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Bizsol UPDATE

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WE BELIEVE IN

Customer is not dependent on us,
We are dependent on him.
He is not an interruption on our work,
He is the purpose of it.
He is not an outsider to our business,
He is a part of it.
We are not doing him a favour
by serving him,
He is doing us a favour by giving us
An opportunity to do so.

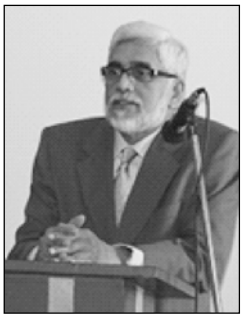
Mahatma Gandhi

THIS MONTH 4U

IN THIS ISSUE

Payments	Due Date
Provident Fund - April 2014	15/05/2014
Local Body Tax (LBT) - April 2014	20/05/2014
Central Sales Tax - April 2014	21/05/2014
MVAT - April 2014	21/05/2014
ESI Contribution - April 2014	21/05/2014
GVAT - April 2014	22/05/2014
Professional Tax - April 2014	31/05/2014
Excise Duties -May 2014	05/06/2014
Service Tax - May 2014	05/06/2014
Excise Duties - May 2014 By E-payment	06/06/2014
Service Tax - May 2014 By E-payment	06/06/2014
TDS/TCS - May 2014	07/06/2014
Returns	
ER-1 and ER-2 Monthly Return for May 2014	10/06/2014
ER-6 Return for May 2014	10/06/2014
TDS/TCS Return	15/05/2014

From The Desk of The Chairman



It is naturalto be tempted to write so much about politics in these days of general elections. It is also an occupational hazard in this highly polluted environment where decency and dignity of discourse have already degenerated to street brawls and chaste abuses.Elections are supposed to be about governance and governments. However, if you go by the sound bites all that you get to hear is only heated debates on every issue from spirituality to pornography as part of the election propaganda and little else.One understands that elections can be noisy; but it cannot be nauseating as is happening now.

In the US Presidential elections the people of America spend as much time on the spouse of the candidate as they do on the candidate himself, for the spouse enjoys a unique, albeit powerful position. He or she is in a position to influence policy by the very nature of his or her relationship with the potential President without being accountable to anyone, be it the Congress or the people. In this election in India the discourse has now boiled down to levelling allegations of the PM candidate of one party hiding his wife and on the other side the son-in-law of the first family of the present ruling dispensation running amok mired in corruption scandals. One possible positive outcome of this year's election processcould be that the parties and candidates would realise that they cannot afford to take the people for granted any more. With so many photographs showing the candidates in poor light tumbling out of the archives of the electronic media, the politicians would be compelled to behave in future, at least in public. After all, there are some uses of the much maligned dirty tricks departments of these parties.

Narendra Modi personally welcomed Daljit Singh Kohli, the step brother of Manmohan Singh to his party. BJP touted this event as a great achievement and a major coup of sorts. The PM was reported to be upset. He has reasons to be. He must not have been upset because one of his family members joined the BJP. After all, you do not expect the PM to have a say on what his step brother does when it comes to his political beliefs. The PM cannot also be upset because he is a force to reckon within his own party and has the potential to swing votes and vote banks away from Congress. In fact the entire country, barring perhaps a few, came to know that the PM had a step brother only when the latter declared his intention to join BJP. When last heard the most optimistic estimate was that the PM's step brother would take away just one vote from the Congress - that of his own! However, Manmohan Singh is justified in getting upset with his step brother for the latter embarrassed the PM by declaring publicly the reason for his resignation. According to him the PM was being ill-treated by the first family of the ruling party and that he was unable to stand such humiliation of his brother. Implicit in the statement was the fact that the PM cannot even feel emotions like humiliation, shame and embarrassment. Such an allegation would be an embarrassment to anyone - even to Manmohan Singh. That explains why Manmohan Singh was upset when Daljit Singh left his half-brother and his party.

Manmohan Singh, it is reported, is also upset with the party. He feels aggrieved that the party has not properly packaged his legacy. He legitimately believes that the performance of the economy for the last one decade under his watch has been the best so far for any Prime Minister of India. Unfortunately, in the din and dysfunction of electoral processes his claim articulated through some of his ministers have few takers. With the credibility of his government in tatters neither the public nor the media is willing to buy anything coming from the present government. However, here comes the good news for him at the fag end of electioneering in the form a report from

the World Bank which says that India has dethroned Japan as the third largest economy behind the US and China measured in terms of purchasing power parity (PPP). As per economic theory in a situation where little disturbance is caused to the existing equilibrium, the exchange rates between currencies would tend to settle down at their abilities to purchase goods and services in the long run. Simply put PPPs are the rates of currency conversion that equalises the purchasing power of different currencies by eliminating the differences in price level between countries. You only need to look at the cost of a bottle of coke in New York and that in New Delhi to understand the significance of this economic theory.

It was Modi's day out the day he filed his nomination papers in Varanasi. The BJP and RSS together put up an unprecedented show of strength. It was virtually a victory procession on the roads of this holy town even before the results were out. The electronic media showed Manmohan Singh voting at Guwahati side by side with Narendra Modi at Varanasi on the TV screen. The PM claimed that there is no Modi wave anywhere even as Modi was waving at the mammoth crowd assembled on both sides of the road through which Modi's cavalcade was moving. Even if you miss the pun you cannot miss the paradox. The sardar was looking like a pathetic caricature even as the PM in waiting was acting like a PM.

Nobody dislikes Narendra Modi. It may sound bizarre but true. He is either loved or hated. That is the kind of extreme emotions he generates. There is no half way home in the minds of either supporters or detractors. You may love him or hate him but you have to accept the fact that he has already hijacked the right to set the agenda for this election. In the process he may or may not change the political discourse in this country post polls. But he has changed the way elections will be fought at a national level in future. It is a no-brainer that only people with a pan Indian appeal alone can hope to emerge as a leader in this diverse country. So far only a member of a Nehru - Gandhi family had the stature and appeal of this kind. Modi appears to have busted that bastion. He has made this campaign a presidential form of fight right from the start. His party and his posters are all asking for votes only in the name of Modi and not the Party. The Party may join the party if it chooses. The virtual monopoly by the regional satraps in various statesis acase in point that this phenomenon is nothing new; but it is definitely new at the national level other than for Congress. Yet another seminal contribution from Narendra Modi to the conduct of elections is that he has made oratorical skills fashionable. His speeches are replete with humour, wit and jibe which appeals to the masses more easily than GDP numbers and their analyses. He has even converted his disability of not being able to speak in English fluently by resorting to HInglish. An executive of a multinational company would use Hindi in English but Modi uses English in Hindi with impeccable precision to leave you wondering whether he thinks in Hindi and speaks in English or vice versa. He repeatedly takes the battle to the enemy camp so much so that the Congress spokespersons are worried about their grammar for fear of being taunted by Modi. Whether Modi becomes a PM or not, this election belongs to him and he has proved that he is a great campaigner and he can teach a lesson or twoon communication skills to other parties. If Modi becomes the Prime Minister he has made sure that he won't be an 'accidental Prime Minister'.

There is another story of embarrassment - this time not to an individual but to the country as a whole. Sant Singh Chatwal is one of the most influential businessmen of Indian origin with business interests across the world with his headquarters in New York. Chatwal recently pleaded guilty for making illegal campaign contributions in American elections. He has admitted to being a straw donor who illegally used someone else's money to make campaign contributions. He has been the most famous Indian close to the Clintons. Coming closely, as it does, after Indian industry's poster boy Rajat Gupta was sentenced for insider trading charges, Chatwal's pleading guilty for illegal campaign donations have embarrassed the ethnic Indian community in the US and at home. In India the embarrassment was more acute as Chatwal was given the coveted Padma Bhushan as recently as 2010 by the President of India.

It is generally agreed that economics is an abstract science. But when two economists converse it becomes obtuse. Recently participating in a panel discussion at Brooking Institution at Washington

Raghuram Rajan, the Governor of Reserve Bank of India levelled a thinly veiled criticism aimed at the Central Banks of developed economies. He, ever since he has assumed office, has maintained that a policy which hurts the rest of the world more than it helps the home country should not be pursued or practised referring to the unconventional policies of quantitative easing resorted to by the US. He called for better cooperation among the central banks little realising that he would come face to face with the very man responsible for such unconventional economic policies right there. The moment he finished his talk, to every body's surprise the first question he fielded was from Ben Bernanke, the former Chairman of the US Federal Reserve and the architect of quantitative easing. Bernanke was in the audience listening to Rajan. He challenged Rajan on the very premise on which the latter was making such a claim in the absence of empirical evidence.By banking norms and bankers' behaviour the exchange between the two must be put under the category of strident criticism from both sides against each other. Subsequently when Bernanke made a trip to India he made a spirited defence of his unconventional policies and also praised the RBI Governor for doing a great job. But at the end of the day no one knows who is right. That, in fact, is the beauty of the science of economics!

Have the cake and eat it too. That is a familiar and inherently likeable proposition except perhaps for an investor. Company after company found it easy to circumvent the stipulation of having to make open offers post a takeover in these days of high voltage volatility of the markets whenever the share prices moved up. Citing lack of commercial reasonableness and uneconomical situation they have withdrawn from open offers. But then this time around the Supreme Court played party pooper by refusing to allow withdrawal of the open offer to the public. Akshaya Infrastructure Pvt Ltd, the promoters of Marg Limited had breached the upper limit in the latter through creeping acquisitions and made a voluntary offer to the existing shareholders to exit the stock at Rs.91/- per share. However, SEBI insisted that the company raise the open offer price to Rs.340/- when the share was trading at around Rs.50/- on account of repeated violations of the takeover code by the company. Akshaya appealed to the Securities Appellate Tribunal who permitted the company to withdraw the open offer citing commercial unviability of the proposition. The Supreme Court, whom SEBI approached on further appeal, through a landmark judgment reversed the decision of SAT and in the process laid down the law in this regard which will bring cheers to millions of investors who are routinely taken for a ride by unscrupulous Promoters.

Staying in the corridors of the Supreme Court let us look at another landmark judgment pronounced recently by the Court which will have enormous commercial ramifications. The apex court has ruled that criminal proceedings cannot be initiated under the Negotiable Instruments Act for dishonour of alltypes of post-dated cheques. In a cogently reasoned judgment the Court has now put to rest yet another controversial issue which has been interpreted differently by different High Courts in India. The judgment makes a clear distinction between a civil and criminal liability when advance cheques are given by the purchasers in commercial transactions. The test to be applied according to the Court is that on the date of issuing a post-dated cheque whether there was a legally enforceable liability or obligation on the part of the issuer of the cheque to attract criminal liability in the event of a dishonour of the instrument. Here go the likes of comfort cheques, security cheques, advance cheques, etc.

Thank you.

Venkat R. Venkitachalam

CUSTOMS

Notifications:

No new notification!!

Non-Tariff

- Aurangabad has been added in the list of Customs Airports of Maharashtra for Unloading of imported goods and loading of export goods or any class of such goods. **[Notification No. 30/2014-Customs (N.T.) Dated 07-04-2014]**
- Tariff Value of Imported goods have been further amended as given below:

Sl. No.	Chapter/ heading/ sub-heading/ tariff item	Description of goods	Tariff value US $ (Per Metric Tonne)
1	1511 10 00	Crude Palm Oil	920
2	1511 90 10	RBD Palm Oil	943
3	1511 90 90	Others - Palm Oil	932
4	1511 10 00	Crude Palmolein	961
5	1511 90 20	RBD Palmolein	964
6	1511 90 90	Others - Palmolein	963
7	1507 10 00	Crude Soyabean Oil	980
8	7404 00 22	Brass Scrap (all grades)	3871
9	1207 91 00	Poppy seeds	3255
10	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 321 and 323 of the Notification No. 12/2012-Customs dated 17.3.2012 is availed	422 per 10 grams (US $)
11	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 322 and 324 of the Notification No. 12/2012 - Customs dated 17.3.2012 is availed	632 per kilogram (US $)
12	080280	Areca nuts	1908(US $ Per Metric Tons)

[Notification No. 36/2014-Customs (N.T.) Dated 30-04-2014]

Safeguards

No new notification!!

Anti-Dumping Duty

- Anti-dumping duty on "Cast Aluminium Alloy Wheels or Alloy Road Wheel used in Motor Vehicles" of a size in diameters ranging from 12 inches to 24 inches, falling under chapter heading 8708, originating in, or exported from the People's Republic of China, Korea RP and Thailand, and imported into India, has been provisionally imposed for a period not exceeding 6 months from the date of publication of this notification in the Gazette. **[Notification No. 15/ 2014-Customs (ADD) Dated 11-04-2014]**

Circulars / Instructions

- Board has instructed that facility of manual filing and processing of import/export documents, should not be allowed except in exceptional and genuine cases where the electronic filing and processing of import/export documents is not feasible and same should be permitted by the Commissioner of Customs. **[F.No.401/81/2011-CUS III dated 07-04-2014]**

CENTRAL EXCISE

Notifications

Tariff

No New Notifications!!

Non-Tariff

No New Notifications!!

Instructions

- Board has issued instructions to Chief Commissioners / Commissioners to introduce a

proper system of monitoring and handling the litigation at the field level to prevent delays in responding to the directions of the Courts / CESTAT.

- In the cases when the matter was listed before the CESTAT, for reporting compliance, the department was found lacking in its effort to get the matters disposed in the High Court and some of the cases, the departmental representative had not been kept informed of the latest status of the cases, and thereby could not satisfy the queries of the Bench.

  After considering the various reasons given by the field formations for the various lapses observed by the Tribunal in its above referred order, Secretary (Revenue) has noted that there was failure on the part of the departmental officers either in coordinating with the departmental Counsels or there was delay in responding to the directions of the High Court/CESTAT or even keeping the AR updated. After analyzing all the deficiencies, Secretary (Revenue) has directed that departmental officers should follow up each of the cases in Court with our Standing Counsels, who will need proper directions and briefing.

  The above observations of the Tribunal and Secretary(Revenue) are brought to the knowledge of all the concerned so that Chief Commissioners/Commissioners introduce a proper system of monitoring and handling the litigation at the field level to prevent delays in responding to the directions of the Courts/ CESTAT.

  It is also directed that pre-deposit orders are followed up for compliance and the office of the concerned Commissioner (AR) kept informed of all developments in the matter. **[F.No.275/30/ 2014-CX.8A dated 07-04-2014]**

SERVICE TAX

Notifications

No new notifications!!

Circulars / Instructions

No new circulars / instructions!!

FOREIGN TRADE POLICY

Notifications:

- Re-export of food, medicine and medical equipments to Iran will not be subject to any Value Addition requirement. Goods imported against freely convertible currencies and re-exported to Iran against rupee payment shall not be eligible for any export incentives. The goods falling under ITC(HS) codes Chapter No. 2,3,4, 7-11 and 15-21, 23, 30 and only headings 9018, 9019, 9020, 9021 and 9022 of Chapter 90 of ITC (HS) code shall be subject to all conditions of FTP 2009-2014 and ITC (HS) 2012 as applicable. **[Notification No. 79 (RE - 2013)/2009-2014 dated 30/04/2014]**

  Minimum Export Price on export of edible oils in branded consumer packs of upto 5 Kgs has been reduced to USD 1100 per MT. Earlier it was USD 1400 per MT. **[Notification No. 80 (RE - 2013)/ 2009-2014 dated 30/04/2014]**

Public Notices:

- Export of pulses to Republic of Maldives in terms of Notification No. 77 of 27.03.2014 would be permitted through M/s. PEC Ltd permitted under the bilateral trade agreement between Government of India and Government of Maldives during the period 2014-15 to 2016-17

Year	Quantity in MT
2014-15	87.85
2015-16	96.63
2016-17	106.29

[Public Notice No. 57 (RE: 2013)/2009-2014 dated 09/04/2014]

- The deadline for implementation of Self-certification regarding compliance of bar-coding requirements on secondary and tertiary level packaging on export consignment of pharmaceuticals and drugs has been amended from 01/04/2014 to 15/04/2014. **[Public Notice No. 58 (RE:2013)/2009-2014 dated 15/04/2014]**

Trade Notice

No new trade notice

INCOME TAX

Notification:

- IFCI Limited (formerly known as Industrial Finance Corporation of India) has been authorized to issue tax-free, secured, redeemable, non-convertible bonds amounting upto Rs. 430/- Cr. Limit of Indian Railway Finance Corporation Limited (IRFC) has been reduced to Rs. 8853/- Cr. **[Notification 19/2014 dated 26th March 2014]**
- Central Government had rescind the notification where approval to the undertaking being developed and being maintained and operated by M/s Pantheon Infrastructure Pvt. Ltd., Mumbai at Logitech Park, Mathuradas Vasanji Road, Andheri (East), Mumbai-400072, as an Industrial Park had been granted and now there will be no income tax benefit under Sec 80-IA of Income Tax Act. **[Notification 20/2014 dated 26th March 2014]**
- Central Government had rescind the notification where approval to the undertaking being developed and being maintained and operated by M/s. Finest Promoters Private Ltd., New Delhi at Khasra No. 1961/2 and 1962/1, Sector 54, Taluka Gurgaon, District Gurgaon, Haryana as an Industrial Park had been granted and now there will be no income tax benefit under Sec 80-IA of Income Tax Act. **[Notification 21/2014 dated 26th March 2014]**
- Central Government had rescind the notification where approval to the undertaking being developed and being maintained and operated by M/s Creative Infocity Ltd., Gandhinagar at Indroda Circle, Gandhinagar, Gujarat, as an Industrial Park had been granted and now there will be no income tax benefit under Sec 80IA of Income Tax Act. **[Notification 22/2014 dated 27th March 2014]**
- Provisions of DTAA entered between the Government of the Republic of India and the Government of the Democratic Socialist Republic of Sri Lanka shall be given effect to in the Union of India with effect from the 1st day of April, 2014. **[Notification 23/2014 dated 28th March 2014]**

Circular:

- Income of a firm is to be taxed in the hands of the firm only and the same can under no circumstances be taxed in the hands of its partners. Accordingly, the entire profit credited to the partners' accounts in the firm would be exempt from tax in the hands of such partners, even if the income chargeable to tax becomes NIL in the hands of the firm on account of any exemption or deduction as per the provisions of the Act-Income Tax **[Circular 8/2014 dated 31st March 2014]**
- The cost of construction on development of infrastructure facility of roads/highways under BOT project may be amortized and claimed as allowable business expenditure under the Act. **[Circular 9/2014 dated 23rd April 2014]**

Instruction

No new notifications!!

MVAT

No new notification!!

Trade Circular:

- After Supreme Court Judgment the MVAT Department has issued circular stating that "Stainless Steel Wire" will not be covered under C-55 and hence will be liable for VAT @ 12.5% instead of 5%. As per ratio of one of the earlier judgment in case of M/s Devidayal Electronic & Wire Limited the same was classified under C-55. The department has written to State Government for taking decision on the similar matter pertaining to period prior to 26th April 2011. However it has been clarified that for the period on or after 26th April 11, the decision of Supreme Court will be applied and goods will be taxable @12.5%. **[Circular 11T dated 4th April 2014]**
- FAQ has been issued by the department to address various issues raised by the Trade & associations in respect of computation of Tax Liability of developers / builders in accordance

with amended Rule 58(1A) of MVAT Rules, 2005. Extract of the same is given in this bulletin separately.**[Circular 12T dated 17th April 2014]**

COMPANY LAW

Notification

No new notifications!!

Circular

- It has been notified that financial statements, auditor report, and Board's report for the financial year 2013-2014 shall be governed by provision / schedule / rules of Companies Act, 1956 and for financial year commencing from 01st April 2014 shall be governed new provisions of Companies Act, 2013. **[General Circular No. 08 /2014, dated: 04/04/2014]**

FEMA (Important Notifications / Circulars)

- Circular DBOD. Dir. BC. 53/ 13.10.00/ 2002-03 dated December 26, 2002 on 'Minimum Balance in Savings Bank Accounts' advising banks to inform customers regarding the requirement of minimum balance in savings bank account and levy of penal charges for non-maintenance of the same at the time of opening the account in a transparent manner.

  Further, in terms of para 3 of our Circular DBOD. No. Leg. BC.35/09.07.005/2012-13 dated August 10, 2012 on 'Financial Inclusion- Access to Banking Services - Basic Savings Bank Deposit Accounts' it was advised to banks that no charge should be levied for non-operation/activation of Basic Savings Bank Deposit Accounts (BSBDAs).

  In view of the above circulars RBI has issued new Notification no **RBI/2013-14/580 DBOD. Dir. BC.No. 109 /13.03.00/2013-14 dated May 06, 2014,** that henceforth banks are not permitted to levy penal charges for non-maintenance of minimum balances in any inoperative account.

- DBOD.No.Leg.BC.158/C.90(H)-76 dated December 29, 1976 wherein banks were advised to allow minors' accounts (fixed and savings deposit accounts) with mothers as guardians to be opened subject to safeguards in allowing operations in such accounts by ensuring that the minors' accounts opened with guardian are not allowed to be overdrawn and that these always remain in credit. Also, please refer to our circular DBOD.No.Leg.BC.19/C.90(H)-89 dated September 8, 1989 extending the facility, of allowing opening of minors' account with mothers as guardian, to Recurring Deposits.

  Further, with a view to promote the objective of financial inclusion and also to bring uniformity among banks in opening and operating minors' accounts, banks are advised as under:

  1. A savings / fixed / recurring bank deposit account can be opened by a minor of any age through his / her natural or legally appointed guardian.
  2. Minors above the age of 10 years may be allowed to open and operate savings bank accounts independently, if they so desire. Banks may, however, keeping in view their risk management systems, fix limits in terms of age and amount up to which minors may be allowed to operate the deposit accounts independently. They can also decide, in their own discretion, as to what minimum documents are required for opening of accounts by minors.
  3. On attaining majority, the erstwhile minor should confirm the balance in his/her account and if the account is operated by the natural guardian / legal guardian, fresh operating instructions and specimen signature of erstwhile minor should be obtained and kept on record for all operational purposes.

  In view of above RBI has issued **Notification No. RBI / 2013-14/581 DBOD. No. Leg. BC.108/ 09.07.005/2013-14 dated May 07, 2014,** that Banks are free to offer additional banking facilities like internet banking, ATM/ debit card, cheque book facility etc., subject to the safeguards that minor accounts are not allowed to be overdrawn and that these always remain in credit

- As per DBOD.IBD.BC.No.96/23.37.001/2006-07 dated May 10, 2007, in terms of which banks

were permitted to extend fund/non-fund based credit facilities to overseas Joint Ventures (JV)/ Wholly Owned Subsidiaries (WOS)/Wholly owned Step-down Subsidiaries (WoSDS) of subsidiaries of Indian companies upto 20 % of their unimpaired capital funds (Tier I and Tier II capital) in connection with its business. The resource base for such lending should be funds held in foreign currency accounts such as FCNR(B), EEFC, RFC etc., in respect of which banks have to manage the exchange risk. However, it was observed that banks are extending non-fund based credit facilities like guarantees/stand-by letter of credits/letter of comforts etc. on behalf of JV/WOS/WoSDS for purposes which are not connected with their business, and in certain cases, used to avail foreign currency loans for repayment of Rupee loans. Accordingly, banks, including overseas branches/subsidiaries of Indian banks, are no longer allowed to issue standby letters of credit/guarantees/letter of comforts etc. on behalf of overseas JV/WOS/ WoSDS of Indian companies for the purpose of raising loans/advances of any kind from other entities except in connection with the ordinary course of overseas business. Also, while extending fund/non-fund based credit facilities to overseas JV/WOS/WoSDS of Indian companies in connection with their business, either through branches in India or through branches/subsidiaries abroad, banks should ensure effective monitoring of the end use of such facilities and its conformity with the business needs of such entities.

As per A.P. (DIR Series) Circular No.134 dated June 25, 2012, Indian companies in the manufacturing and infrastructure sector were allowed to avail of external commercial borrowings (ECBs) for repayment of Rupee loans availed of from domestic banking system and / or for fresh Rupee capital expenditure, under the approval route, subject to satisfying certain conditions. However, if the ECB is availed from overseas branches/subsidiaries of Indian banks, the risk remains within the Indian banking system. Hence, it has been decided that repayment of Rupee loans availed from domestic banking system through ECBs extended by overseas branches/subsidiaries of Indian banks will, henceforth, not be permitted.

As per Notification No.FEMA 8/2000-RB dated May 3, 2000, Authorised Dealer Banks have been allowed to issue guarantees in respect of a debt, obligation or other liability incurred by an exporter, on account of exports from India. It was intended to facilitate execution of export contracts by the exporter and not for other purposes. It has, however, come to the notice of the RBI that some exporter borrowers are using export advances, received on the strength of guarantees issued by Indian banks, for repayment of loans availed of from Indian banks. This is considered as a clear violation of RBI's instructions except in cases where banks have received approvals under FEMA and banks are advised to desist from such practices.

[RBI/2013-14/568 (DBOD.No.BP.BC.107/ 21.04.048/2013-14) (April 22, 2014)]

- As per A.P. (DIR Series) Circular No.56 dated December 9, 2011 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide Notification No. FEMA 20/ 2000-RB dated May 3, 2000, Foreign Direct Investment (FDI) up to 100 % is permitted under automatic route for greenfield investments and FDI up to 100 % is permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector. The FDI policy for pharmaceutical sector has since been reviewed and it has now been decided with immediate effect that the existing policy would continue with the condition that 'non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board (FIPB) of the Government of India.

[RBI/2013-14/567 (A.P. (DIR Series) Circular No.124) (April 21, 2014)]

- As per Notification No. FEMA 20/2000-RB dated May 3, 2000, only a Company incorporated under the Companies Act, 1956 or a Venture Capital Fund was eligible to accept FDI. It has

now been decided that Limited Liability Partnership (LLP) formed and registered under the Limited Liability Partnership Act, 2008 shall be eligible to accept Foreign Direct Investment (FDI) subject to certain conditions.

RBI has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Third Amendment) Regulations, 2014 notified vide Notification No. FEMA. 298 /2014-RB dated March 13, 2014 c.f. G.S.R. No.190(E) dated March 19, 2014. The instructions issued in this circular shall be effective from May 20, 2011. However, reporting requirement of FDI in LLP shall come into force from the date of issue of instructions by the RBI in this regard. LLP which have received foreign investment in terms of FIPB approval between May 20, 2011 to the date of the circular shall comply with the reporting requirement in respect of FDI within 30 or 60 days, as applicable, from the date of the circular.

[RBI/2013-14/566 (A.P. (DIR Series) Circular No. 123) (April 16, 2014)]

- In part 'B' of the First Bi-monthly Monetary Policy Statement, 2014-15 announced on April 1, 2014, certain measures were proposed to be adopted by banks in order to give a fillip to the flow of credit to micro and small enterprises (MSEs) borrowers. In this regard the RBI advises that while pricing their loans to MSE borrowers, banks should take into account the incentives available to them in the form of the credit guarantee cover of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) and the zero risk weight for capital adequacy purpose for the portion of the loan guaranteed by the CGTMSE and provide differential interest rate for such MSE borrowers, than the other borrowers. However, banks should note that such differential rate of interest is not below the Base Rate of the bank. Further, banks are advised to undertake a review of their loan policy governing extension of credit facilities to the MSE sector, with a view to using Board approved credit scoring models in their evaluation of the loan proposals of MSE borrowers.

[RBI/2013-14/564 (DBOD.Dir.BC.No.106/ 13.03.00/2013-14) (15 April, 2014)]

- On a review of A.P. (DIR Series) Circular No. 56 dated September 30, 2013 relating to all-in-cost ceiling of Trade Credits for imports into India, it has now been decided that the all-in-cost ceiling as specified under paragraph 4 of A.P. (DIR Series) Circular No.28 dated September 11, 2012 will continue to be applicable till June 30, 2014 and is subject to review thereafter. All other aspects of Trade Credit policy remain unchanged.

[RBI/2013-14/562 (A.P. (DIR Series) Circular No.122) (April 10, 2014)]

- On a review of A.P. (DIR Series) Circular no. 58 dated September 30, 2013 relating to the all-in-cost ceiling for ECB, it has been decided that the all-in-cost ceiling as specified under paragraph 2 of A.P. (DIR Series) Circular No. 99 dated March 30, 2012 will continue to be applicable till June 30, 2014 and is subject to review thereafter. All other aspects of ECB policy remain unchanged.

[RBI/2013-14/561 (A.P. (DIR Series) Circular No.121) (April 10, 2014)]

- (Notification No.FEMA.25/RB-2000 dated May 3, 2000) and A.P. (DIR Series) Circular No.15 dated October 29, 2007 regarding liberalisation in respect of booking of forward contracts, in terms of which resident individuals, to manage/ hedge their foreign exchange exposures arising out of actual or anticipated remittances, both inward and outward, are allowed to book forward contracts, without production of underlying documents, up to a limit of US$ 100,000 based on self-declaration has been further liberalised and it has now been decided to allow all resident individuals, firms and companies, who have actual or anticipated foreign exchange exposures to book foreign exchange forward contracts up to US$ 250,000 on the basis of a simple declaration without any requirement of further documentation. The existing facilities in terms of the aforementioned circular for Small and Medium Enterprises (SMEs) having direct and/ or indirect exposures to foreign exchange risk

permitting them to book/ cancel/ roll over forward contracts without production of underlying documents to manage their exposures effectively subject to conditions specified therein shall remain unchanged

[RBI/2013-14/557 (A.P. (DIR Series) Circular No. 119) (April 07, 2014)]

- On a review of A.P. (DIR Series) Circular no. 57 dated December 13, 2011 and the Foreign Exchange (Compounding Proceedings) Rules, 2000 notified by the Government of India vide G.S.R.No.383(E) dated 3rd May 2000, regarding delegation of powers to the Regional Offices of the Reserve Bank of India to compound the contraventions of FEMA, it has been decided by the RBI to delegate further powers to the Regional Offices of Reserve Bank of India. Accordingly, the powers to compound the following contraventions will now be vested with the Regional Offices:

Sr. No.	FEMA Regulation	Brief Description of Contravention
1	Paragraph 9(1)(A) of Schedule I to FEMA 20/ 2000-RB dated May 3, 2000	Delay in reporting inward remittance received for issue of shares.
2	Paragraph 9(1)(B) of Schedule I to FEMA 20/ 2000-RB dated May 3, 2000	Delay in filing form FC(GPR) after issue of shares.
3	Paragraph 8 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in issue of shares/ refund of share application money beyond 180 days, mode of receipt of funds, etc.
4	Paragraph 5 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Violation of pricing guidelines for issue of shares.
5	Regulation 2(ii) read with Regulation 5(1) of FEMA 20/2000-RB dated May 3, 2000	Issue of ineligible instruments such as non-convertible debentures, partly paid shares, shares with optionality clause, etc.
6	Paragraph 2 or 3 of Schedule I to FEMA 20/ 2000-RB dated May 3, 2000	Issue of shares without approval of RBI or FIPB respectively, wherever required.

[RBI/2013-14/553 (A.P. (DIR Series) Circular No.117 (April 4, 2014)]

- As per A.P. (DIR Series) Circular No 34 dated March 02, 2007 in terms of which the RBI had, based on the recommendations of Gems and Jewellery Export Promotion Council (GJEPC), notified the names five mining companies (since increased to nine over a period of time) to whom an importer (other than a Public Sector Company (PSC) or a Department / Undertaking of the Government of India / State Government) was allowed to make advance remittance without any limit and without bank guarantee or stand by letter of credit for import of rough diamonds into India. With a view to liberalising the procedure further facilitating the import of rough diamonds, it has now been decided that henceforth Reserve Bank of India will not notify the names of overseas mining companies from whom an importer (other than PSC or Department / Undertaking of Government of India / State Government) may import rough diamonds into India, by way of advance payments, without any limit / bank guarantee/ stand-by letter of Credit. AD category - I banks are, henceforth, permitted to take decision on overseas mining companies to whom an importer (other than PSC or Department / Undertaking of Government of India / State Government) can make advance payments, without any limit / bank guarantee/ stand-by letter of Credit.

  While allowing the advance remittance without bank guarantee for import of rough diamonds, the AD Category - I banks must ensure the following:

  I. The overseas mining company should have the recommendation of GJEPC.

  II. The importer should be a recognised processor of rough diamonds and should have a good track record.

  III. AD Category - I banks should, undertake the transaction based on their commercial judgment and after being satisfied about the bonafides of the transaction.

  IV. Advance payments should be made strictly as per the terms of the sale contract and

should be made directly to the account of the company concerned, that is, to the ultimate beneficiary and not through numbered accounts or otherwise.

V. Further, due caution may be exercised to ensure that remittance is not permitted for import of conflict diamonds (Kimberly Certification).

VI. KYC and due diligence exercise should be done by the AD Category - I banks as per the existing guidelines.

VII. AD Category - I banks should follow-up submission of the Bill of Entry / documents evidencing import of rough diamonds into the country by the importer, in terms of the Act / Rules / Regulations / Directions issued in this regard.

VIII. In case of an importer entity in the Public Sector or a Department / Undertaking of the Government of India / State Government/s, AD Category - I banks may permit the advance remittance subject to the above conditions and a specific waiver of bank guarantee from the Ministry of Finance, Government of India, where the advance payments is equivalent to or exceeds USD 100,000/- (USD one hundred thousand only).

AD Category - I banks are required to submit a report of all such advance remittances made without a bank guarantee or standby letter of credit, where the amount of advance payment is equivalent to or exceeds USD 5,000,000/- (USD five million only), to the concerned Regional Office of Reserve Bank of India within 15 calendar days of the close of each half year.

[RBI/2013-14/548 (A.P. (DIR Series) Circular No.116 (April 1, 2014)]

- Foreign Direct Investment (FDI) up to 100 per cent is permitted under automatic route for greenfield investments and FDI up to 100 per cent is permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector.

  The extant FDI policy for pharmaceutical sector has since been reviewed and it has now been decided with immediate effect that the existing policy would continue with the condition that 'non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board (FIPB) of the Government of India. **[RBI/2013-14/567 A.P. (DIR Series) Circular No.124 dtd April 21, 2014]**

- It has now been decided that Limited Liability Partnership (LLP) formed and registered under the Limited Liability Partnership Act, 2008 shall be eligible to accept Foreign Direct Investment (FDI) subject to the conditions given in Annex I to the circular no. **[RBI/2013-14/566 A.P. (DIR Series) Circular No. 123 April 16, 2014]**

  The instructions issued in this circular shall be effective from May 20, 2011. However, reporting requirement of FDI in LLP shall come into force from the date of issue of instructions by the Reserve Bank in this regard. The LLP which have received foreign investment in terms of FIPB approval between May 20, 2011 to the date of this circular, shall comply with the reporting requirement in respect of FDI within 30 or 60 days, as applicable, from the date of this circular.

CBEC Notified Exchange Rate for Conversion of Foreign Currency w. e. f. 02nd May 2014 [Notification No. 38/2014-Customs (N.T) Dated 01-05-2014]

SCHEDULE - I

S.No.	Foreign Currency	Rate of exchange of one unit of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Australian Dollar	56.75	55.35
2.	Bahrain Dinar	164.70	155.65
3.	Canadian Dollar	55.70	54.40
4.	Danish Kroner	11.35	11.00
5.	EURO	84.30	82.30
6.	Hong Kong Dollar	7.85	7.70
7.	Kuwait Dinar	220.85	208.40
8.	New Zealand Dollar	52.35	51.05
9.	Norwegian Kroner	10.20	9.90
10.	Pound Sterling	102.70	100.40
11.	Singapore Dollar	48.60	47.50
12.	South African Rand	5.90	5.55
13.	Saudi Arabian Riyal	16.55	15.65
14.	Swedish Kroner	9.35	9.05
15.	Swiss Franc	69.15	67.45
16.	UAE Dirham	16.90	16.00
17.	US Dollar	60.85	59.85

SCHEDULE-II

S.No.	Foreign Currency	Rate of exchange of 100 units of foreign currency equivalent to Indian rupees	
		(For Imported Goods)	(For Export Goods)
1.	Japanese Yen	59.70	58.25
2.	Kenya Shilling	71.55	67.55

FAQ by Sales Tax Office for Trade & associations on amended Rule 58(1A) of MVAT Rules, 2005

(1) To prescribe format for issuance of certificate by the RCC consultant or clarify that the certificate issued by registered RCC consultant confirming that "the plinth level of (building name) is/was completed on (date)" shall be sufficient.

Ans. Normally there is procedure in local bodies to issue plinth level completion certificate. Such certificate issued by the local body shall be accepted. Certificate of registered RCC consultant for plinth level completion is not allowed, where there is a procedure for grant of certificate by local bodies. Registered RCC consultant certificate is allowed for completion of 100% RCC framework. The said certificate need not be in any specific format. However, it must clearly certify the date on which 100% RCC frame work for entire building was completed.

(2) Whether completing of 100% RCC framework should be read as 100% RCC framework of the floors or entire building being constructed?

Ans. The 100% RCC framework means 100% RCC framework of the entire building.

(3) Whether extension of the commencement certificate by endorsement on the back side would be accepted as certificate of plinth level completion?

Ans. Different local bodies may have different procedure and format to issue completion certificate. Certificate issued by local bodies in any format shall be accepted.

(4) In order to comply with the proviso inserted in Rule 58(1 A) what is the procedure required to be followed by the builder/ developer? For uniformity, format of the certificate may be prescribed and indicate the authority within that department who would be authorised to issue such certificate to the members.

Ans. The Department of Town Planning and Valuation has been informed about the changes made to rule 58 of MVAT Rules, 2005. It is expected that they will soon devise the procedure for issuance of such certificate.

(5) Whether the certificate issued by a Chartered Accountant for the Computation of the 'value of the goods' incorporated in the contract is acceptable?

Ans. No.

(6) Whether the Department of Town Planning and Valuation would issue letter certifying of having verified the actual cost of land as per claim made by the builder/developer?

Ans. The Department of Town Planning and Valuation will certify the actual cost of land.

(7) Rule 58(1B) requires RCC consultant's certificate for claiming stage-wise deductions. While it will not be possible for dealers to obtain RCC consultants certificate, for period 2006 till December 2013, certificate issued by Architects or other evidence in this respect be accepted.

Ans. No other certificate other than registered RCC consultant shall be accepted for certifying the stage of completion of 100% of RCC framework.

(8) While the stamp duty has been collected on higher of the actual cost of land or value determined in accordance with the Annual Statement of Rates (including guidelines) prepared under the provisions of the Bombay Stamp (Determination of True Market Value of Property) Rules, 1995; however requirement of proving before the Department of Town Planning and Valuation in cases where stamp duty has been paid on the basis of actual cost of land is resulting into repetition.

Ans. As per amended rule 58(1A), any claim of land value higher than the ready reckoner value of the land shall be made before the Department of Town Planning and Valuation. Certificate

given by the Town Planning Department shall be accepted by the Sales Tax Department.

(9) The amended rule 58(1A) of the Maharashtra Value Added Tax Rules, 2005 does not include profit earned on sale of land.

Ans. Rule 58 provides for deduction of land cost as per ready reckoner value. Any claim regarding the actual cost of the land is higher than ready reckoner value has to be made before the Department of Town Planning and Valuation.

(10) Land cost deduction as per rule 58(1 A) is available. Similarly, deduction is available towards subcontracted work, labour and other services under rule 58(1) and stage wise deduction under rule 58(1B). Can the dealer claim the entire deduction in the first month itself? In case of excess i.e. consideration received during that period less land deduction towards subcontracted work, labour and other services and stage wise deduction under rule 58(1B), may result into negative amount. Whether this amount can be adjusted in other returns/periods?

Ans. Deduction for land can be claimed in the first year or proportionately during the period of construction. For each return period, the deduction towards subcontracted work, labour and other services under rule 58(1) and stage wise deduction under rule 58(1B) has to be computed and claimed. It is possible that during a return period, deductions are more than the receipts and as a result it is not possible to claim the entire deduction in that return period. In such cases, the unclaimed/unutilized amount should be adjusted to any other return of the project until the end of the project.

(11) To what extent the builder/developer would be eligible to claim subcontractor deduction, labour and service charges deduction attributable to the work done until Stage during which the developer enters into a contract with the purchaser of the flat/ unit?

Ans. As deduction of work done until stage during which contract is entered is allowed under rule 58 (IB), no further deduction on account of sub-contract or labour deduction attributable to the work done until stage during which contract is entered shall be available. As per provision of rule 58(IB), first the deduction under rule 58(1 A) is to be applied from the agreement value then the deduction under rule 58(1) and the stage-wise deduction is to be applied to balance amount.

(12) For the periods 2006 to 2010, Considering that certain flats have been handed over to the buyers, whether percentage specified in table for purpose of Rule 58(1B) for determining the value of goods involved in works contract from the stage the developer enters into contract with the buyer can be followed in the initial year for the entire agreement value or every time certain amount is received/receivable from the buyer of the flat/unit?

Ans. The liability is to be determined upon the amount received or receivable by the dealer in a particular return period.

(13) Whether percentage specified for determining the value of goods involved in works contract from the stage the developer enters into contract with the buyer will be applicable to builder/developer opting to pay tax under composition scheme?

Ans. No. The stage wise deduction is not available under Composition Scheme. Composition amount has to be paid on entire agreement value.

(14) Though the notification provides for different stages, the said sub-rule does not provide for the deduction which should be available if the said dealer proves to the satisfaction of the assessing officer about the work done prior to entering into the contract with the probable customer. Thus it is mandatory to pay the tax as per the stages mentioned in the rule.

Ans. It is mandatory to pay tax as per the stages mentioned in rule 58 (IB). The percentage of deduction mentioned in the rule at the various

stages of construction shall only be available as it is the appropriate measure of tax. It is not open to the dealer to claim or prove that the actual cost of goods consumed till a particular stage/s of construction is different than it mentioned in rule 58(1B).

(15) The stages mentioned are not based on any scientific data, e.g. after the plinth level to completion of 100% RCC work, 85% of the works contract amount is estimated. Whereas as per the Construction Industry's standard, the actual cost incurred upto RCC work is around 45%.

Ans. The stages mentioned and percentage deduction provided for various stages of construction are based upon the recommendations of the Public Works Department of Government of Maharashtra.

(16) In case of builder/developer whether the excess tax payment in certain years can be adjusted against additional tax liability of remaining years including subsequent period/years?

Ans. As mentioned in earlier FAQ 38, builder/ developer can adjust refund of any year to any other year for the period from 20/06/2006 to 31/03/2010. For the period from 01/04/2010 to 31/03/2012 it was administratively allowed in Trade Circular 6T of 2011 and 6T of 2012 to carry forward refund upto Rs. 1 lakh to subsequent financial year. After 01/04/2012 refund upto Rs. 5 lakhs can be carried forward to next financial year as per provision of section 50 of MVAT Act, 2002.

(17) What shall be procedure of claiming refund on account of excess tax paid or set-off of tax paid in case of the builder /developer?

Ans. It can be claimed in revised return, or during the course of Assessment. For the period in which due date of filing of Form 501 is yet not over, it is necessary to claim refund by filing Form 501. In other cases, where period of filing of form 501 is over and the dealer has revised the returns till 30/04/2014, then such cases will be assessed.

(18) Recomputation of liability for the period 2006-07 till December 2013 may result in refund to be carried forward in excess of Rs. 5 lakhs to the subsequent year. Such refund be allowed to be carried forward for period upto 2013-14, It is quite likely that period for filing refund application in form 501 may be over for period upto 2011-12. In view of this it is appropriate that the refund be allowed to be carried forward administratively.

Ans. Request to carry forward refund beyond Rs, 5 lakhs is not be accepted. However for the periods where date of filing of Form 501 is over, refund shall be granted after assessment.

(19) In terms of the order and judgment of the Hon. Supreme Court dated 31.01.2014 in SLP No.14153/2013 whether the assessing authority would consider for examination in accordance with law the revised returns filed by the builder/developer after the date of issuance of Notice of assessment in Form 301.

Ans. Yes, it is clarified in Trade Circular 7T of 2014.

(**20) Can the builders/developers file one single revised return (Annual) for the respective period comprised in one year for the period from 2006-07 to 2012-13.**

Ans. As per section 20(4) (a) of MVAT Act, 2002, dealer requires to file separate return for each return period. However, now administratively it is decided only for the developers, to allow them to file one annual return for the entire year, for the period from 2006-07 to 2012-13.

(21) In several cases, builders have opted registration beyond the date fixed as per circular no 17T/2012 i.e 15/10/2012. In several cases, returns for one or several cases have not been filed / uploaded and / or ad-hoc taxes paid. Such dealers may also be allowed to regularise their liability because in many cases they were advised not to file returns in view of the pending litigations. Some such dealers would have filed application for DDQ also.

Ans. The date for making application for registration and for filing of return was 15/10/2012 and 31/10/2012. These dates were given by Hon. Supreme Court and hence' same cannot be altered. The consequences of not obtaining registration or not filing return till that date will follow as per the Supreme Court's order. However, any return to be filed or revised after the date of notification dated 29/01/2014, has to be in conformity with amended rule 58. As mentioned in Trade Circular 7T of 2014 dated 21/02/2014 such returns shall be filed by 30/04/2014. All such return shall be assessed.

(22) The applicability of interest on the tax liability determined now in accordance with new rules.

Ans. Interest is applicable as per provisions of law. However, the stay to coercive recovery of interest granted by Division Bench of Supreme Court in the SLP No. 17709 of 2012 continues till it is finally disposed by Supreme Court.

(23) The value of goods incorporated in the contract shall be equal to the cost of the goods incorporated in the contract plus the profit attributable to such cost.

Ans. Discharging the tax liability by applying the method of Cost of material plus Gross Profit has been discarded by the Hon. Bombay High Court by its judgment in Writ petition 2440 of 2012 dated 30/10/2012. In this respect, Trade Circulars 18T of 2012 dt. 26/09/2012 and 7T of 2014 dt. 21/02/2014 are already issued.

(24) The profit attributable to the cost of the goods incorporated in the contract shall be deemed to be equal to 20% of such cost.

Ans. Trade Circulars 1ST of 2012 dt. 26/09/2012 and 7T of 2014 dt. 21/02/2014 have already been issued. No method other than the statutory method is allowed to discharge the tax liability in case of works contract.

(25) Almost all builders have been served with multiple notices in either Form 301, Form 302 or in Form 603. Only one officer may be designated in such cases.

Ans. It is convenient to complete the assessment of the developers for the entire project. Therefore, it is decided that all assessment periods of one particular TIN shall be allotted to one officer for the assessment. In case, multiple notices are received from the different officers for the same TIN, the same may be brought to the notice of the Joint Commissioner of Sales Tax (EIU) by e-mail at dcem.dataunit@gmail.com who shall make the necessary changes.

(26) How the builder/developer should be eligible to claim set-off of tax paid on purchases of material used in the work done until Stage during which the developer enters into a contract with the purchaser of the flat/unit?

Ans. The builder/developer is eligible to claim set-off on purchases in respect of transfer of property in goods from the stage where the developer enters into contract with the purchaser. Needless to state that the set-off is subject to restrictions of rule 53 and rule 54 of MVAT Rules, 2005.

(27) Whether the developer can collect tax without issuing tax invoice?

Ans. In the earlier FAQ's, it was clarified that VAT can be collected by raising debit note.

(28) Whether stamp duty paid is available as deduction/set off determining the sale price?

Ans. Tax is leviable on that portion of the value of the immovable property in which owing to the agreement between the developer/contractor & the purchaser, there is transfer of property in the goods used in the construction of the property. The value of stamp duty does not form part of the contract value. Stamp duty is not included in the cost of the flat but it is levied on the cost of the flat. Therefore tax shall not be levied on value of Stamp Duty paid or payable.

DEEMED EXPORT BENEFITS

By CMA Ashok B. Nawal

The terminology "Deemed export" has not been defined either in Central Excise Act 1944 or Customs Act 1962 and Rules made thereunder.

But there is a separate chapter provided in Foreign Trade Policy covering concept and benefits entitled for "Deemed Exports". Deemed export has been referred in para 8.1 of Foreign Trade Policy as to those transactions in which goods supplied do not leave country, and payment for such supplies is received either in Indian rupees or in free foreign exchange. Supply of goods as mentioned in Paragraph 8.2 below are regarded as "Deemed Exports" provided goods are manufactured in India.

a) Supply of goods against Advance Authorisation / Advance Authorisation for annual requirement / DFIA;

b) Supply of goods to EOU / STP / EHTP / BTP;

c) Supply of capital goods to EPCG Authorisation holders;

d) Supply of goods to projects financed by multilateral or bilateral Agencies / Funds as notified by Department of Economic Affairs (DEA), MoF under International Competitive Bidding (ICB) in accordance with procedures of those Agencies / Funds, where legal agreements provide for tender evaluation without including customs duty;

e) Supply and installation of goods and equipment (single responsibility of turnkey contracts) to projects financed by multilateral or bilateral Agencies / Funds as notified by DEA, MoF under ICB, in accordance with procedures of those Agencies / Funds, which bids may have been invited and evaluated on the basis of Delivered Duty Paid (DDP) prices for goods manufactured abroad. A list of such Agencies/Funds, as notified by DEA, MoF, is given in Appendix 13 of HBP, Vol. I ;

f) Supply of goods to any project or purpose in respect of which the MoF, by notification No. 12/2012 - Customs dated 17.3.2011 (earlier Notification No. 21/2002 - Custom dated 1.3.2002), as amended from time to time, permits import of such goods at zero customs duty subject to conditions specified in this Notification. Benefits of deemed exports shall be available only if the supply is made under procedure of ICB. However, in regard to mega power projects, the requirement of ICB would not be mandatory, if the requisite quantum of power has been tied up through tariff based competitive bidding or if the project has been awarded through tariff based competitive bidding.

g) Supply of goods required for setting up of any mega power project as specified in S.No. 507 of DoR Notification No. 12/2012 - Customs dated 17.03.2012, as amended, shall be eligible for deemed export benefits as mentioned in paragraph 8.3(a), (b) and (c) of FTP, whichever is applicable, if such mega power project complies with the threshold generation capacity specified in Customs Notification.

h) Supply of marine freight containers by 100% EOU (Domestic freight containers-manufacturers) provided said containers are exported out of India within 6 months or such further period as permitted by customs;

i) Supply to projects funded by UN Agencies; and

j) Supply of goods to nuclear power projects through competitive bidding as opposed to ICB. Supply of only those goods required for setting up any Nuclear Power Project as specified in list 33, S. No. 511 of Notification No. 12/2012-Customs dated 17.3.2012, as amended from time to time, having a capacity of 440MW or more, as certified by an officer not below rank of Joint Secretary to Government of India, in Department of Atomic Energy, shall be entitled for deemed export benefits, in cases where

procedure of competitive bidding (and not ICB) has been followed.

Deemed exports are eligible for any / all of the following benefits as per para 8.3 of Foreign Trade Policy:

a) Advance Authorization / Advance Authorisation for annual requirement / DFIA.

b) Deemed Export Drawback.

c) Refund of Terminal Excise Duty will be given if exemption is not available. Exemption from TED is available to the following categories of supplies:

I. Supplies against ICB:

II. Supplies if intermediate goods, against invalidation letter, made by an Advance Authorization holder to another Advance Authorization holder: and

III. Supply of goods by DTA unit to EOU / EHTP / STP / BTP unit

Following table shows the benefits available to different categories of supplies as mentioned in Para 8.2 above. In respect of such supplies supplier shall be entitled to the benefits listed in para 8.3(a), (b) & (c) of the policy, whichever is applicable

Relevant sub-para of 8.2	Benefit available as given in para 8.3, whichever is applicable		
	(a)	**(b)**	**(c)**
(a)	Yes (for intermediate supplies against invalidation letter)	Yes (against ARO or Back to Back letter of credit)	(i) Exemption in case of invalidation (ii) Refund in case of ARO or back to back letter of credit
(b)	Yes	Yes	Exemption
(c)	Yes	Yes	Refund
(d)	Yes	Yes	Exemption
(f)	Yes	Yes	(i) Exemption (ii) Exemption, if ICB. Refund, if without ICB
(h)	Yes	Yes	Refund
(i)	Yes	Yes	No
(j)	Yes	Yes	Refund

Issues pertaining to entitlement of Duty Drawback on Deemed Exports

Unfortunately spirit of the policy seems to have been defeated based on the public notice no 35/2010 dated 01/03/2011 and clarification issued by DGFT vide Policy Circular 9 dated 30th October 2013. It is important to note that duty drawback has been notified by the competent authority i.e. Department of Revenue, Ministry of Finance. The amended drawback rates has been notified vide notification no 98/2013 dated-Cus. (N.T) dated 14/09/2013). The drawback rates have been notified for almost all the products. It has also been ensured that the tariff items mentioned in drawback schedule is harmonized with the HSN. The drawback rates and cap are mentioned in column no 4, 5, 6 and 7 of the drawback schedule. Column no 4 and 5 denotes the rates when Cenvat benefit has not been availed and column no 6 and 7 denotes the rate when Cenvat credit is availed.

The Rule 3 of Customs, Excise and Service Tax Duty Drawback Rules 1995 provide the procedure and guidelines for fixation of Duty Drawback on goods to be exported. Further the above mentioned notification also clearly states that when Cenvat benefit is not availed then average rate of drawback will consist of Customs, Excise and Service tax, whereas when Cenvat benefit is availed it will consist of only customs duty.

Perhaps officials of Ministry of Commerce have lost the site and public notice no 35/2010 dated 01/03/2011 was issued without understanding the provision of Duty Drawback Rules. Ministry of Commerce has amended para 8.3.1 of Hand Book of Procedure. The amended para is as under,

"An application in ANF 8, along with prescribed documents, shall be made by Registered office or Head office or a branch office or manufacturing unit of supplier to RA concerned. Where applicant is branch office or manufacturing unit of a supplier, it shall furnish self certified copy of valid RCMC. Recipient may also claim drawback benefits on production of a suitable declaration from supplier, in the format given in Annexure III of ANF 8. In case of TED refund, a declaration, in the format given in Annexure II of ANF 8, regarding non-availment of CENVAT credit, shall be given, by the recipient of goods, in addition to other prescribed documents."

The revised declaration for claiming Deemed Export Drawback reads as under,

We are the manufacturer exporters/suppliers and are registered/not registered with Central Excise and ***have not availed and will not avail CENVAT facility in respect of the input****/components used in aforesaid supplies. We have also not availed and will not avail rebate on the inputs/components used in aforesaid supplies.*

OR

We are the suppliers and our supporting manufacturer(s) is/are registered/not registered with Central Excise and have not availed and will not avail CENVAT facility in respect of the inputs/components used in aforesaid supplies.

Ministry of Commerce perhaps has failed to appreciate the fact that with this mechanism not only transaction cost is increased but duties are getting exported which is against the object of Foreign Trade Policy.

To add further confusion rather than sorting it out Ministry of Commerce issued the clarification circular no 9 (RE-2013)/2009-14 dated 30/10/2013 which added more confusion. The circular clarified that,

Deemed export drawback, in terms of Para 8.3(b) of FTP, including as per Column B of All Industry Rate of Duty Drawback under Duty Drawback Schedule of Department of Revenue, is not admissible if facility of CENVAT credit/rebate has been availed. This is because if the CENVAT facility/rebate facility has been claimed, then central excise duty component on the inputs is already compensated. However, if basic custom duty has been paid, then same is refundable as Para 8.5 of FTP clearly prescribes "such supplies shall however be eligible for deemed export drawback on custom duty paid on inputs / components". Such basic custom duty paid can be taken back, as brand rate of duty drawback, based on actual duty paid documents, as per procedure prescribed in Chapter 8 of FTP and Chapter 8 of HBP Volume-I.

There cannot be any more mockery of the situation. Ministry of Commerce is supposed to make the scheme which is to ensure that no taxes are exported but such type of clarification or public notice which is issued which is not only wrong and incorrect but beyond their authority. These are issued without understanding the provision of law. This problem faced by exporter has been represented by ALL INDIA EXPORTERS FORUM of which I am President. We give below extract of the re-presentation submitted by us,

Extract of Representation by All India Exporter Forum (AIEF)

EOU units are facing tremendous problems and all the applications of claiming deemed duty drawback in accordance with para 6.11 of Foreign Trade Policy are rejected or at hold due to confusion created by way of the above mentioned policy circular.

We would like to draw the following points before your lordships:

- **Para 6.11 of Foreign Trade Policy stipulates**

(a) Supplies from DTA to EOU / EHTP / STP / BTP units will be regarded as "deemed exports" and DTA supplier shall be eligible for relevant entitlements under chapter 8 of FTP, besides discharge of export obligation, if any, on the supplier. Notwithstanding the above, EOU / EHTP / STP / BTP units shall, on production of a suitable disclaimer from DTA supplier, be eligible for obtaining entitlements specified in chapter 8 of FTP. For claiming deemed export duty drawback, they shall get brand rates fixed by DC wherever All Industry Rates of Drawback are not available.

The said policy is on the basic principal that no taxes to be exported directly or indirectly. Based on the said policy, EOU unit were claiming duty drawback on deemed exports based on All Industry Rates since in accordance with the para 6.11 itself. It is stated that EOU Unit can claim the drawback after obtaining disclaimer certificate from DTA supplier.

- *Your kind attention is drawn on Custom, Central Excise duties and Service Tax Drawback Rules 1995, wherein in accordance with Rule 3(2), all industry rate has been notified after considering,*
  - *a) the average quantity or value of each class or description of the materials from which a particular class of goods is ordinarily produced or manufactured in India;*
  - *b) the average quantity or value of the imported*

materials or excisable materials used for production or manufacture in India of a particular class of goods;

c) the average amount of duties paid on imported materials or excisable materials used in the manufacture of semis, components and intermediate products which are used in the manufacture of goods;

d) the average amount of duties paid on materials wasted in the process of manufacture and catalytic agents:

Provided that if any such waste or catalytic agent is re-used in any process of manufacture or is sold, the average amount of duties on the waste or catalytic agent re-used or sold shall also be deducted;

e) the average amount of duties paid on imported materials or excisable materials used for containing or, packing the export goods;

(ea) the average amount of tax paid on taxable services which are used as input services for the manufacturing or processing or for containing or packing the export goods.

f) any other information which the Central Government may consider relevant or useful for the purpose.

- *Your kind attention is invited on the notification No. 92/2012 Cus (NT) dtd. 4.10.2012 and even for earlier years, it has been stated in para 6 of the said notification:*

(6) The figures shown under the drawback rate and drawback cap appearing below the column "Drawback when Cenvat facility has not been availed" refer to the total drawback (customs, central excise and service tax component put together) allowable and those appearing under the column "Drawback when Cenvat facility has been availed" refer to the drawback allowable under the customs component. The difference between the two columns refers to the central excise and service tax component of drawback. If the rate indicated is the same in both the columns, it shall mean that the same pertains to only customs component and is available irrespective of whether the exporter has availed of Cenvat or not.

- *Considering the above provision it is very clear that duty drawback on deemed exports when claim based on the All Industry Rate as declared under Rule 3(2) of the said Rules read with para 6 of the said notification, policy circular should be applicable only when any EOU Unit is claiming duty drawback on deemed export based on the rate which is applicable without availing cenvat benefit. Since drawback is claimed inclusive of customs, excise & service tax portion, it is necessary to take the declaration from supplier as well as his jurisdictional excise authorities w.r.t. non availment of cenvat benefit.*
- *However, when any EOU Unit claiming any duty drawback on deemed export based on the All Industry Rate at the rate applicable when Cenvat benefit is availed, it means it is claiming only of the custom portion and therefore obtaining declaration from the supplier and his jurisdictional excise authorities for non-availment of Cenvat benefit is absolutely redundant since supplier himself is stating availment of Cenvat and drawback is claimed only on custom portion.*

It is surprisingly stated in the policy circular, in the para 4 that if basic custom duty has been paid, then same is refundable as para 8.5 of FTP 2009-14 clearly prescribes such supplies shall however be eligible for deemed export drawback on custom duty paid on inputs / components and therefore it has been clarified that such custom duty paid be taken back as brand rate of duty drawback based on actual duty paid documents as per procedure prescribed in chapter 8 of FTP 2009-14 and HBOP Vol - I. It will not be out of place to draw your kind attention on the customs, excise & service tax drawback Rules 1995, wherein it has been stated the provisions under Rule 6 & Rule 7 when brand rate should be fixed.

You will appreciate from the above, there is no provision of fixation of brand rate for refunding custom duty only for deemed export and hence there legal issues will be raised to deny the claim. Moreover, EOU unit will face the following difficulties:

1. Supplier will not be in position to provide their records / documents w.r.t. following :

a. *Bill of Material - DBK 1*
b. *Opening Stock and Corresponding Bill of Entries pertaining to such stock : DBK -IIA*
c. *Receipts of three months prior to the supplies and corresponding Bill of Entries of the same for three months.*

2. *Even though supplier provides the information, he will not be able to part with such voluminous documents to the office of either Development Commissioner or Jurisdictional Excise Officers of EOU Unit.*
3. *Verification itself will be tedious exercise and EOU unit will be denied the substantial refund of custom, which is proposed in the policy circular.*
4. *Moreover, it has not been clarified the competent authority to verify the claim and notify the brand rate and also it is not clear that in accordance with the policy, duty drawback claim to be submitted on six monthly basis and therefore it is not clear which opening stock to be considered and how many months receipt to be considered while computing the brand rate since the format of DBK -1, DBK II & IIA do not specify the same as mentioned in the policy circular.*

In view of the above difficulties and to achieve the objective of Foreign Trade Policy in letter and spirit, we pray on behalf of all members to grant duty drawback on deemed exports based on All Industry Rate as determined under Rule 3 (2) of Customs, Excise & Service Tax Drawback Rules 1995.

International market is having stiff competition coupled with recession and therefore it is necessary to reduce the transaction cost and time which is one of the basic objectives of Foreign Trade Policy as stated in the speech of the Hon Commerce & Industry Minister, wherein his lordship has focused on reduction in transaction cost and time.

In view of the same, kindly withdraw the said policy circular and issue another fresh circular allowing duty drawback on deemed export based on All Industry Rate notified by Department of Revenue.

In addition to above points mentioned in representation I would like to mention that,

Hon'ble Gujarat High Court in the case of ALSTOM INDIA LTD Vs UNION OF INDIA & ANR 2014-TIOL-223-HC-AHM-EXIM, has held that "FTP - DGFT has no power to legislate - the power to frame Duty Draw Back Rules can be legislated by the Central Government only and the same cannot be delegated to the DGFT: The power to frame Duty Draw Back Rules under the FTDR Act can be legislated by the Central Government only in exercise of power conferred under Section 19 in the manner prescribed under the FTDR Act and the same cannot be delegated to the DGFT as expressly prohibited by Section 6(3) of the above Act.

The power granted to the DGFT under Para 2.4 of the FTP is to lay down the procedure to be followed by an exporter or by any licensing/regional authority or by any other authority for the purposes of implementing provisions of FTDR Act, Rules and the orders made there under and FTP and, therefore, those by necessary implication excludes the "Rule making power" conferred under Section 19 of the FTDR Act inasmuch as the powers conferred under Section 19 cannot be re-delegated to the DGFT as expressly prohibited under Section 6(3) of the Act.

The provisions of the FTDR Act do not grant power to the DGFT or its subordinates to re-determine or re-verify the deemed export benefits if such benefits have been approved or granted as per the provisions of the FTDR Act except by way of review as provided in Section 16. In the absence of any power under FTDR Act, the DGFT or its subordinates cannot assume quasi-judicial power for instance, the power to re-determine or re-verify under the administrative guidelines i.e. Para 7 of the ANF -8 Form. Therefore, by virtue of Para 7 of the ANF -8, the DGFT is deriving the quasi-judicial power which is beyond the provisions of FTDR Act. As already pointed out that according to Section 6 of the FTDR Act, the DGFT or the officer subordinate to him cannot usurp the power under Sections 3, 5, 15, 16 and 19 of the FTDR Act. According to Section 3, it is for the Central Government which may, by Order published in the Official Gazette, make provision for the development and regulation of foreign trade by facilitating imports and increasing exports. The Central Government may also, by Order published in the Official Gazette, make provision for prohibiting, restricting or otherwise regulating, in all cases or in specified classes of cases and subject to such exceptions, if any, as may be

made by or under the Order, the import or export of goods or services or technology. According to sub-section (3) of section 3 all goods to which any Order under subsection (2) of the said section applies should be deemed to be goods the import or export of which has been prohibited under section 11 of the Customs Act, 1962 and all the provisions of that Act shall have effect accordingly. According to section 5, it is for the Central Government which may, from time to time, formulate and announce, by notification in the Official Gazette, the foreign trade policy and may also, in like manner, amend that policy. The proviso to the said section provides that the Central Government may direct that, in respect of the Special Economic Zones, the foreign trade policy shall apply to the goods, services and technology with such exceptions, modifications and adaptations, as may be specified by it by notification in the Official Gazette."

This High court decision is binding on all development commission of India and regional authorities of DGFT and accordingly all pending duty drawback claims will be cleared and paid to the eligible claimants / exporters. It is also expected from Ministry of Commerce to rescind such public notice and circular and also make suitable changes in hand book of procedure.

TERMINAL EXCISE DUTY (TED)

DGFT has issued circular no 16 (RE-2012/2009-14) dated 15.03.2013, wherein claim was restricted and it was clarified that wherever total exemption is granted ab-initio for eg for supply to EOU etc., no TED claim is to be paid and exemption is supposed to be availed. Thereafter unfortunately negative amendment was made of Foreign Trade Policy, therefor number of units was put into losses.

However Delhi High Court in the case of KANDOI METAL POWDERS MFG CO PVT LTD Vs UNION OF INDIA AND OTHERS 2014-TIOL-230-HC-DEL-EXIM, has held that "FTP - Customs/Excise - Refund of Terminal Excise Duty - Clearance to EOU - Deemed export entitled for refund of TED: Supplies made to EOUs in terms of para 8.2(b) are entitled to be regarded as deemed exports. The benefits for deemed exports include inter alia refund of TED. The authorities in this case appear to have proceeded to make an order adverse to the petitioner and proceeded to hold that the petitioner was disentitled to the benefit of refund in view of some clarification given by the Policy Interpretation Committee, in its meeting of 04.12.2012 to the effect that "refund of CENVAT credit provisions are available under Excise rules and CENVAT rules which should be availed of rather than claiming refund". This reasoning appears to have prevailed with the Policy Relaxation Committee as well in this case. The Court is unable to comprehend the rationale of the decision. Neither of the authorities dispute that the petitioner supplied goods to the EOU at the relevant time. Its entitlement, therefore, was defined in terms of the existing policy, i.e. refund in terms of paras 8.2, 8.3, 8.4 and 8.5 of the 2009 policy. That a subsequent amendment was made to the existing regime which in effect liberalized the position further and exempted payment of TED altogether cannot surely be a reason for denying the scheme for refund of payment already made.

The impugned orders are hereby quashed. The respondents are hereby directed to process and pass appropriate orders in accordance with the 2009 policy in respect of the petitioner's refund claims made through its applications dated 29.08.2012 and 16.11.2012 within three months from today."

Had Indian Judiciary might have not been in existence the country would have been in the hand of bureaucrats.

Hope new government will appreciate the difficulties of exporters and design the scheme in such manner where:

1. No taxes are exported
2. Exemption / Refund / Exemption by way of refund procedure are simple and with less documents.
3. Transaction cost and transaction time should be reduced substantially.

CENTRAL EXCISE

- **Interest on the refund of un-utilized CENVAT credit:** Hon'ble Tribunal has not granted interest of delay in sanction of refund of un-utilized CENVAT Credit, on the ground that the credit lying in the account was not the duty used by the department. Since, there is a specific provision in the Central Excise Act, 1944 for refund of credit of duty paid on excisable goods used as inputs and while dealing with interest on refund in Section 11BB of the Central Excise Act, 1944, no distinction has been made between such credit and any other duty referred to in the first proviso to sub-section (2) of Section 11B of the CEA hence, matter remitted to Hon'ble CESTAT for de novo decision. ***[2014-TIOL-460-HC-UKHAND]***

- **Interest and Penalty not leviable in the cases where Cenvat Credit taken but not utilized till reversal:** The controversy of "and'' & ''or'' finally comes to an end. The short point involved in the case was as to whether a mere taking of CENVAT credit facilities without actually using it, would carry interest as well as penalty. Hon'ble High Court after considering the entire decision in the matter of Commissioner of Central Excise & S.T Bangalore Vs. Bill Forge Private Limited; 2011-TIOL-799-HC-KAR-CX held that mere taking of CENVAT credit facilities is not at all sufficient for claiming of interest as well as penalty. It is an admitted fact that Rule 14 of the Cenvat Credit Rules, 2004 has been subsequently amended, wherein it has been clearly stated as "taken and utilised". Therefore it is quite clear the mere taking of credit itself would not compel the assessee to pay interest as well as penalty. ***[2014-TIOL-466-HC-MAD]***

- **Malafide intention is no pre-requisite for imposition of penalty under Rule 15 (1) of the CCR:** Assessee has availed 100% self credit on the capital goods in the first Financial year itself, instead of 50%, in violation of Rule 4 of the Cenvat Credit Rules 2004. Demand for reversal of the same with interest and penalty confirmed in adjudication, modified by Commissioner (Appeals). Commissioner (Appeals) found that though the credit was availed prematurely, the same was actually utilised after it became due to the assessee hence, interest demand set aside but imposed penalty in terms of provisions of Rule 15(1) of CENVAT Credit Rules, 2004. Since malafide intention is no pre-requisite for imposition of penalty, assessee is liable to penalty in terms of the said Rule. ***[2014-TIOL-572-CESTAT-DEL]***

- **No bar for claiming refund of interest at Appellant stage:** Assessee has claimed refund of accumulated credit under Rule 5 of the CENVAT Credit Rules, 2004. Even after three years refunds were not sanctioned. Assessee gave letters to the Adjudication authority undertaking not to claim interest. After getting refund, in appeal, assessee claimed interest. There is no estoppel in law against an assessee in taxation matters. Right conferred under the statute cannot be given up on the basis of concession made by any party to the lis. Therefore, just because the Assessee by the letters addressed to the Jurisdictional Assistant Commissioner had given up their claim for interest on the amount of refund for the period of delay in sanction of the refund claims, they would not be estoppel from challenging the denial of interest and claiming the same when they are entitled for the same under the statutory provisions of Section 11BB of the Central Excise Act, 1944. Hon'ble CESTAT has allowed the appeal. ***[2014-TIOL-574-CESTAT]***

- **Admissibility of suo moto credit:** Assessee has discharged their tax liability from cenvat account on 'GTA' and sales commission paid to overseas agents, it was objected by the Revenue

in CERA audit as Assessee was required to pay the dues under reverse charge in cash. Subsequently, Assessee paid the impugned amounts in cash and took suo moto credit of the previous debits. Revenue viewed that the suo moto credit was irregular and contended that impugned debits ought to have been claimed as refund under Sec 11B of the CEA 1944. In this case Hon'ble CESTAT has held that there is no dispute that the credit balance in Cenvat account during the material period was an eligible credit to the Assessee. Further, the issue involved is squarely falls within the ratio as decided in the case of Sopariwala Exports Pvt Ltd - [2013(291)ELT 70 (Tri.-Ahmd) and fortified by the decisions of Hon'ble High Court of Gujarat in the case of Subramaniyan & Co and a recent decision on similar issue of Hon'ble High Court of Madras in the case of ICMC Corporation Ltd - 2014-TIOL-121-HC-MAD-CX which was held in favour of the assessee, order is set aside and the appeal is allowed. ***[2014-TIOL-667-CESTAT-AHM]***

- **Unjust Enrichment:** If the claimant himself has treated the refund amount due as "expenditure" and not as "claims receivable", the claimant cannot said to have passed the test of unjust enrichment. Hon'ble Bench has dismissed the appeal filed by the Assessee. ***[2014-TIOL-658-CESTAT-MUM]***
- **Cenvat credit of service tax paid on Rent a Cab service and Outdoor Catering service:** Assessee has availed rent a cab service for workers to reach them in the factory premises in time which has direct bearing on manufacturing activity and providing of 'catering services' in the factory premises will improve manufacturing efficiency of the factory. In view of the decisions of High Courts, Assessee is eligible for CENVAT credit of service tax paid on 'Rent a Cab service' and 'Outdoor catering services'. ***[2014-TIOL-576-CESTAT-BANG]***
- **Duty demand on clandestine clearances, investigation based on computerized data from pen drive recovered during search:** In the present case data was retrieved from private records/data stored in a Pen-drive maintained by the employee of Assessee. After dealing in detail the evidences retrieved from the Pen-drive from the employee of the assessee and on comparing it against the statutory register maintained in the factory, discrepancies were noticed relating to the production and clearance of finished goods. The data which has been retrieved from the possession of the employee of the assessee has relevance to the statutory records as there were common transactions, Assessee has directed to deposit 50% of the total duty confirmed after deducting the amount of Rs. 30 Lakhs already deposited by them during the course of investigation. ***[2014-TIOL-599-CESTAT-KOL]***
- **Availability of the cenvat credit of duty discharged by the Job worker and further reimbursement made by the Assessee:** Assessee has sent goods to the job worker for job working wherein Job worker has discharged the duty on clearances, which was reimbursed by the Assessee along with job charges. Revenue has denied the credit on the goods, on the ground that, the duty on clearances was not discharged by the Assessee. Hon'ble Bench held that if the goods manufactured at the job worker's end were returned to the assessee and then cleared by them on payment of duty, they were admittedly entitled to availment of CENVAT credit duty paid on the inputs. Factually, when the duty was paid by the job worker, the same stands re-imbursed by them. As such, the duty is deemed to have been paid by the manufacturer through the job worker and the Revenue has received the entire duty element due to them and denial of credit to the assessee would not be justified. ***[2014-TIOL-600-CESTAT-DEL]***
- **Inter unit transfer of goods:** There was inter unit transfer of goods which was consumed by the Assessee for further manufacture and further cleared these goods to their own units. Assessee is paying duty under Rule 8 of the Valuation Rules based on cost of production. Since there are conflicting views of Mumbai and Chennai Benches, on the issue that while arriving at the cost of production, whether the cost of raw material received from their own unit on payment of duty under Rule 8 should be adopted as 115%/ 110%, hence, matter referred to the Larger Bench. ***[2014-TIOL-605-CESTAT-MAD]***
- **Admissibility of cenvat credit availed on Audit**

Fees, ISD Distribution, GTA, Manpower Supply, Security Service, Repairs and maintenance, testing: Revenue has denied the cenvat credit on above mentioned services on the ground that assessee did not prove any nexus between the input services and their manufactured products namely, industrial gases supplied in appellant's own cryogenic containers. In this case Hon'ble Bench held that the degree of nexus cannot be proved in respect of input services with manufactured products as in the case of inputs. Hon'ble Supreme Court itself doubted the decision of Maruti Suzuki Ltd. and the matter has been referred to a Larger bench in the case of Ramala Sahkari Chini Mills. Hon'ble Bench has granted waiver of pre-deposit of dues for admission of appeals and granted stay on the collection of dues during pendency of the appeals. ***[2014-TIOL-615-CESTAT-MAD]***

- **Discounts given to the Customers:** Special Discounts given by the Assessee to their customers was not a discount at all is established by the fact that it was never passed on to the ultimate customer of Cars and therefore it is includible in the Assessable value of the Cars. Demand of Rs.59 crores upheld against M/s Tata Motors Ltd. by the Hon'ble CESTAT. ***[2014-TIOL-619-CESTAT-MUM]***
- **CENVAT credit on Construction service received prior to 01.04.2011:** Assessee has rendered construction services rendered and billed prior to 1.4.2011 for which payment has also been made prior to 1.4.2011. Assessee has taken credit on 28.04.2011 cannot be held to be improper by citing amendment to definition of Input Service in Rule 2(l) of CCR, 2004 w.e.f 01.04.2011 which excludes Construction Service from its ambit. Cenvat Credit allowed. ***[2014-TIOL-620-CESTAT-MUM]***
- **No bar on transfer of CENVAT credit lying unutilized on closure of unit:** As assessee stopped manufacturing activity at Unit no. 1, the unutilized credit lying in their account was transferred to their Unit no. 2. Department denied credit on the ground that there were no finished goods or inputs lying in the Unit no. 1 at the time of closure. Commissioner(Appeals) setting aside order on ground of limitation and Revenue appeal to CESTAT. Hon'ble CESTAT held that fact of availment of credit by Unit no. 2 on 01.08.2000 was in the knowledge of the department and Show Cause Notice was issued on 03.09.2001 which is barred by limitation. Further, there is no bar of transfer of CENVAT credit lying unutilized on closure of unit, although there is no stock of inputs. Revenue appeal dismissed. ***[2014-TIOL-720-CESTAT-MUM]***
- **Admissibility of Cenvat credit on Banquet Service, CHA Service, Event Management Service, Interior Decoration, Catering Services, Mandap Keeper Service, Rail/Air Travel Service, Maintenance and Repair Services for the DG sets, Air Conditioner and UPS located in offices and show rooms:** Hon'ble CESTAT has held that all the above services are 'Input services' and CENVAT credit is admissible of the Service Tax paid on these services. Appeal filed by the Revenue rejected. ***[2014-TIOL-691-CESTAT-DEL]***
- **Cenvat credit on the inputs removed temporarily outside the factory:** On account of shortage of space in factory, CENVATED inputs were temporarily stored in premises outside the factory by clearing the same on the basis of delivery challans. Subsequently, inputs were received back and used in manufacture of final product. Revenue has denied credit on the ground that no permission was taken as per Rule 16 of the Central Excise Rules, 2002. Hon'ble Bench in the light of the judgement of the Allahabad High Court in the case of Teletube Electronics Ltd. and in absence of any contrary judgement produced by the Department, held that assessee is entitled to take credit on the said goods. ***[2014-TIOL-692-CESTAT-MUM]***
- **Judicial Descipline - Hon'ble High Court Orders/Appellate Authorities Orders are binding on the Adjudicating Authorities/ Lower Authorities:** In the case of Commissioner of Central Excise and Customs vs. NBM Industries reported in 2013 (29) STR (208) Gujarat = 2011-TIOL-677-HC- AHM -CX, it has been held that on inputs used in manufacturing of goods cleared by DTA units to 100% EOU refund of CENVAT credit is available and it could not be denied on the ground that it was the case of deemed export and refund would be granted

only in case of physical export. Since while adjudicating in the present case, Ld. Assistant Commissioner has not followed the binding decision of Hon'ble High Court in the case of NBM Industries (Supra), adjudicating authority has rendered herself liable for the prosecution/ proceedings under the Contempt of Courts Act. Hon'ble High Court also held that it was not open for the adjudicating authority not to follow the binding decision of this Court in the case of NBM Industries solely on the ground that the said decision is in the case of another assessee and the claimant cannot rely upon the said decision. The decision of this court in the case of NBM Industries (Supra) though may be in the case of another assessee is binding to respondent. **[2013-TIOL-1172-HC-AHM-CX]**

CUSTOMS

- **Refund allowed after considering element of unjust enrichment:** In this case neither customs duty nor the CVD has been passed on by the importer to the customer and refund has been correctly allowed after considering the element of unjust enrichment in right perspective. Balance sheet shows amount of refund claim as receivable along with the CA certificate certifying that the duty has not been passed on and unjust enrichment was not attracted. Hon'ble CESTAT has rejected the appeal filed by the Revenue since there was no any infirmity in the Order of the Lower Authority. ***[2014-TIOL-542-CESTAT-MUM]***

- **Customs Authorities cannot issue a Certificate and order for waiver of demurrage charges where clearance of imported goods in a warehouse is pending:** It has been observed by the Hon'ble High Court that, Custom authorities are issuing waiver directions even in cases where the importers are clearly at fault. Even in cases of mis -declaration, undervaluation and concealment, the certificates are being issued by the Customs Authorities. Hon'ble High Court has strictly warned that the waiver should be granted in genuine cases where the importers are ultimately found not at fault. It cannot be that all importers honest and dishonest are treated equally.

  Further, Hon'ble High Court has held that where on conclusion of the adjudication proceedings that there is no imposition of any fine, penalty, personal penalty and/or warning by the customs authorities, the Policy for Waiver of demurrage charges would be applicable and the importer would be entitled to be considered for its benefit. But in cases where adjudication proceedings are pending, provisional release order is issued and a certificate is issued by the custom authorities, the goods would be released subject to furnishing of bond and/or security as may be prescribed that in case any fine, penalty, personal penalty and/or warning is imposed by the customs authorities, the Importer would pay the demurrage charges. ***[2014-TIOL-468-HC-DEL]***

- **Royalty payment computed excluding the cost of imported materials:** Royalty payment made by the Assessee was based on the indigenous value addition which clearly shows that the payments made by the assessee for the collaboration and Consultancy Services have nothing to do with the imports undertaken by them. Payments made by assessee has no nexus or relationship either with the import of goods or with value of imported goods. Hence conclusion drawn by lower appellate authority was completely misconceived and has no basis. In this case, Hon'ble CESTAT has concluded that the Royalty payments made by the assessee to the Foreign Collaborator or the Consultancy Service charges are not addable to the value of the goods imported by the assessee. ***[2014-TIOL-552-CESTAT-MUM]***

- **CENVAT Credit on inputs contained in scrap generated during manufacture of exempted goods:** Hon'ble Apex Court has held that Assessee is entitled to take credit on inputs contained in scrap generated during manufacture of exempted goods as 'waste and scrap' are "final products". Revenue Appeal Dismissed. ***[2014-TIOL-36-SC]***

- **Admissibility of CENVAT credit on freight for outward transportation from the place of removal during the period March 2005 to July 2007:** Calcutta HC in the case of Vesuvious India holding that cenvat credit is not admissible of GTA service, has only granted temporary stay but the Karnataka HC and Gujarat HC in case of ABB Ltd. & Parth Poly Wooven Pvt. Ltd.

respectively held that CENVAT credit is eligible of service tax paid on GTA service prior to 1.4.2008. Considering decisions of Hon'ble Karnataka HC and Gujarat HC, Hon'ble Tribunal has rejected the appeal filed by the Revenue. ***[2014-TIOL-563-CESTAT-MAD]***

- **Pre-deposit waived in absence of prima facie evidence:** Except for the fact that the assessee sold the security seals to a non-existent firm, there is nothing on record to show that the assessee had any knowledge that the security seals manufactured and sold by him would be misused for sealing containers in which red sanders would be stuffed. Since there is no prima facie evidence against assessee, pre-deposit of Rs.1 crore penalty waived & stay has been granted. ***[2014-TIOL-668-CESTAT-MUM]***

SERVICE TAX

- **No provision to extend the date for payment of first 50% duty amount under VCES:** Hon'ble High Court held that the object of the "Service Tax Voluntary Compliance Encouragement Scheme, 2013" was to afford a window of opportunity to voluntarily disclose their liability to Service Provider. It would be worth noticing that the scheme itself was brought into force w.e.f. May, 2013. Assesees and service providers liable to service tax therefore had adequate time to weigh the choices and make necessary declaration under sections 106 and 107 of the Act. In fact the right of the assessee to claim the benefit of the scheme is dependent upon its depositing the initial 50% amount. The assesee's income from rendering of services was not brought to tax for some reason or the other, due to omission, either wilful or inadvertent; such assesses were given more than enough time to consider whether they would make a disclosure under the Scheme. Once such disclosure was made, the applicant or declarant was entitled to be considered only upon deposit of 50% by 31.12.2013. Hence, the consideration prayed for by the petitioner that such initial deposit cannot be considered as mandatory cannot be granted, given the fact that the scheme is a package and does not permit any such division. ***[2014-TIOL-471-HC-DEL-ST]***

- **Statutory provisions should be interpreted in such a fashion that they will not be rendered nugatory and otiose:** Assessee providing Works Contract Services & paying Service Tax at full rate without availing Composition Scheme or by valuing service portion in terms of Rule 2A of Service Tax Valuation Rules, 2006 and they are also availing CENVAT credit on cement, channels, CTD or TMT bars and other items used for construction of factory shed, building and foundation. Rule 3 of Composition Rules is merely one of the option provided to the service provider to discharge of Service Tax liability vis-à-vis options available in Section 67 of the Finance Act 1994. Since, there is no dispute as to the gross value charged by the Assessee, there is no necessity to take recourse for determining the value under Rule 2A of Valuation Rules, 2006. ***[2014-TIOL-559-CESTAT-AHM]***

- **Revenue cannot be allowed to receive service tax twice in respect of same construction activities:** In this case Revenue's contention is that the assessee, who has collected the amount, was required to deposit the same himself with the Revenue. Admittedly, the assessee is the owner of the flats, who is selling the same to its customers. The value of said flat is being recovered by the assessee from the buyer and all the taxes payable to the Government are to be collected by him from their buyers along with the cost of the flats. Whether such Service tax collected by them from the buyers is deposited directly with the department by themselves or is deposited with the Revenue by the contractor being the job worker for the assessee is immaterial, as long as Service tax so collected is deposited. The Revenue cannot be allowed to receive service tax twice in respect of same construction activities, once from the contractor and the second time from the person who has collected the same. Hon'ble Bench has matter remanded for verification of payment. ***[2014-TIOL-609-CESTAT-DEL]***

- **Collection of Service tax but not deposited with Government:** Assessee has collected Service tax of more than Rs.5.85 crores from clients but not deposited in entirety with the Central Government. Around Rs.4.91 crores was paid during investigation in piecemeal. The facts

of the case clearly shows that there was suppression of facts alongwith contravention of Service Tax Rules with willful intention to evade duty. There is no merit in the plea for waiver of Show Cause Notice in terms of section 73(3) of Finance Act, 1994 as section 73(4) expressly disentitles the same. Appeal dismissed by the Hon'ble CESTAT. ***[2014-TIOL-612-CESTAT-MUM]***

- **The show-cause notice is the foundation of an action and, therefore, a plea, which is not taken in the SCN, shall not be permitted, as the person did not have an opportunity to meet the same:** In the instant case, the show cause notice was issued on the plea of non-deposit of the service tax for the services rendered under the "Commercial or Industrial Construction Services" as a Sub-Contractor amounting to the deliberate suppression. There was no whisper in the said show-cause notice that the services rendered by the assessee under the "Manpower Recruitment and Supply Agency Services" or under the supply of "Tangible Good Services" or under the "Cleaning Activity". The Cleaning Activity Service was introduced with effect from 16.06.2005 and the demand was confirmed even for a period prior thereto. The principle behind the issuance of the show-cause notice is not only to make aware the person against whom the action is intended to be taken but it must contain the language in precision which on reading thereof, make the person understand, the case which he has to defend. ***[AIT-2014-55-HC]***
- **No fees for filling appeal relating to Refund/ rebate:** No fee is payable in filing appeals before the CESTAT relating to refund/rebate of Service Tax, Customs and Central Excise matters. ***[AIT-2014-50-HC]***
- **Refund claim under Notification No. 18/2009-ST:** Hon'ble Tribunal has denied refund claim which according to the Department was claimed after one year, though the entire refund claim was within time and was not hit by limitation in terms of Section 11B of the Central Excise Act 1944 under which the refund application was filed. Assessee contention was that, as per provisions of Section 11B of the Central Excise Act, 1944 (read with Section 83 of the Finance Act, 1944) and Clause (f) of Explanation-B the refund application could have been made within one year of the date of payment of duty. Since the duty was paid on 31 August 2009, it has been submitted that the application was within limitation. Since in this case, Notification 18/2009 would apply, under which service tax was liable to be paid and then an application for refund was required to be presented within 60 days of the end of the relevant quarter in which the goods had been exported. Once a period of limitation was prescribed in the exemption notification for submitting the refund application, that needs to be followed. ***[AIT-2014-49-HC]***
- **Commissioner (Appeals) can remand back the matter:** Hon'ble High Court has held that Hon'ble CESTAT is correct in holding that in service tax matters the Commissioner (Appeals) has power to remand the case back to the adjudicating authority for denovo adjudication. ***[AIT-2014-42-HC]***
- **Refund of the service tax paid for services not actually received:** If the services have not been received and the payment made for the said services had been adjusted between the Indian and Amsterdam Company, the said corresponding value of the services would not be liable to Service Tax. Further, Hon'ble CESTAT held that if services were not actually received, the Service tax paid by the Assessee is to be refunded to them without raising the issue of unjust enrichment in as much as it is the tax deposited by the assessee himself which is being sought to be refunded. ***[2014-TIOL-714-CESTAT-DEL]***
- **Imposition of simultaneous penalty under Section 76 and 78 of the FA:** In this case issue involved was to whether for the period prior to 10.05.2008, penalty under section 76 & 78 of the FA, 1994 can be imposed simultaneously. Matter has been referred to the Larger Bench of CESTAT. ***[2014-TIOL-710-CESTAT-MUM]***
- **Declaration under VCES:** Assessee has paid service tax after 01.03.2013 but before enactment of the VCES, 2013 i.e. before 10.05.2013 which cannot be excluded to the Assessee from the Form VCES-1 declaration as such a stand would substantially mutilate the

definition of term "tax dues' under VCES. It is well settled in law that an authority cannot, through a circular or clarification, override the provisions of the statute. ***[2014-TIOL-630-HC-AHM]***

EXPORT ORIENTED UNIT/SEZ

- **Clearances to SEZ Developer without payment of Duty:** Assessee cleared aluminum pipes to a SEZ developer without payment of duty. Revenue has demanded the duty. Hon'ble Bench has held that demand is not sustainable, as clearances made to SEZ developers without payment of duty have to be considered as rightly made, in view of decisions of High Court of Chattisgarh in the case of UOI Vs. Steel Authority of India Ltd. wherein Hon'ble High Court held that the amendment to the Rule brought out in December 2008 has retrospective effect and, therefore, clearances made to SEZ developers without payment of duty have to be considered as rightly made and no duty of demand can be sustained. ***2014-TIOL-561-CESTAT-BANG***
- **Conversion of 100% EOU to EPCG Scheme and de-bonding:** Assessee has applied to the Assistant Development Commissioner for conversion of 100% EOU to EPCG scheme and de-bonding. Duty on imported and indigenous capital goods paid by the Assessee in April, 2007 as directed by Range Superintendent, pursuant thereto, in November, 2007, Development Commissioner conveying final de-bonding and allowing conversion of 100% EOU to EPCG Scheme. Thereafter 4 ½ years a Show Cause Notice was issued alleging that Assessee should have remitted duty at the rate of 16.48% instead of 5% on indigenously procured capital goods as per para 8(i) of Notification No. 22/2003-CE dated 31.3.2003. Invocation of the extended period of limitation for confirming demand of excise duty, interest and penalty, where the entire material facts were within the domain and knowledge of the competent authorities, is not justifiable. ***[2014-TIOL-626-CESTAT-DEL]***

INCOME TAX

- There is a specific provision in the Act that upon amalgamation of one company with another, losses of the amalgamating companies can be carried forward and the amalgamated company can get those losses set off against its profits subject to the provisions of the Act. This is permissible by virtue of Section 72 A of the Act but there is no such provision in the case of co-operative societies. ***[AIT-2014-54-SC]***
- **DTA unit on conversion to 100% EOU unit eligible for exemption under Section 10B of the Income Tax Act:** On the facts and circumstances of the case, the Income Tax Appellate Tribunal is right in law in holding that the assessee was not entitled to exemption under Section 10B of the Income Tax Act, particularly when the assessee, originally a DTA unit was converted as 100% EOU unit. Recognition given to a DTA unit as 100% EOU unit, provisions of Section 10B(2)(iii) of the Income Tax Act are attracted to determine the eligibility under Section 10B of the Income Tax Act. Thus going by the circular clarifying the stand that the DTA unit on conversion to 100% EOU unit eligible for exemption under Section 10B of the Income Tax Act also, we have no hesitation in rejecting the plea of the Revenue. ***[AIT-2014-51-HC]***
- An Assessing Officer can proceed against the assessee, in case he has reasons to believe that assessee's income has either escaped the assessment or whose undisclosed income is unearthed during the search conducted u/s 132 of the premises of some other person. An AO has the option to assess undisclosed income under the normal provisions of section 147 or as per the special provisions of chapter XIV B of the Act. ***[2014-TIOL-479-HC-KAR-IT]***
- In case intention of assessse is to exploit commercial property by putting up construction and letting it out for the purpose of getting rental income, income from the building falls under the head 'income from house property', even if the furniture and fittings are provided to the lessee. ***[2014-TIOL-473-HC-KAR-IT]***

VAT

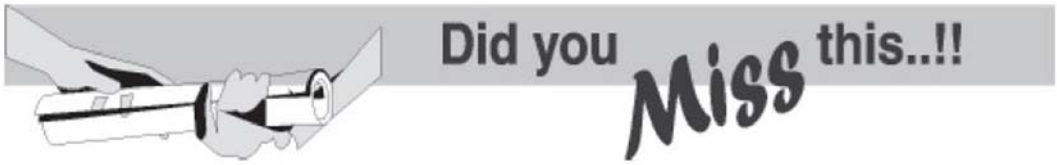
- **Non maintenance of proper books of accounts:** In the present case, Asseessee has not properly maintained books of accounts and

not recorded each and every transaction. The Assessing Officer had come to a conclusion that total possible sale was much higher and the conclusion so arrived at was based on sound reasons : (i) The assessee is making and selling sweets, namkeens and other eatables. It appears from the record that when an individual customer was buying eatables of a nominal value, possibly bill was not being issued. There was no specific method whereby each and every receipt from the buyers was recorded by the assessee. Further, during special search or inspection, total sale proceeds had been meticulously recorded and calculated. On the basis of the receipts of those two days, considering them as a representative sample, the Assessing Officer had come to a conclusion that the sale proceeds or sales of the assessee for the year should have been a particular amount and, in fact, the amount reflected in the books of accounts was much less than the calculations arrived at by the Assessing Officer. ***[2014-TIOL-35-SC]***

- **Whether the sales of mineral water by way of service in the restaurant can be considered as the sales of non-alcoholic drinks falling under common entry, when there is a specific Schedule entry for the mineral water:** In this case, only reason given by the Revenue for denying the benefit in respect of the aerated drinks was that the same were manufactured by the Assessee with the help of the machinery installed in the restaurant, they were not served to the customers and that the customers served themselves the same. Hon'ble High Court held that, there is no material on record to establish that in common parlance mineral water would not be included within the ambit of the words "non-alcoholic drinks". It is not the revenue's case that mineral water served by the assessee was an alcoholic drink. That the plain meaning of the words "non-alcoholic drinks" includes mineral water and indeed cannot be denied. Thus due to absence of any material, it is not possible to uphold the contention on the basis of the common parlance test. ***[2014-TIOL-491-HC-MUM]***

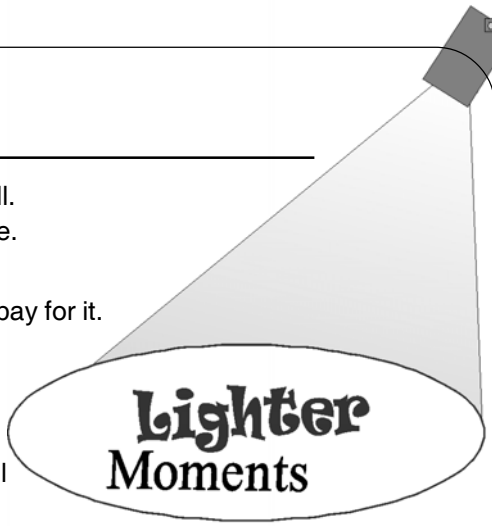
MISCELLANEOUS

- **CAG is entitled to audit private telecom service providers:** In this matter, there was basic question whether the Telecom Service providers can be audited by the Comptroller & Auditor General of India. After considering Article 149 and Article 226 of the Constitution, Hon'ble Apex Court has held that, CAG has a duty to examine and satisfy himself that all the rules and procedures are being met not only by the Union but also by the service providers as a whole, since both, the Union, as well as the service providers, are dealing with the natural resources. CAG's function is, therefore, separate and independent, which is not similar to the audit conducted by the DoT. CAG's function is only to ascertain whether the Union of India is getting its due share, while parting with the right to deal with its exclusive privilege to the Service Providers, who are dealing with a national wealth, but the service providers are bound to make available all the books of accounts and other documents maintained by them, so as to ascertain whether the Union of India is getting its full share of revenue. ***[2014-TIOL-49-SC]***



- European Union bans Indian Alphonso Mango & Veggies from 1st May
- Justice RM Lodha sworn in as Chief Justice of India
- Praveer Kumar appointed as Director-General of Foreign Trade
- SS Rana appointed as Member of Authority for Advance Rulings(Customs Excise & Service Tax)
- R Gandhi appointed as Deputy Governor of RBI
- Sun Pharma to acquire Ranbaxy in 4 Billion Dollar all stock transaction
- MK Mirani appointed as Member of Income Tax Settlement Commission
- Service Tax Return for the period October 13 to March 14 now available on ACES site for E-filing
- Prevention of Corruption Act - Investigation against Senior Babus - No prior sanction required: Supreme Court
- Black Money issue: SC appoints Justice M B Shah as SIT Chief
- CBEC gives additional charge of Service Tax to Member (CX) S B Singh
- CBEC transfers Ananya Ray as CC (P), Delhi; Promotes Vinay Chhabra as Chief Commissioner and posts him to Shillong; Also posts Reshma Lakhani as Commissioner of Central Excise, Cochin
- Indian economy projected to grow at 5.5% in current fiscal
- L & T wins USD 740 mn contract for Doha Metro Project
- CBDT issues SOP for Verification and Correction of Demand uploaded by AOs in CPC Demand Portal
- DGCA allows passengers to use mobile phones during Flight
- Delhi HC orders preparation of Lists of Healthy and junk food items
- CAG entitled to audit private telecom service providers - SC
- SC allows iron ore mining in Goa but caps upper limit to 20 MT annually
- SC grants status of Third Gender to eunuchs; Amnesty welcomes it
- Secretary, Economic Affairs, Arvind Mayaram, designated as Finance Secretary
- World Trade to grow by 4.7% in 2014: WTO
- EU, Japan & US protest against Indonesian ban on export of mineral ores
- Maruti decides to recall more than one lakh vehicles for faulty fuel caps
- Indian exports logs 3.98% growth to USD 312 bn in last fiscal

- Senior Customs Officers PV Reddy & Raghavan transferred from Hyderabad Airport for being allegedly involved with Air Hostess Sadaf Khan in gold smuggling
- Superintendent of Service Tax arrested by CBI in Nadiad for accepting bribe for granting service tax registration
- High Profile Commissioner of Central Excise Kolkata AM Sahay finally arrested by CBI for taking bribe of Rs 1.10 Crore-Girlfriend of Sahay also detained by CBI for billing Consultancy charges of Rs 5 Crore to Manufacturers under CBI scanner
- ED made seizure of assets worth Rs 1700 Cr last fiscal
- CBI nabs PNB Manager of Sangli Branch, accepting a bribe of Rs 10,000/-
- Nagpur Central Excise arrests Bhuj-based service provider for alleged service tax evasion of Rs. 1 Crore
- USA approaches India for arrest of Congress Rajya Sabha MP for receiving bribe of USD 18.5 mn from American company to grant permission for Titanium mining
- Mumbai Service tax recovers tax from Videocon Group Companies; arrests one person
- Chennai CBI Court convicts Customs Appraiser for one year in bribery case
- Delhi CBI nabs close relative of Director (Audit) New Delhi for demanding a bribe of Rs 35 lakh for regularising irregularities of a Nursing College
- CBI nabs Coalfields staffer accepting bribe
- Lucknow DRI seizes 20 MT of Red Sanders wood worth Rs. 9 Crore being smuggled by misusing CTD facility extended to Nepal under trade treaty



Work vs Prison

IN PRISON... you spend the majority of your time in an 8X10 cell.
AT WORK... you spend the majority of your time in a 6X8 cubicle.

IN PRISON... you get three meals a day.
AT WORK... you only get a break for one meal and you have to pay for it.

IN PRISON... you get time off for good behavior.
AT WORK... you get more work for good behavior.

IN PRISON... the guard locks and unlocks all the doors for you.
AT WORK... you must carry around a security card and open all the doors for yourself.

IN PRISON... you can watch TV and play games.
AT WORK... you get fired for watching TV and playing games.

IN PRISON...they allow your family and friends to visit.
AT WORK...you can't even speak to your family.

IN PRISON... all expenses are paid by the taxpayers with no work required
AT WORK... you get to pay all the expenses to go to work and then they deduct taxes from your salary to pay for prisoners.

IN PRISON... you spend most of your life inside bars wanting to get out.
AT WORK... you spend most of your time wanting to get out and go inside bars.

IN PRISON... you must deal with sadistic wardens.
AT WORK... they are called managers.

So why is it, again, that we work?

What job ads really mean

Competitive salary - We remain competitive by paying you less than our competition.

Join our fast-paced company- We have no time to train you.

Casual work atmosphere - We don't pay enough to expect that you will dress up; a couple of the real daring guys wear earrings.

Some overtime required- Some every night and some every weekend.

Duties will vary- Anyone in the office can boss you around.

Must have an eye for detail- We have no quality assurance.

Apply in person- If you're old, fat or ugly you'll be told that the position has been filled.

Seeking candidates with a wide variety of experience - You'll need it to replace the three people who just quit.

Problem-solving skills a must- You're walking into perpetual chaos.

Requires team leadership skills - You'll have the responsibilities of a manager, without the pay or respect.

Good communication skills- Management communicates, you listen, figure out what they want and do it.

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Bizsolindia provides consultancy in the following areas through associate companies and professional firms of the Directors

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Bizsolindia HR Services Private Limited	Strategic Consultancy in the area of HR & Soft skills Training
Bhagwati Shipping Private Limited	Custom House Agent (11/578), Custom Clearance of Export and Import consignments
A.B. Nawal & Associates, Cost Accountants	Practicing Cost Accountant, Cost Audit, Central Excise, Adjudication matters up to CESTAT, VAT Audit.
Behede Joshi & Associates, Chartered Accountant	Practicing Chartered Accountants, Statutory Audit & Tax Audit, VAT Audit, Transfer Pricing.
R. Venkitachalam, Company Secretary	Practicing Company Secretary.
Nawal & Sonaje Associates, Cost Accountants	Practicing Cost accountants, Cost Audit
Bizsol Projects & Infrastructure Solutions LLP	Infrastructure Consultancy, Project Management Services in respect of Real Estate solution for Industrial, Residential, Trade & Commerce & Consultancy related to Finance & Investments

Mr. L. D. Pawar, Chairman of PCAC of ICAI welcoming Mr. Ashok Nawal, MD Bizsolindia before the session on Internal Audit with difference in the Era of Indirect Tax and Companies Act 2013.

Mr. Ashok Nawal (Center) MD Bizsolindia can be seen on dais along with CMA Prakash Sevekari and Mr. L. D. Pawar, Chairman of PCAC of ICAI during the session on Internal Audit with difference in the Era of Indirect Tax and Companies Act 2013.

Mr. Ashok Nawal, MD Bizsolindia addressing participants on Internal Audit with difference in the Era of Indirect Tax and Companies Act 2013.

Participants during session on Internal Audit with difference in the Era of Indirect Tax and Companies Act 2013.

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