309/XI-9(1)/2014-U.P.Act-5-2008-Order(138)2015.Dated 3rd September, 2015 has amended Notification No. KA.NI.-2-419/XI-9(1)/08-U.P.Act-5-2008-Order -(69)-2011dated 31st March, 2011 as follows:**

In table to the aforesaid notification:

a) Entry at **Sl No 4** shall be omitted.
b) For entries at **Sl. No. 5 & 7**, the following entries shall column wise be substituted, namely-

Sl No	Description of goods	Rate
1	2	3
5	Tyres and Tubes excluding tyres and tubes of tractor as described in Schedule II, PartA, to the said Act.	3%
7	Goods described in Schedule V to the said Act other than goods described at Sl No 3, 5 and 6 above.	2%

UTTARAKHAND

AMENDMENT IN UVAT SCHEDULE-I – REGARDING ENTRY 44

OUR COMMENTS: The Finance Section - 8, Government of Uttarakhand vide **Notification No. 381/2015/01(120)/XXVII(8)/2015 dated 31st August, 2015** has amended **Schedule-I of The Uttarakhand Value Added Tax Act,2005 as follows:**

In **Schedule I**, for the existing entry at **Sl no. 44**, the following entry shall be substituted; namely-

Sl No	Description of Goods
44	**Phosphatic and potash components of all chemical fertilizers described under the Fertilizer (Control) Order, 1985 as amended from time to time. The value of phosphatic and potash components of a chemical fertilizer shall be determined according to guidelines issued by the Department of Agriculture, Uttarakhand from time to time.**