eShiksha # 4

S.no	Section	Subject	Link(Source)	Conclusion
1		No disallowance of salary & interest to partners	Inter Continental Constructions (High Court of Andhra Pradesh and Telangana).	Salary and Interest to partner to be allowed as deduction while estimating the profits of the firm where books of accounts are rejected
2	148	re-assessments can be quashed	CIT vs. Chetan Gupta, High Court of Delhi	If the notice u/s 148 of I T Act was not served on the assessee in accordance with law, the re-assessment made is liable to be quashed
3		unsecured loans from a relative of director	Notification dated 15.09.2015	Now a private company can accept unsecured loans also from a relative of director, with a declaration that such loan is not from borrowings
4		State Governments not competent to levy VAT on MRP	http://taxguru.in/wp-content/uploads/2015/09/Mapra-Labs.pdf#sthash.siCdddfo.dpuf	It is in the interest of both industry and State Governments that VAT departments of all the States review the provisions relating to their VAT Acts and take immediate action to delete the provisions, if any, that levy VAT on MRP, which will help in enhancing the ease of doing business and reduce litigation. - See more at: http://taxguru.in/goods-and-service-tax/state-governments-are-not-competent-to-levy-vat-on-mrp.html#sthash.siCdddfo.dpuf
5		The cutting of jumbo rolls into smaller sizes and printing on them by a job worker would not amount to manufacture as defined under the Central Excise	Commissioner of Central Excise and Customs Vs. M/s Rasmi Wax Coated Paper & Printing Industry, C.E.A. Nos. 16 & 25 of 2005, Date: 09.07.2015, High Court of Andhra Pradesh	The Tribunal relied upon the judgement of Supreme Court in the case of Headway Lithographic Co. v. CCE [Civil Appeal No. 8646 of 2003]. In the said judgement the apex court has held the products manufactured by the Headway Lithographic Company would be classifiable under Chapter 49, however, held Printing of biri wrappers would not and can never fit under the description transfer decalcomanias. Inasmuch as in the present case on plain paper simple printing is done on the wrappers which are cut to size for the purpose of wrapping the biris and there is no use of sheet of plastics. Thus, the court has dismissed the appeal filed by the department and held in favour of assessee.
6	SEC 80IB	Deduction on job work	Additional Commissioner of Income-tax v. Narendra Polyplast. ,IT APPEAL NO. 4567 (MUM.) OF 2012.[ASSESSMENT YEAR 2008-09]	Where assessee carried on three activities, viz., manufacturing , trading and carrying out job work for manufacturing for others, it was entitled for deduction under section 80-IB in respect of income derived from job work activity
7		Depreciation	ACIT vs VICTORY AQUA FARM LTD. (Supreme Court)	Ponds specially designed for breeding of prawns to be treated as plant for depreciation purposes
8		Depreciation	CIT vs Noida Medicare Centre Ltd, Delhi High Court	Depreciation on enhanced cost of asset is allowed from the date when the obligation to pay customs duty arose
9		Service tax	CCE, Kerala Vs Larsen & Toubro Ltd., Supreme Court.	Service tax cannot be levied on indivisible works contracts prior to 1st June, 2007
10	SEC 2(15)	CHARITABLE PURPOSE	[2015] 60 taxmann.com 158 (Chandigarh - Trib.)	Medical relief : Where objects of assessee-trust clearly showed that it came into existence for providing medical assistance to poor patients and to promote research work on medical site, etc, assessee-trust existed for charitable purpose only and would be eligible for registration under section 12A

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