36TH
ISSUE

OCTOBER 4TH - OCTOBER 10TH

GST

CENTRAL EXCISE

SERVICE TAX

CUSTOMS

STATE TAXES

TAX CONNECT

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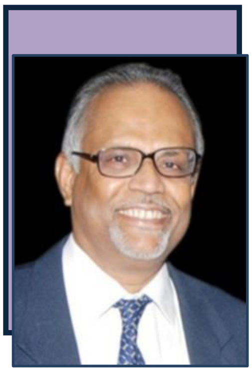
EDITORIAL



Friends,

Generally for professionals working in the Finance, Taxation & Procurement Domain, December is a fairly lean month. Therefore, we in The Indirect Committee of The Bengal Chamber of Commerce & Industry are launching the **3rd Batch of Crash Course on Indirect Taxes in December.** The course would cover State Taxes, Service Tax, Central Excise, Customs, Foreign Trade Policy & GST. The Course would be beneficial for members in Trade & Industry as well as professionals working in the Finance, Taxation & Procurement Domain. The details of the programme are mentioned in the next page.

As regards GST, The Ministry of Finance has already clarified that GST is an Indirect Tax and unlike Income Tax is not assessed yearly. Therefore there is every chance of GST being implemented from 1st October 2016. For Trade & Industry, The impact of GST would be vital. On a rough estimate the corporates are expected to reduce their material & service cost by minimum 1% and logistic cost by 10-15% provided proper GST structure is established. It means lot of money! Therefore it is worthwhile to do a GST Impact Study. It would be beneficial to do a preliminary study for knowing the broad possible impact with assumptions and thereafter in 2016 to get a detailed study done.

In Income Tax, vide Notificaion-75-2015 the CBDT has allowed Higher Transport Allowance Exemption Limit at Rs. 3200 PM for Deaf and dumb also along with Blind and Orthopedically Handicapped people.

After the return filing season in Income tax, it is now the time of filing returns for Service Tax & WB Commercial Taxes, in October. This month is full of holidays, especially after 15th October. It is therefore advised that all of us should endeavor file our returns well within time to avoid working during our holidays.

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

Vivek Jalan

FCA, CIDT (ICAI), B. Com

DUE DATE	COMPLIANCES FROM 4TH OCTOBER, 2015 TO 10TH OCTOBER, 2015	STATUTE
5th Oct'15	STDS Payment for Sep'15	Kerala VAT Act
6th Oct'15	E-Payment of Service Tax for Sept'15 (company) or for Q2 (others)	Service Tax Rules
6th Oct'15	Excise Duty Payment for Sept'15 (Non-SUI Units)	Central Excise Tariff Act
7th Oct'15	STDS Payment for Sep'15	Assam VAT Act, Manipur VAT Act, Tripura VAT Act, Odisha VAT Act
10th Oct'15	STDS Payment for Sep'15	West Bengal VAT Act, Chhattisgarh VAT Act, MP VAT Act,
10th Oct'15	Payment of TDS/TCS deducted/collected in Sept'15	Income Tax Act

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30th September, 2015

Dear Sir / Madam,

Certificate Course on Indirect Taxes

December, 2015

The Bengal Chamber of Commerce and Industry

Royal Exchange, 6 Netaji Subhas Road, Kolkata 700001

The Indirect Taxes Committee of the Bengal Chamber of Commerce and Industry is organizing a Certificate Course on Indirect Taxes in December, 2015. The Chamber had organized the Course last year and had received excellent feedback from the participants.

The details are as follows:

6 Days Classes: 30 Hours

4th December, 2015 (Friday)	4:00 pm – 7:30 pm
5th December, 2015 (Saturday)	10.00 am – 5:30 pm
11th December, 2015 (Friday)	4:00 pm – 7:30 pm
12th December, 2015 (Saturday)	10.00 am – 5:30 pm
18th December, 2015 (Friday)	4:00 pm – 7:30 pm
19th December, 2015 (Saturday)	10.00 am – 5:30 pm

The Certificate Course will cover the following topics:

- **GST**
- **Central Excise**
- **Customs**
- **Service Tax**
- **CENVAT Credit Rules (both Central Excise / Service Tax)**
- **VAT**
- **Foreign Trade Policy**
- **Duty Drawback etc**

Faculty Members:

- **Mr. T. B. Chatterjee**, Chairperson, Indirect Taxes Committee, BCC&I, & Chief Corporate Officer, Legal and Corporate Affairs, DIC India Limited
- **Mr. Vivek Jalan**, Partner, M/s JAV & Associates, Chartered Accountants
- **Mr. Pulak Saha**, Partner - Tax & Regulatory Services, Price Waterhouse & Co. LLP
- **Mr. Debasish Ghosh**, Director, Deloitte Touche Tohmatsu India Pvt Ltd
- **Mr. Mrityunjay Acharjee**, Associate Vice President (Finance), Balmer Lawrie & Co Ltd, Kolkata
- **Mr. Anjan Sircar**, Consultant- Central Excise, Customs, Service Tax, Sales Tax, VAT and other Indirect Taxes

For the purposes of registration, please email the enclosed Ready Reply Form duly filled in, or get in touch with Ms. Sarbani Sett (Tel: **91-33-2230 3711 / 3733** (Extn. **215**); Cell: **+91-9831430781**; Email: sarbani@bengalchamber.com).

SELECT SERVICES TO ATTRACT LOWER GST RATE TO SOFTEN HIGHER LEVY

With the GST likely to increase the tax rate for services & perhaps do the opposite for goods, Centre and states want to reduce the margin for a clutch of targeted service industries by keeping them under a lower than standard GST rate. While banking and insurance services, which are being encouraged to bolster financial inclusion, would surely be among the beneficiaries, a longer list of services is being drawn up which could attract the lower GST rate.

The standard GST rate (including the central and state components) as proposed by different agencies vary between 18% and 27%. While the finance minister has spoken of the need to keep the GST rate as low as possible for the proposed GST regime to spur economic growth, the Rajya Sabha select committee has said that the GST rate should not exceed 20%.

The estimated GST rates are as follows:-

NCAER	**6.2-9.2 %**
13TH FINANCE COMMISSION TASK FORCE	**12%**
KELKAR'S FISCAL CONSOLIDATION PANEL	**16%**
NIPFP	**26.68%**

The Excise Duty currently levied on manufacturing at 12.5% on most items & state level VAT on sales at about 14.5% on most items together add up to 27% now. Fixation of GST rate at around 20% would mean a reduction of the tax rate in the case of these goods. Further, the ITC in GST regime would reduce the real incidence of tax on goods even further in the proposed regime. But the same rate would imply an increase in tax incidence on services, given that the current service tax rate of 14% is way below even the "low" GST rate of 20% as proposed by the select panel.

GST would enable the states to tax services. It would also expand the centre's control over taxation beyond factory production (excise) to cover all subsequent sales till the end consumer, with credit at each stage for taxes paid previously. It is expected that increase in applicable tax rate on services could be troublesome for the end consumer but not for businesses, because of the use of tax credit on input services and raw materials for meeting the tax liability on the output services provided to their clients.

GST on banking services would apply mainly on charges such as processing fee and guarantee fee & not on interest payments, which are the largest source of revenue for banks. For insurance, GST would be applicable only on the risk premium, not on the premium that goes as investment part of the policy. Keeping in mind the inflationary trend which is a possibility in the post-GST period, a lower rate would be beneficial on **Business-To-Consumer (B2C)** services such as banking, telecom and insurance.

Further, central and state GST laws will have provisions to 'unblock' utilization of input tax credit for the services industry that will to some extent mitigate the impact of an increase in the tax rate.

With the April 1, 2016 deadline of GST not appearing feasible due to zero political consensus in Rajya Sabha, the union government is targeting the probable deadline of October, 2016.

IMPACT OF GST ON JOB WORK TRANSACTIONS – APPLICABILITY & VALUATION ASPECTS

With the introduction of GST, it is expected that the assessee base on Central side itself will rise Approx. 60 lacs from existing base of approx. 15 lacs. One of major contributor in this rise would be **job workers** who may not be required to get registered under present taxation system.

Applicability of GST on Job Work

a) The goods supplied by the principal manufacturer to job worker would be ***supply of goods chargeable to CGST / SGST*** in case of ***intra state job work*** & ***IGST***, in case of ***inter- state job work***.
b) Job worker would get ***credit of tax charged by principal supplier***.
c) When goods are supplied back by job worker, ***he will also charge the tax*** in the same manner ***as charged by principal supplier***.

Following are the **valuation aspects** of Job Work under GST-

- The value on which the principal supplier will be charging GST could be arrived at based on **Intrinsic value of goods**, which can **be arrived at by taking price of comparable goods**.
- Tax could also be charged on the **cost of the product supplied** which is determinable from cost accounting record.
- Also, job worker may charge duty based on **intrinsic value** of goods **in the form supplied by him after processing**. This can be done on the basis **of total of price at which supplied by the principal supplier and his job work charge (including material & labour)**.

SERVICE TAX

NOTIFICATIONS & CIRCULARS

ALLOWANCE TO EXERCISE THE POWERS OF CHIEF COMMISSIONER

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 18/2015-Service Tax dated 18th September, 2015**, has **vested the officers specified in column (1)** of the Table below, with the **powers of the Central Excise Officer of the rank specified in column (2)** of the said Table, in the **jurisdiction specified** in **Notification No. 20/2014-Service Tax**, **dated 16th September, 2014**, namely-

TABLE

Central Excise Officer	Rank of the Central Excise Officer whose powers is to be exercised
(1)	(2)
All Principal Commissioners who have been given additional charge of a Chief Commissioner vide Office Order of the Central Board of Excise and Customs No. 126/2015, dated the 20th August, 2015	**The Chief Commissioner**

COURT DECISIONS

COMMISSIONER OF CENTRAL EXCISE, NAGPUR VS SHRI GM MATE, SHRI BABULAL LADSE [CESTAT MUMBAI]

BRIEF: If assessee performs further activities on materials supplied by the manufacturer within the factory premises of the manufacturer & such manufacturer pays excise duty on the goods, assessee cannot be held to have provided a service & tax, interest or penalty cannot be demanded.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Mumbai held that** the first appellate authority has rightly set aside the tax demand (along with interest & penalty) as imposed by the revenue. The revenue's contention that the respondents were supplying labour is incorrect as the first appellate authority scanned the bills raised by respondents indicating that charges paid to respondents relate to lump sum job & various activities based upon the quantum of material. Further, the first appellate authority has recorded the fact that the respondent carried out further activities within the factory premises of M/s Amitasha Enterprises P Ltd after receipt of galvanized material from them & undisputedly M/s Amitasha Enterprises P Ltd was discharging excise duty on those goods. Referring to the judgment of the tribunal in M/s Yogesh Fabricators where the present issue was squarely covered & based on present circumstances, it is held that impugned orders are correct & and does not suffer from any infirmity. Impugned orders are upheld and the appeals are rejected. [**Decided against Revenue]**

BAJAJ HINDUSTHAN LTD VS COMMISSIONER OF CENTRAL EXCISE [CESTAT NEW DELHI]

BRIEF: If factory of a manufacturing assessee is located in a remote area, & assessee avails input construction service for construction or maintenance of residential colony inside the factory premises, then such service will be considered as an input service in the business of manufacturing & CENVAT credit will be accordingly allowed.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT New Delhi** held that although the revenue has denied CENVAT credit on construction services alleging that the dormitory is located outside factory premises &, the appellant's reply to the notice clearly shows that dormitory is constructed within the factory premises only & such has not been contradicted by the Adjudicating Authority or the first appellate authority. So, it is held that the dormitory is within the factory premises & same can be verified by revenue. The dormitory is for the stay of technicians & engineers within factory for maintenance of plant & machinery, the factory being located in a remote area. So, construction of the dormitory for the above said purpose is integrally connected with the appellant's manufacturing activity. The decision of **Hon'ble Bombay High Court** in the case of **Manikgarh Cement** will not apply as there the residential colony was outside the factory premises. Further, in the case of **ITC Ltd**, **Andhra Pradesh High Court** had held that as factory is located in remote area, services of maintenance of residential colony in remote area is entitled to take credit. Thus, credit is available as that service has been availed in the business of manufacturing activity. Further, in appellant's own case the tribunal had allowed credit on the impugned input service. So, based on above, it is held that appellant is entitled to take CENVAT credit on construction services & thus, impugned order is set aside. The appeal is allowed. [**Decided in favour of assessee]**

CENTRAL EXCISE

COURT DECISIONS

COMMISSIONER OF CENTRAL EXCISE, PANAJI VS M/S MRF LTD [SUPREME COURT]

BRIEF: If any classification of goods is made by the department & assessee after accepting such pays duty accordingly, then the tribunal cannot reject the appeal of revenue to charge duty as per the classification on the ground of its previous judgments being allowed by the Apex Court.

OUR COMMENTS: In the above case, the **Hon'ble Supreme Court** held that the tribunal was incorrect in rejecting the appeal of revenue observing the judgment of tribunal in **'MRF Ltd. v. CCE, Goa & Chennai'** was upheld by the apex court in **'CCE, Goa & Chennai v. MRF Ltd'**. The reason being that the Apex court in **MRF case (supra)** remitted the case back to the Commissioner and had not decided the appeal in favour of the assessee. In this instant case, it is not even necessary to remit the case back as classification made by the Department has been accepted by the assessee and the assessee is even paying the duty on the basis of that. Thus the order of CESTAT is set aside & classification of the department is maintained & appeal is allowed accordingly. **[Decided in favour of revenue]**

VST INDUSTRIES LTD. AND OTHERS VS COMMISSIONER OF CENTRAL EXCISE, CUSTOMS AND SERVICE TAX HYDERABAD-III [CESTAT BANGALORE]

BRIEF: Printed gray wrappers are classified under heading 4901.90 attracting Nil ate of duty and hence, no duty can be demanded from the assessee for manufacturing such wrappers.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Bangalore** held that without addressing appellant's contention of goods being manufactured through job workers & not by themselves, the appeals could be disposed on the classification itself. Detailed developments in similar cases of various assesses show that the ultimate decision of Tribunal passed in remand proceeding in case of **Sri Kumar Agencies**, has held the goods as falling under heading 4901.90 & same was followed in case of **Indradhanush Printers Pvt. Ltd**. It is noted that the classification under subheading 4901.90 of the Act holding the goods to be products of printing industries and thus attracting NIL rate of duty in the case of **Sri Kumar Agencies** has almost reached finality, even if revenue has appealed against the same before Supreme Court there is no stay of operation of the same. Revenue has also agreed that the above order passed after the apex court held the remand orders in favour of the assessee. Based on the same, it is held that goods are properly classified under heading 4901.90 attracting Nil ate of duty and no duty demand can survive against the assessee. So, no penalties can be imposed against **M/s. VST Industries Ltd**. or the other appellants who are employees of M/s. VST Industries Ltd. The impugned order is set aside and all the appeals are allowed**. [Decided in favour of assessee]**

SUNIL SPONGE PVT LTD. VS COMMISSIONER OF C.EX. & S.T., RAIPUR [CESTAT NEW DELHI]

BRIEF: If upon categorical stand by the assessee regarding valuation of goods sold to different buyers, the department fails to make proper examination of facts & ignores law as declared by higher authorities while adjudication, fine/cost may be imposed on the department on the ground of burdening of assessee for unnecessary litigation & show of scant respect for declaration of law by higher authorities.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT New Delhi** held that as the appellant sold goods to independent buyers as also to their sister concern, adopting the same assessable value, the provisions of Rule 8 of Valuation Rules cannot be invoked for clearances to sister concern. Though appellant took categorical stand to that effect, the said fact was not examined by the lower authorities. For the said limited purpose, matter is remanded back to the original adjudicating authority to examine the said factual position and to decide the issue accordingly. Stay petition as also appeal gets disposed of in the above manner. In the tribunals order in the case of M/s. Ultratech Cement Ltd. v. Commissioner of Central Excise, Rohtak, a cost of Rs 2500/- was imposed on revenue for not following law by larger bench of tribunal. Now, as the Commissioner (Appeals) has not followed the law declared by the Larger Bench [**2007 (2) TMI 5-CESTAT, MUMBAI]**, it is deemed fit to impose an exemplary cost of Rs 2500/-for burdening the appellant for unnecessary litigation costs & also for burdening the Tribunal by show of scant respect for the law declared by the higher authorities, which is payable to the Registry of the Tribunal within 3 months from the date of receipt of the order. **[Decided in favour of assessee]**

CUSTOMS

NOTIFICATIONS & CIRCULARS

REVISION OF EXCHANGE RATE OF FOREIGN CURRENCIES INTO RUPEE & VICE VERSA FOR SOUTH AFRICAN RAND

OUR COMMENTS: The CBEC (Dept. of Revenue), Ministry of Finance, Government of India vide Notification **No. 95/2015-Customs (N.T.) dated 29th September, 2015 has** amended the **Notification No 93/2015-CUSTOMS (N.T.) dated the 17th September, 2015,0 w.e.f. 30th September, 2015 as follows:**

In Schedule I of the said Notification**, for Sl No. 12 and the entries relating thereto, the** following shall be **substituted, namely:-**

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)
12.	South African Rand	4.85	4.55

COURT DECISIONS

COMMISSIONER OF CUSTOMS (IMPORTS), MUMBAI VS M/S BAYER CORP SCIENCE LTD & ORS [SUPREME COURT]

BRIEF: Without any cogent evidence or reason, the department cannot reject invoice price as given by the assessee for valuation of goods merely by assumption of nature of assessee or transactions.

OUR COMMENTS: In the above case, the **Hon'ble Supreme Court held that** revenue was incorrect to reject the invoice price as US$ 2.10/kg, treating the assessee as related person. From the agreement between assessee & M/s Rohm Hass Company (R&H), it was clear that transaction between them was at arm's length & by mere imagination it cannot be said that R&H was controlling the assessee either directly or indirectly. There was no such allegation in show cause notice, nor was any evidence produced by the revenue. Further, reference to judgment of this court in **Commissioner of Customs, Calcutta v. South India Television (P) Ltd** by the revenue helps the assessee more than revenue itself, as in Para 12 of such judgment, it is categorically stated that revenue has to give cogent reasons for rejecting invoice price & as per Para 14 of the same, the onus is on the department to produce cogent evidence. No sufficient reason or evidence was produced to show that they were contemporaneous sales/transactions at high price. Further, agreement between M/s Indofil & R&H is of no avail, as transactions between them were for the period prior to 01.11.1995 and they were not contemporaneous. So, tribunal's judgment is not erroneous in this regard & hence, appeal accordingly dismissed. [**Decided against Revenue]**

M/S DIAMOND INDUSTRIES VS COMMISSIONER OF CUTOMS –JAMNAGAR (A) [CESTAT AHMEDABAD]

BRIEF: If fuel & oil of engine tanks is considered as fuel & oil of a vessel's machinery & engine, it would be classifiable under heading no 89.08, as per Para 2(b) of the Act.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Ahmedabad** held that the issue that whether fuel oil contained in the engine room tanks is classifiable under heading No 27.10 or as Vessels under heading No 89.08 of the Act is no more res integra, as in a similar case of Priya Holding P Ltd vs CC(P) & in the case of CC vs J M Industries, the Hon'ble High Court had held that if fuel & oil contained in engine tanks is considered to be fuel & oil contained in the vessel's machinery & engines, the same would be covered under Para 2(b) of Circular No 67/96-Cus & as a natural corollary, the same would be classifiable along with the vessel under Heading No. 89.08. Hence, in view of the above decision, it is held that impugned order cannot be sustained & are set aside. Appeals are allowed. [**Decided in favour of the Assessee]**

M/S INDIAN ACRYLICS LTD AND OTHERS VS COMMISSIONER OF CUSTOMS, KANDLA [CESTAT AHMEDABAD]

BRIEF: If an importer purchases DEPB from an open market, after it was obtained by an exporter through manipulation of documents, then duty, interest & penalty cannot be charged on the importer in the absence of any evidence against it.

OUR COMMENTS: In the above case, the **Hon'ble CESTAT Ahmedabad** held that the contention of revenue that the appellant being the bonafide purchaser of DEPB scrips from open market, had not paid duty & the entire transaction is void & appellant's involvement in fraud being immaterial, extended period of limitation would be involved. In this case, appellant (importer) had imported goods based on documents which were valid at the time of importation & documents were valid till they were set aside & so, extended period cannot be invoked. Further, there is no evidence that appellant abetted the exporter, who forged the DEPB, for their own gain or manipulated the export documents & thus, penalty u/s 112(a) of the Act does not apply. The adjudicating authority had rightly imposed penalty on the exporter & its director as they had fraudulently obtained DEPB scrips by ante-dating the bill of lading. Thus, based on above, the demand of duty, interest & penalty on the appellant is held to be barred by limitation & are set aside. [**Decided in favour of the Assessee]**

INCOME TAX

NOTIFICATIONS & CIRCULARS

EXEMPTION TO M/S THALES SYSTEMES AEROPORTES SAS FOR INCOME BY WAY OF ROYALTY OR FEES FOR TECHNICAL SERVICES

The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 74/2015 dated 22nd September, 2015 has held that,** *any* ***income arising to M/s Thales Systemes Aeroportes SAS****, having its office at S.A. an capital de 81 007 176 Euros RCS Paris B 712 042,* ***by way of royalty or fees for technical services*** *received in pursuance of the* ***agreement vide General Contract No. Air HQ/96102/2/ASR- DA****, dated 29th July, 2011,* ***entered into between Thales Systemes Aeroportes ("Thales") and M/s Dassault Aviation and the Government of India*** *for* ***retrofitting of 51 defence aircrafts*** *connected with security of India, shall* ***not be included in computing the total income*** *of a previous year of the said company under the said Act*.

AMENDMENT IN INCOME TAX RULES, 1962

The CBDT (Dept. of Revenue), Ministry of Finance, Government of India vide **Notification No. 75/2015 dated 23rd September, 2015 has amended the Income Tax Rules, 1962** by making new rules. These rules may be called the **Income tax (Thirteenth Amendment) Rules, 2015** & shall come into force on the date of their publication in the Official Gazette.

The following amendment has taken place-

In Income Tax Rules, 1962, in **Rule 2BB (2), in the Table, against Sl. No 11**, in the **entry under column (2)** relating to **"name of allowance"**, after the words **"who is blind",** the words "**or deaf and dumb**" shall be **inserted**.

COURT DECISIONS

M/S MOTIA CONSTRUCTIONS LIMITED VS COMMISSIONER OF INCOME TAX [PUNJAB & HARYANA HIGH COURT]

Brief: If during adjudication, assessee in spite of knowing, does not inform that vouchers of payments are placed with former director & during legal proceedings, presents such vouchers, not being signed by or on behalf of the assessee & also not showing the purpose of payment, then the application of such assessee to consider the additional evidence shall not be accepted.

OUR COMMENTS: In the above case, the **Hon'ble Punjab & Haryana High Court held that** the impugned orders do not call for any interference or gives rise any substantial question of law. The arguments by the appellant is not acceptable as the appellant could have easily told the AO or the CIT (Appeals) that vouchers were in possession of another Director who had left the company. The explanation seems to have made just to furnish an explanation. Vouchers were not signed by and on behalf of the assessee & there was no evidence showing whether these payments were made for the business & therefore, even otherwise, irrelevant. The substantial question of law based upon the apex court's judgment in Tek Ram (dead through LRs) Vs. Commissioner of Income Tax, is meaningless as documents produced by the assessee as additional evidence were found to be relevant. Further, referring to the judgment of this Court in CIT vs. Mukta Metal Works is not tenable as additional evidence produced in the aforesaid case was considered to be necessary for adjudication of the pending lis. Thus, the appeal being meritless does not arise for consideration & is therefore dismissed. [**Decided against Assessee]**

SOUTH POINT EDUCATION SOCIETY VS INCOME TAX OFFICER (EXEMPTION)-II, KOLKATA [ITAT KOLKATA]

Brief: If an assessee utilizes the net consideration on sale of a capital asset (held under trust wholly for charitable or religious purposes), either wholly or partly, to acquire another capital asset to be so held, then the revenue cannot interpret that such asset should be held till the end of the financial year as there is no such condition mentioned u/s 11(1A) of the Act.

OUR COMMENTS: In the above case, the **Hon'ble ITAT Kolkata held that** as per the provisions of section 11(1A) of the Income Tax Act, 1961, there is no requirement which is considered by the lower authorities. The condition says that Where a capital asset, which is property held under trust wholly for charitable or religious purposes, is transferred and the whole or any part of the net consideration is utilized for acquiring another capital asset to be so held, then, the capital gain arising from such transfer shall be deemed to have been applied to charitable or religious purposes. Hence, there is no such condition mentioned that capital asset should be held till the end of the financial year. Thus, the interpretation of the CIT(Appeals) that the term 'so held' implies that capital asset acquired out of the net sale consideration should be held in that form till the end of the financial year, is not acceptable. So the order of ld. CIT (Appeals) is accordingly set aside. The appeal by assessee is allowed. **[Decided in favour of Assessee]**

CHHATTISGARH

AMENDMENT IN NOTIFICATION NO F-10-78/2014/CT/V/(86) DATED 31.12.2014

OUR COMMENTS: **The Commercial Tax Department, Government of Chhattisgarh vide Notification No. F-10-36/2015/CT/V (62) dated 30th September, 2015** has **amended Notification No. F-10-78/2014/CT/V (86), dated 31st December, 2014 as** follows:

In the said notification-
For the **figures, word and symbol "30th September, 2015"**, the **figures, word and symbol "31st March, 2016"** shall be **substituted**.

AMENDMENT IN NOTIFICATION NO F-10-55/2013/CT/V (74) DATED 27.12.2013

OUR COMMENTS: The **Commercial Tax Department, Government of Chhattisgarh vide Notification No. F-10-36/2015/CT/V (63) dated 30th September, 2015** has **amended Notification No. F-10-55/2013/CT/V (74), dated 27th December, 2013** as follows:

In the said Notification-
For the **figures, word and symbol "30.09.2015"**, the **figures, word and symbol "31.12.2015"** shall be **substituted**.

EXTENSION OF TIME LIMIT OF ASSESSMENT CASES FOR FY 2012-13

OUR COMMENTS: The **Commercial Tax Department, Government of Chhattisgarh vide Notification No. F-10-36/2015/CT/V (64) dated 30th September, 2015 has extended** the ***period for completion of every assessment proceeding*** under the said Acts in respect of **every dealer, pending before the Deputy Commissioners & Assistant Commissioners of Commercial Tax, Commercial Tax Officers and Assistant Commercial Tax Officers, and not completed by 31st December 2015, *up to 30th June, 2016.***

HIMACHAL PRADESH

AMENDMENT IN HIMACHAL PRADESH TAXATION (ON CERTAIN GOODS CARRIED BY ROAD) RULES, 1993

OUR COMMENTS: The **Excise & Taxation Department, Government of Himachal Pradesh vide Notification No. EXN-F (5)-2/2013-Loose dated 28th September, 2015** has made new rules to amend the **Himachal Pradesh Taxation (on Certain Goods Carried by Road) Rules, 1993**. These rules may be called the Himachal **Pradesh Taxation (on Certain Goods Carried by Road) Amendment Rules, 2015** & shall **come into force from the date of publication in the Rajpatra, Himachal Pradesh**.

Concerned readers are advised to refer to the aforesaid notification for details as major amendments have taken place in Rule 2 & 4-A & Form T-2-AA has been inserted.

MAHARASHTRA

AMENDMENT IN MVAT SCHEDULE B & D

OUR COMMENTS: The Finance Department, Government of Maharashtra vide **Notification No. VAT.1515/C.R.128A/ Taxation-1** dated **30th September, 2015** has amended the **Schedule B & D of the Maharashtra Value Added Tax Act, 2002, w.e.f. 1st October, 2015 as follows**:

1. In **Schedule –B** :
   - In the heading for **figure, signs and word " 1% or 1.1%"** the **figure, sign and word "1%, 1.1% or 1.2%"** shall be **substituted**.
   - In **entry 1**, in **column (3),** for the figure and sign **"1%"** the figure and sign **"1.2%"** shall be **substituted**.
   - In **entry 2**, in **column (3)**, for the figure and sign **"1%"** the figure and sign **"1.2%"** shall be **substituted**.
   - For **entries 3** and **3A**, the following entry shall be **substituted**, namely:-

     "3. Precious stones including diamonds, Semi-precious stones and pearls, whether real or cultured. 1.2%"
   - In **entry 4**, in **column (3),** for the figure and sign **"1%"** the figure and sign **"1.2%"** shall be **substituted**.
2. In **Schedule – D**:
   - In **entry 1**, in **column (3)**, for the figure and sign **"50%"**, the figure and sign **"60%"** shall be **substituted**.
   - In **entry 2**, in **column (3)**, for the figure and sign **"50%"**, the figure and sign **"60%"** shall be **substituted**.
   - In **entry 3**, in **column (3)**, for the figure and sign **"50%"**, the figure and sign **"60%"** shall be **substituted**.
   - In **entry 5**,

     (a) in **sub-entry (a),** against **clauses (i)** and **clause (ii**), in **column (3),** for the figure and sign **"24%"** the figure, signs and words, **"24% + Two rupees per litre"** shall be **substituted**.

     (b) in **sub-entry (b),** in **column (3)**, for the figures and sign **"21%"** the figure, signs and words **"21% + Two rupees per litre"** shall be **substituted**.
   - In **entry 10**,

   (a) in sub-entry (a), against clauses (i) and clause (ii), in column (3), for the figure, signs and words **"26%+One**

rupee per litre" the figure, signs and **words "26% + Three rupees per litre**" shall be **substituted**.

(b) in **subentry(b**), in **column (3),** for the figure, signs and words**, "25% + One rupee per litre**", the figure, signs and words **"25% + Three rupees per litre**" shall be **substituted**.

- In **entry 13**, in **column (3**), for the figure and sign "**20%" the figure and sign "25%**" shall be **substituted**.
- In **entry 14**, in **column (3**), for the figure and sign "**25%"** the figure and sign **"35%"** shall be **substituted**.

CHANGE IN TAX RATE ON SALE OF LIQUOR

OUR COMMENTS: The Finance Department, Government of Maharashtra vide **Notification No. VAT.1515/C.R.128B/ Taxation-1** dated **30th September, 2015 has amended Notification No. VAT. 1511/C.R.57/Taxation-1,dated the 30th April 2011, w.e.f. 1st October, 2015 as follows:**

In **Schedule I**, appended to the said notification, **at Sl No.1, 2, 4 and 5**, in **column (4)** for the letters, sign and figures **"MRP x 25/125"** wherever they occur, the letters, sign and figures **"MRP x 30/130"** shall be **substituted**.

RAJASTHAN

AMENDMENT IN RAJASTHAN INVESTMENT PROMOTION SCHEME

OUR COMMENTS: The Finance Department (Tax Division), Government of Rajasthan vide Notification No **F.12 (105) FD /Tax/2014-91 dated 30th September, 2015 has amended the Rajasthan Investment Promotion Scheme-2014.**

Concerned readers are advised to refer to the above mentioned notification for details as amendments have taken place in many of the clauses of the scheme.

UTTARAKHAND

AMENDMENT IN NOTIFICATION NO 714 / 2015 / 146 (120) /XXVII(8)/08 DATED 14TH SEPTEMBER, 2015

OUR COMMENTS: The Finance Section-9, Government of Uttarakhand vide **Notification No 846 / 2015 / 146 (120) / XXVII (8)/2008 dated 28th September, 2015 has substituted** the words **"with effect from 16.09.2015"** for the words **"with effect from the date of publication in the Gazette"** occurring in earlier **Notification No. 714 / 2015 / 146 (120) / XXVII (8)/08 dated 14th September, 2015.**

THIS SPACE HAS BEEN INTENTIONALLY KEPT VACANT