35TH ISSUE

SEPTEMBER 27TH - OCTOBER 3RD

GST

CENTRAL EXCISE

SERVICE TAX

CUSTOMS

STATE TAXES

TAX CONNECT

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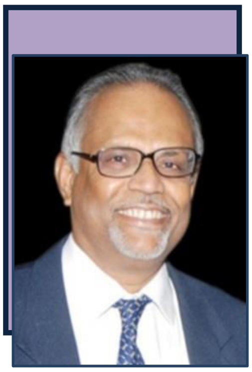
EDITORIAL



Friends,

CBEC has issued Circular No. 1006/13/2015-CX dated the 21st September,2015 and clarified that board circulars contrary to the judgment delivered by Hon'ble Supreme Court, become non-est in law and should not be followed. The direction would also apply to the judgments of Hon'ble High Court where Board has decided that no appeal would be filed on merit. In terms of the judgment of Hon'ble Supreme Court dated 14th October2008 [2008(231) E.L.T.22(SC)/2008-TIOL-104-SC-CX-CB] in case of M/s Ratan Melting & Wire Industries Vs Commissioner of Central Excise, Bolpur, *"So far as the clarification/circulars issued by the central Government and of the state Government are concerned they represent merely their understanding of the statutory provisions…"*. **One known fact which the CBEC has indirectly re-clarified through this circular is that the circulars are binding on the department and not the courts or assesses.**

In Income Tax, the wait for the extension of due date for Tax Audit u/s 44AB continues. Writ Petitions have now been filed in many more states. However, most High Courts have adjourned the hearing dates. A lot of valuable Time of Courts and professionals is being spent on an issue which is not of very high relevance. **It is certainly expected from the Govt. to take a more liberal view in these kinds of cases and focus on the more important challenges in front of it.**

In GST, it is our Endeavour to bring to you the recent developments. We also bring to you our perspective of various situations which can arise in the GST regime. **In this issue we bring to you a small understanding on the transitional challenges in GST in case of ongoing Service Contracts.**

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

Truly Yours
Timir Baran Chatterjee
M.Com, FCS, MBA (International Business)-IIFT, ACMA

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FCA, CIDT (ICAI), B. Com

DUE DATE	COMPLIANCES FROM 27TH SEPTEMBER, 2015 TO 3RD OCTOBER, 2015	STATUTE
28th Sep'15	VAT return for Q2 '15-16 (Manual)	Delhi VAT Act
30th Sep'15	VAT return & Payment for Aug'15 (If payment made other than by cheque)	Punjab VAT Act
30th Sep'15	VAT Payment for Aug' 15	Goa VAT Act
30th Sep'15	P.Tax Payment & Renewal for '15-16	Nagaland VAT Act
30th Sep'15	Payment of Trade License fees & renewal for '15-16	West Bengal VAT Act
30th Sep'15	Tax Audit Report u/s 44AB for A.Y 15-16 for Corporate & non-corporate assessee (required to submit ITR on 30.09.15)	Income Tax Act
30th Sep'15	Annual ITR for A.Y 15-16 for corporate or non-corporate assessee (subject to Audit u/s 44AB) or working partner of firm (subject to Audit u/s 44AB)	Income Tax Act

INDEX GUIDE

GST TRANSITIONAL CHALLENGES – ONGOING SERVICE CONTRACTS

On the behest of the biggest tax reform since independence, an important aspect under GST would be to sort out the transitional provisions, specifically those in relation to the ongoing contracts entered into the Pre-GST, but completed after GST implementation. For contracts entered into by service providers, the significant areas of concern are as follows:

- **All inclusive Contracts with Government**

Where a service provider enters into all inclusive contracts (where quoted price includes tax) with Government where separate disclosure of tax may not be required, contracts may remain unfinished at the time of GST introduction. The expected GST rate being substantially higher than existing rate, profit margin of service provider may be low. Especially in big contracts to be completed at the time of GST, execution of work at initial rates could be unviable. A few safeguards for this can be-

a) Separate charge & recovery of tax under GST should be clearly mentioned in contract.
b) Records showing completion of Work before GST should be maintained.
c) Point of Taxation being expected as completion of 2 out of 3 events (service completion, invoice generation & advance receipt), invoice is to be issued for completed work before GST becoming effective.
d) For availing the expected seamless credit across goods & services, proper documents has to be maintained for all taxes (VAT, SAD etc) for stock in pre-GST & goods to be used post-GST, as by this the service provider can take credit of taxes under present regime.
e) Stock declaration statement is to be filed with revenue showing stock & tax paid on it.
f) Keeping in mind of restriction on availing credit depending upon holding period of existing stock, material should be strategically procured immediately before GST introduction.
g) For interstate contract, material should be transferred to the state where it is expected to be incorporated in service to avoid 1% additional tax.
h) Reconciliation is to be made for revenue from these contracts shown in Profit & Loss Account & ST-3 returns.

- **Service contracts (presently covered by negative list):**

Although a service provider may be providing exempted services as per Negative List, most of these exemptions are likely to be withdrawn in GST. Thus, such service providers would be exposed to the indirect tax system for first time & would be paying tax close to 20-24% from zero as of now. This will directly affect the cost, especially for B2C cases. In such a position, following practices can be helpful-

a) Contract should explicitly mention that tax would be charged extra, as applicable including GST.
b) Invoice should be raised & payment received from customer for services to be provided in post-GST regime to avoid any extra tax as 2 events are already fulfilled.
c) Stock of material/ capital goods, their location & tax paid thereon must be recorded & declared to claim tax credit on purchase as tax charged on services can be offset against tax on such goods.

- **Works Contract**

Though under current taxation regime a works contract involves components of excise, VAT/CST & service tax & tax is levied on different taxable event i.e. manufacture, sale & provision of service, in GST regime all these taxable events would be merged & there would be 1 taxable event i.e. supply of goods/services. There may be difference due to separate SGST rates for goods & services, different place of supply rules, additional 1% tax during initial 2 years. In few countries, all composite supply is considered as supply of service, notwithstanding it involves material portion also. The probable supply principle of works contract now being uncertain, the following aspects can assist a service provider-

a) In agreement/work order, all tax components should be clearly mentioned so that additional cost in GST do not affect service providers margin.
b) For exempted contracts made taxable under GST, proper documents showing stage of completion is to be mentioned to avail exemption benefit of pre-GST regime. For large contracts, certificate of Chartered Engineer of stage of completion is needed.
c) As all materials supplied in GST period would be available as credit, the stocks as on the date of GST with relevant tax documents should be maintained to avail the credit.
d) Purchases should be made from registered dealer showing excise duty & VAT to claim their credit to the extent of material used in works contract.
e) In interstate works contract, material movement may be made without charging CST, based on F Form. As 1% additional tax would be imposed without set off, materials should be transferred to their destination state to incorporate in works contract before implementation of GST to avoid the 1% additional cost.

SERVICE TAX

COURT DECISIONS

SHARE MICROFIN LTD VS THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE, & SERVICE TAX, HYDEARABAD-III [ANDHRA PRADESH HIGH COURT]

BRIEF: If assessment order is under scrutiny, penalty proceedings cannot be initiated until the order is finalized. Further, if such order of tax alongwith interest & penalty is challenged, then pre-deposit of penalty should not be ordered for it would cause injustice & hardship to the assessee.

OUR COMMENTS: In the above case, the **Hon'ble Andhra Pradesh High Court held that** when the appeal is admitted for hearing & assessment order is under scrutiny, until such order is finalized, penalty proceedings cannot be initiated. Further, as per **Sec 35F of the Central Excise Act, 1944**, the tribunal cannot ask for pre-deposit of penalty also. Only when the order of penalty alone is challenged, the pre-deposit of penalty would be required. But in case of a composite order i.e. assessment order of tax alongwith interest & penalty, as in this case, order of pre-deposit of penalty would result in injustice & hardship. Hence, direction of pre-deposit of penalty component of the order should be deleted & accordingly deleted & rest order would remain. Tribunal has to decide the appeal ASAP within 8 weeks from pre-deposit & extension is granted for time to deposit tax & interest within 4 weeks from date. Appeals are accordingly disposed. **[Decided in favour of assessee]**

M/S FORTUNE NETWORK PVT LTD VS COMMISSIONER OF CENTRAL EXCISE, CUSTOMS AND SERVICE TAX- VADODARA-II [CESTAT AHMEDABAD]

BRIEF: If the assessee shows correct duty in returns & pays such amount before issue of show cause notice, there cannot be any intention to evade service tax payment & thus, issue of show cause notice is not required u/s 73(3) of Act.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Ahmedabad** held that it was seen from case records that the appellant was registered with revenue & had been paying service tax. Due to financial difficulties in F.Y. 2006-07, appellant could not pay the entire service tax within time. Further, except the 1st periodical return, the appellant was showing correct service tax liability in returns & debiting the available amount in CENVAT credit account after end of each month. When correct duty amount is shown in returns, there cannot be any intention to evade service tax payment, also when such is paid before issue of show cause notice alongwith interest. Based on above, appellant had reasonable cause for not paying entire service tax which was truly reflected in the periodical filed returns. As per Finance Act 1994, there were provisions for late payment of service tax along with interest, which was done by assessee before issue of notice & u/s 73(3) of such Act; so, issue of show cause notice was not required. The appellant was also eligible for benefit u/s 80 of the Act. Hence, the appeal filed by the appellant is allowed. [**Decided in favour of assessee]**

LOTUS SHIPPING LTD. VS COMMISSIONER OF CENTRAL EXCISE, CUSTOMS & SERVICE TAX, COCHIN [CESTAT BANGALORE]

BRIEF: Authorization from port authority is not a pre-condition for taxability of other port services & if there is no evidence of such authorization to provide such service, then service tax cannot be levied. Further, if assessee does not actually render steamer agent service then levy of service tax is also not allowed under such service.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Bangalore held that** in Board circular on 26-02-2010 vide DOF no 334/1/2010/TRU it was clarified that 'Other port services' includes all services provided within the port & authorization from port authority could not be a pre-condition for taxability of such services. As there is no evidence to show that appellant was authorized to provide port service & that the activities were taken by appellant & considering the specific provision in the definition of authorization, the impugned order stating that levy is sustainable cannot be upheld. It is also found that the appellant's operation in Bhavnagar being limited to hiring a barge to customer is not leviable to tax under port service. Hence, service tax demand under port service category cannot be sustained also. Furthermore, the appellant merely identified & arranged services of licenses of steamer agents, Custom house agents etc., for ship owners of USA from 29-03-2006 & remitted service tax treating service rendered as business auxiliary services as the foreign ship owners reimbursed the expenses of appellant to provide the above services & also paid commission on such service. So, as the appellant did not actually render steamer agent service, there cannot be any question of levy of service tax under this heading. [**Decided in favour of assessee]**

CENTRAL EXCISE

NOTIFICATIONS & CIRCULARS

CBEC CLARIFICATION REGARDING BINDING NATURE OF CIRCULAR & INSTRUCTIONS

The CBEC, Ministry of Finance (Dept. of Revenue) vide **Circular No 1006/13/2015-CX dated 21st September, 2015** has clarified regarding the **binding nature of circular and instructions**, pursuant to the **judgment of Apex Court** in case of **M/s Ratan Melting & Wire Industries Vs Commissioner of Central Excise, Bolpur**, where it was held that *board circulars & instructions issued by the Central or State Government though are binding in law on the authorities under the respective statutes, they represent merely their understanding of statutory provisions & they are not upon the court, for it is court to declare what the particular provision of statute says*.

Thus, the **CBEC clarifies** that-

- **Board Circulars contrary to Supreme Court become non-est in law and should not be followed**. **Reference of such circulars** should be made to the Board so that **further action of rescinding these circulars can be expeditiously taken up**. Board may also initiate such action suo moto. All **pending cases on the issue**, including those in the Call Book, **decided after the date of the judgment should, confirm to the law laid by the Supreme Court or High Court**, as the case may be, **irrespective of whether the circular has been rescinded or not**.

- The **above direction would also apply to High Court judgments** of where **Board has not filed an appeal on merit**. **Where appeal has been filed** by revenue against the High Court's order, **pending adjudication should be transferred to the Call Book** and such appeals should be **kept alive**.

COURT DECISIONS

C.C.E., MUMBAI - III VS M/S R.D.C. CONCRETE (INDIA) LTD [SUPREME COURT]

BRIEF: If CBEC has already clarified regarding an issue previously affirmed by the Apex Court, the department should not prefer appeal on such issue by abuse of law.

OUR COMMENTS: In the above case, the **Hon'ble Supreme Court** held that the issue of whether product manufactured out of stone aggregates, cement, water, sand is 'dry mixture' or 'ready mix concrete' and the classification thereof is under **Heading 3823 (now 3824)**, has been decided by CESTAT in favour of respondent-assessee. The tribunal had held such in case of **'Associated Cement Co. Ltd. vs. Commissioner of Central Excise, Mumbai'**. Also, the view of CESTAT as above was affirmed by this court holding that classification of ready mix concrete was under Chapter Heading 68 for the period prior to 01.03.1997. After such affirmation the department accepted such view & the CBEC issued **Circular No. 601/38/2001CX** dated 20.11.2001 affirming the aforesaid classification of this product. Hence, there was no requirement in preferring the present appeal which was filed in the year 2006 i.e. much after clarification issued by CBEC. Thus, it being a mindless exercise of revenue in filing such an appeal which is misuse and abuse of the process of law, the appeal is accordingly dismissed. **[Decided against revenue]**

COMMISSIONER OF CUSTOMS & CENTRAL EXCISE, HYDERABAD-IV VS RAKSHAK FARM AIDS PVT LTD [ANDHRA PRADESH HIGH COURT]

BRIEF: Mere usage of trade or brand name of another person in selling goods does not disentitle the assessee of benefit of notification dated 28.02.1993, if he manufactures such goods & only on the above ground, reopening of case u/s 11A cannot be done.

OUR COMMENTS: In the above case, the **Hon'ble Andhra Pradesh High Court** held that the contention of the revenue that benefit under notification dated 28.02.1993 is not applicable to assessee selling goods bearing trade or brand name of 'Virkon-S' as per clause 4 of such notification, is not correct. Explanation X of such clause clearly shows that as long as an assessee manufactures the goods, merely using brand or trade name of another individual does not make any difference. This may take in its fold case of assignment of trade mark. Even otherwise essential is manufacturing of product than mere usage of brand name. In this case the assessee had got the assignment to use the brand name from the UK Company & such fact was made clear in returns of classification with which the processing authority was satisfied. To reopen the case u/s 11A, clinching evidence must be there & on mere ground that different view is possible on same facts, reopening as above cannot be done. Undisputedly the assessee manufactured the product & hence, judgment of tribunal in this regard in line with judgment of Supreme Court [2003 (8) TMI 49 SUPREME COURT OF INDIA] & there is no basis to interfere the same. Thus, the appeal is dismissed. **[Decided against revenue]**

CUSTOMS

NOTIFICATIONS & CIRCULARS

REVISION OF EXCHANGE RATE OF FOREIGN CURRENCIES INTO RUPEE & VICE VERSA

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 93/2015-Customs (N.T.) dated 17th September, 2015 & in supersession of Notification No. 84/2015-Customs (N.T.) dated 3rd September, 2015** has **revised the exchange rate of foreign currencies** specified in col.(2) of each of **Schedule I** and **Schedule II** annexed hereto, into Indian currency or vice versa, w.e.f. **18th September, 2015** to be the rate mentioned against it in the corresponding entry in column (3) thereof, for the purpose of the said section, relating to imported and export goods.

SCHEDULE-I

Sl. 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	48.10	46.85
2.	Bahrain Dinar	181.70	171.20
3.	Canadian Dollar	50.80	49.70
4.	Danish Kroner	10.20	9.95
5.	EURO	76.10	74.25
6.	Hong Kong Dollar	8.65	8.50
7.	Kuwait Dinar	226.80	214.25
8.	New Zealand Dollar	42.90	41.60
9.	Norwegian Kroner	8.25	8.05
10.	Pound Sterling	103.25	101.00
11.	Singapore Dollar	47.95	47.00
12.	South African Rand	5.10	4.80
13.	Saudi Arabian Riyal	18.25	17.25
14.	Swedish Kroner	8.10	7.90
15.	Swiss Franc	69.30	67.50
16.	UAE Dirham	18.65	17.60
17.	US Dollar	67.05	66.00

SCHEDULE-II

Sl. No	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
(1)	(2)	(3)	
		(a)	(b)
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	55.95	54.75
2.	Kenya Shilling	64.75	61.20

AMENDMENT IN NOTIFICATION NO. 12/2012-CUSTOMS DATED 17TH MARCH, 2012

OUR COMMENTS: The Dept. of Revenue, Ministry of Finance, Government of India vide **Notification No. 47/2015-Customs dated 22nd September, 2015** has amended **Notification No. 12/2012-Customs dated 17th March, 2012** as follows-

In the said Notification, in **list 5** for **item (11)**, the following item shall be substituted, namely:-

"(11) Nylon12 / Ether Ester Elastomer".

COURT DECISIONS

M/S KARUR K.C.P. PACKKAGINGS LTD. VS THE COMMISSIONER OF CUSTOMS AND OTHERS [MADRAS HIGH COURT]

BRIEF: If any duty drawback payable to an assessee is not paid within 1 month from date of filing of claim for such, interest at the rate of 18% p.a. would have to be paid by the department to such assessee for the period of such delay.

OUR COMMENTS: In the above case, the **Hon'ble Madras High Court** held that as per Section 75A of Customs Act, 1962, if any duty drawback payable to the claimant is not paid within 1 month from date of filing a claim for payment of such drawback, interest at rate fixed u/s 27A from the date after expiry of the above period of 1 month is payable to petitioner. Thus, it is clear that assessee is entitled to claim interest u/s 75A & rate of such would be 18% p.a. pursuant to Notification Customs No.18/2011Customs (N.T) dated 1st March 2011. Hence, writ petition is allowed & 3rd respondent is directed to pay 18% interest on sanctioned & paid duty drawback claim amount entitled by the petitioner for period from 18.02.2010 to 24.09.2010 within 4 weeks from date of receipt of this order. [**Decided in favour of the Assessee]**

INCOME TAX

COURT DECISIONS

COMMISSIONER OF INCOME TAX, PUDUCHERRY VS M/S DXN HERBAL MANUFACTURING INDUSTRIES PVT LTD [MADRAS HIGH COURT]

Brief: If assessee has paid excise duty regarding litigation with the revenue & has not shown such as expenditure in books, such duty payment cannot be disallowed merely on the ground non-submission of any order or demand served on assessee.

OUR COMMENTS: In the above case, the **Hon'ble Madras High Court held that** the contention of revenue that as assessee had not shown the duty payment as expenditure in books of accounts, but shown as advance receivable in the Balance Sheet, deduction for such cannot be allowed, is not correct. The tribunal rightly pointed out that assessee had paid the said amount as excise duty in the relevant previous year for clearing the goods from factory; pursuant to order by this court & taking the matter to Supreme Court on assessee's litigation with the dept. of Central Excise would not make it a non-payment. Since, the heading under which payment was made only duty payment, assessee had satisfied provisions under both Sec 37 & 43B. Though the Assessing Officer (AO) had recorded that no demand of excise duty served upon assessee was produced, AO himself had recorded the fact that clearance of goods after duty payment was mentioned in High Court's order. The point raised by the AO that no demand was there on part of the department, is not sufficient ground to suspect the actual payment. In this case, it being a question of fact, the question of law raised by the department does not arise for consideration & thus, tax case appeal is dismissed. [**Decided against Revenue]**

AJAY PAL SINGH VS COMMISIONER OF INCOME TAX-II, CHANDIGARH [PUNJAB & HARYANA HIGH COURT]

Brief: If an assessee claims 'Agricultural Income' after showing such in return, but fails to substantiate it by proper evidence, then such income would be considered to be 'Income from other sources'.

OUR COMMENTS: In the above case, the **Hon'ble Punjab & Haryana High Court held that** the assessee had declared agricultural income of Rs 32 lacs admitting before the Assessing Officer(AO) that he & his brother, mother were having agricultural land & total income around 10-12 lacs (Approx) & his share was Rs 3 lacs p.a. Thus, it showed that whatever agricultural income was established in the return was not earned out of agricultural operation & was rightly considered by the authorities to be income from other sources. The assessee failed to substantiate the earning of agricultural income before the AO & CIT (A). So, these authorities were justified in rejecting the claim of assessee of earning agricultural income. Further, assessee never pleaded before authorities about earning of any agricultural income by his father. But, pleading for earning of the lesser agricultural income on one hand, assessee has now taken a contrary stand to accept the agricultural income declared in the return by claiming that his father also earned agricultural income. This fact being pleaded first time before the Tribunal cannot be considered. Thus, photo copies of some land holding filed in the paper book cannot be considered. Assessee also failed to show any illegality or perversity in the concurrent findings & no explanation was given regarding relevance of additional evidences. Consequently, the appeal stands dismissed. **[Decided against Assessee]**

MS NAFISA SHAIKHALLY VS THE COMMISSIONER OF INCOME TAX 26 AND ORS [BOMBAY HIGH COURT]

Brief: If assessee files a revised return claiming refund of TDS on payment received from RBI, provided assessee has opted for the early retirement scheme of CBDT & is entitled to exemption u/s 10(10C), the revised return itself shall be considered as application for condonation of delay & grant for refund shall be allowed.

OUR COMMENTS: In the above case, the **Hon'ble Bombay High Court held that** the revenue had denied application **u/s 119 (2)(b)** of the act by adopting a very hyper technical view that the application for condonation of delay was made by assessee beyond 6 years from the end of the assessment year 2004-05. It is to be noted in this case that CBDT vide circular dated 8th May, 2009 had clarified that employees of RBI opting for the early retirement scheme would be entitled to the benefit of refund of TDS, the payment received being exempted. Thus the petitioner was entitled to such benefit as she opted for the aforesaid scheme. The judgment of the **Apex Court** in the case of **Chandra Ranganathan and ors. Vs. CIT (2009 (10) TMI 498 SUPREME COURT OF INDIA)** concludes this issue & same view was clarified by CBDT vide the aforesaid circular. Immediately after the issue of the above circular by CBDT, the petitioner assessee filed a revised return of income seeking refund of TDS paid on her behalf by RBI. It is noteworthy that revenue does not dispute the assessee's claim for refund on merits, but same is being denied only on hyper technical view of limitation. Hence, here the revised return of income filed on 30 September 2009 should itself be considered as application for condonation of delay u/s 119(2) (b). Thus, the writ petition is allowed & revenue is directed to grant refund due to the assessee. [**Decided in favour of the Assessee]**

ANDHRA PRADESH

AMENDMENT IN AP VAT SCHEDULE I & SCHEDULE IV

OUR COMMENTS: The Revenue (Commercial Taxes-II) Department, Government of Andhra Pradesh vide Notification No. G.O.MS.No. 356 dated 22nd September, 2015 has **amended the Scheduler I & Schedule IV** as follows:

In the said act-

(1) in **Schedule I**, for the **entry at Sl.No.57**, the following shall be **substituted**, namely-

"57. Sugar including Khandasari Sugar".

(2) in **Schedule IV**, the **entry at Sl.No.128** shall be omitted.

HARYANA

AMENDMENT IN HARYANA VAT RULES, 2003

OUR COMMENTS: The Excise & Taxation Department, Haryana Government vide **Notification No. No.23/H.A.6/2003/S.60/2015 dated 24th September, 2015** has **amended** the **Haryana Value Added Tax Rules, 2003** by making further rules in this regard. These rules may be called the **Haryana Value Added Tax (Third Amendment) Rules, 2015** & shall come into force **w.e.f. April 1st, 2014**.

Concerned readers are advised to refer to the aforesaid notification for details as major amendment has come in Rule 49A relating to Lump sum scheme for Developers.

JHARKHAND

CHANGE IN TAX RATE ON PETROL & DIESEL

OUR COMMENTS: The Commercial Taxes Department, Government of Jharkhand **vide Notification No. S.O.67 dated 23rd September, 2015** has amended Schedule II, Part-E of the Jharkhand VAT Act, 2005 as follows:-

In **Schedule II, Part- E**, the **Sl No 2** and **6** shall be substituted in the following manner:

Sl. No	Description of goods	Tax rate	Conditions & restrictions
(1)	(2)	(3)	(4)
2.	**High Speed Diesel Oil, Light Diesel Oil**	**22%** [Subject to the conditions and restrictions as specified in column 4 of this notification]	**1. The amount of tax calculated @ 22% on the sale price or Rs. 8.37 per litre, whichever is higher, shall be levied. 2. The tax shall be levied at the point of sale by the importer; if the goods are imported from a place outside the State; and at the point of sale by the oil companies; to the retailer or direct to the consumer, if the goods are sold by these companies.**
6	**Petrol**	**22%** [Subject to the conditions and restrictions as specified in column 4 of this Notification]	**1. The amount of tax calculated @ 22% on the sale price or Rs. 15.00 per litre, whichever is higher, shall be levied. 2. The tax shall be levied at the point of sale by the importer; if the goods are imported from a place outside the State; and at the point of sale by the oil companies; to the retailer or direct to the consumer, if the goods are sold by these companies.**

MAHARASHTRA

CREDIT OF REFUND TO REGISTERED DEALER BY WAY OF NEFT

OUR COMMENTS: The Finance Department, Government of Maharashtra vide **Notification No. VAT.1515/CR 100/ Taxation-1** dated **18th September, 2015** & in supersession of Notification No. **VAT 1512/CR 48/Taxation-1, dated 20th April, 2012** has directed that any refund due to a registered dealer under the **Maharashtra VAT Act, 2002 (Mah. IX of 2005) shall be credited to his bank account by way of National Electronic Funds Transfer (NEFT) of RBI, w.e.f. 1st October, 2015.**

MIZORAM

INCREASE IN TAX RATE ON TOBACCO PRODUCTS INCLUDING CIGARETTES, CIGARS, CIGARILLOS & VAIHLO

OUR COMMENTS: The Taxation Department, Government of Mizoram vide Notification No **J.11020/1/2012-TAX dated 16th September, 2015** has amended & **r**evised the VAT rate on **Tobacco Products including Cigarettes, Cigars, Cigarillos and Vaihlo in all forms** from the **existing 20% to 30%** in Scheduled 11 Part 'D' of Mizoram VAT Act, 2005 w.e.f. date of issue of this notification.

ODISHA

AMENDMENT IN NOTIFICATION NO 40563/2006/F DATED 26TH SEPTEMBER, 2006 REGARDING RESTRICTIONS & CONDITIONS ON DEFERRED TAX PAYMENT

OUR COMMENTS: The Finance Department, Government of Odisha vide **Notification No. 25338-FIN-CT1-TAX-0019-2015 dated 21st September, 2015** has amended the **Notification No. 40563/2006/F, dated the 26th September, 2006** by further directing the benefit under the said notification to be **deemed to have been allowed w.e.f. 15th April, 2005**. The amendment is as follows:

In the said notification, **before the figures "42, 42A, 43, 43A, 44, 44A, 45, 45A, 46 and 46A"** wherever they occur, the **figure "35H"** shall be **inserted**.

RAJASTHAN

EXEMPTION FROM TAX ON TRANFER OF PROPERTY IN GOODS USED IN WORKS CONTRACT EXECUTED WITHIN THE TERRITORY OF SEZ

OUR COMMENTS: The Finance Department (Tax Division), Government of Rajasthan vide **Notification No F.12 (43) FD/Tax/05-pt-88 dated 24th September, 2015** & in supersession of **Notification No F. 12 (43) FD / Tax /05-36 dated 24th August, 2007** has **exempted** the **transfer of property in goods involved in work contracts executed within the territory of Special Economic Zone (SEZ)** awarded by units established in SEZ or co-developers or developers of SEZ, **from payment of tax, up to 31st March, 2016** & where **SEZ is established entirely in backward areas** specified by the State Government, such **exemption can be availed up to 23rd August, 2017.**

TRIPURA

AMENDMENT IN TRIPURA VAT RULES, 2005

OUR COMMENTS: The Finance Department (Taxes & Excise), Government of Tripura **vide Notification No. F1-1(43)-TAX/2015 dated 15th September, 2015** has **amended** the **Tripura VAT Rules, 2005** by making new rules in this regard **for inserting suitable provisions to delegate power of revision u/s 70(2) of Commissioner of Taxes to any officer not below the rank of Joint Commissioner of Taxes and modification of VAT Form-I for Application Form for Registration**. These Rules may be called the **Tripura Value Added Tax (Fifth Amendment) Rules, 2015** & shall be **effective from date of their publication in official gazette**.

Concerned readers are advised to refer to the aforesaid notification for details as amendments have been brought in Proviso to Rule 8(2) & Rule 11.

UTTARAKHAND

AMENDMENT IN UVAT SCHEDULE III- CHANGE IN TAX RATE ON MOTOR SPIRIT & DIESEL

OUR COMMENTS: The Finance Section-8, Government of Uttarakhand vide **Notification No 809 / 146 (120) / 2015 / XXVII (8)/2008 dated 16th September, 2015 has further amended Schedule III of the Act (previously amended vide Notification No 714 / 2015 / 181 (120) / XXVII (8) /08 dated 14th September, 2015) as follows:**

In **Schedule III** for the existing entry at **Sl No 2** and **3**, the following entry shall be substituted, namely:

Sl No	Description of goods	Taxation Point	Tax Rate	Entry
2	**Motor Spirit** [as defined under the **United Provinces Sales of Motor Spirit, Diesel oil and Alcohol Taxation Act, 1939**]	**Manufacturer Or Importer**	**25 % or Rs 17 per/lit.** whichever is **greater**	**Schedule III (2)**
3	**Diesel** [as defined under the **united Provinces Sales of Motor Spirit, Diesel oil and Alcohol Taxation Act, 1939**]	**Manufacturer Or Importer**	**21 %**	**Schedule III (3)**