

Summary of Notifications, Circulars from 16th November 2014 to 15th December 2014

SERVICE TAX

1. Procedure of service tax refund/exemption to SEZ

Notification No. 12/2013- ST dated 01.07.2013 exempts the services liable to service tax under section 66B, received by a unit located in a SEZ or Developer of SEZ and used for the authorised operation by way of refund of service tax paid. However, SEZ unit or developer has to approach two authorities viz; the SEZ authority and with the Jurisdictional Service Tax authority for upfront exemption under notification No. 12/2013.

In this regard, TRU vide *Letter No. F.No.B1/6/2013-TRU dated November 25, 2014* has clarified that SEZ units and developer may, if they so desire, route their application for issuance of authorization by department and quarterly statement in Form A-3 through the specified officer of SEZ instead of submitting directly to the department.

[TRU Letter No. F.No.B1/6/2013-TRU dated November 25, 2014]

2. Amendment in Rule 5A of Service Tax Rules, 1994 towards details to be provided to Audit Party

Notification No. 23/2014-ST, Dated: December 05, 2014 has amended Rule 5A(2) of Service Tax Rules 1994 to provide that every assessee, shall, on demand make available the following to officer empowered under sub-rule (1) or the audit party deputed by the Commissioner or the Comptroller and Auditor General of India, or a cost accountant or chartered accountant nominated under section 72A of the Finance Act, 1994:

- i. the records maintained or prepared by him in terms of rule 5(2);
- ii. the cost audit reports, if any, under section 148 of the Companies Act, 2013; and
- iii. the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961,

for the scrutiny of the officer or the audit party, or the cost accountant or chartered accountant, within the time limit specified by the said officer or the audit party or the cost accountant or chartered accountant, as the case may be.

It may also be noted that, prior to this amendment:

- Words “cost accountant or chartered accountant nominated under section 72A of the Finance Act, 1994” were not specifically mentioned in this rule.
- Time limit with the assessee for providing the requisite documents was 15 days from the date of demand of the documents.
- Words “the cost audit reports, under section 148 of the Companies Act, 2013,” were not specifically mentioned in this rule.

Further, the CBEC vide *Circular No. 181/7/2014-ST, Dated: December 10, 2014* has clarified that the amendment made by Finance Act 2014, by insertion of a new clause “k” in section 94(2), provides a statutory backing to the Rule 5A(2) of the Service Tax Rules, 1994. The judgement of the Hon'ble High Court of Delhi in the case of M/s Travelite (India) [2014-TIOL-1304-HC-DEL-ST] wherein rule 5A (2) was quashed on the grounds of lack of appropriate statutory backing can now be distinguished.

[*Notification No. 23/2014-ST, Dated: December 05, 2014, Circular No. 181/7/2014-ST, Dated: December 10, 2014*]

EXCISE

3. Condition of six months does not apply in case of re-credit of amount reversed

Notification No. 21/2014-CE (N.T.) Dated: July 11, 2014 has amended Rule 4(1) & 4 (7) CENVAT Credit Rules, 2004, to provide that a manufacturer or a service provider shall take credit on inputs and input services within a period of six months from the date of issue of invoice, bill or challan with effect from 1st September, 2014.

In this regard, CBEC vide *Circular No. 990/14/2014-CX-8 dated. November 19, 2014* has clarified that the purpose of the amendment made by Notification No. 21 is to ensure that after the issuance of a document under Rule 9(1) of the CENVAT Credit Rules, CENVAT credit is taken for the first time within six months of the issue of the document. Once this condition is met, the limitation would not apply for taking re-credit of amount reversed under Rule 3(5B), Rule 4(5) (a) and Rule 4(7) of CENVAT Credit Rules, 2004.

[*Circular No: 990/14/2014-CX-8 dated. November 19, 2014*]

4. Goods donated for J&K flood affected people exempted from Central Excise duty

Notification No. 25/2014-CE, Dated: December 11, 2014 has exempted goods donated or purchased out of cash donations, for the relief and rehabilitation of the people affected by the floods in the State of Jammu and Kashmir from the duty of excise leviable thereon under the Central Excise Act, 1944. The conditions for availing the exemptions have been prescribed in the notification.

[Notification No. 25/2014-CE, Dated: December 11, 2014]

CUSTOMS

5. Duty Drawback - Revised All Industry Rate

The Central Board of Excise and Customs has revised All Industry Rates of Duty Drawback vide *Notification No. 110/2014 - Cus. (N.T.), Dated: November 17, 2014*. The revised schedule, notes & conditions and the other details can be obtained from www.cbec.gov.in.

Further *Notification No. 109/2014 - Cus. (N.T.), Dated: November 17, 2014* has amended Rule 7(1) of Drawback Rules, 1995 to provide that cases where amount or rate of drawback determined is low under Rule 3 or 4, the manufacturer or exporter may within *six months* from the relevant date make an application in writing to the Commissioner of Customs and Central Excise having jurisdiction over the manufacturing unit, for determination of the amount or rate of drawback. Prior to this amendment the time limit for making an application was three months from the relevant date.

[Notification No. 109/2014-Cus.(N.T.), Dated: November 17, 2014, Notification No. 110/2014 - Cus. (N.T.), Dated: November 17, 2014; Circular No. 13/2014-Cus, Dated: November 18, 2014]

Haryana VAT

6. Introduction of Amnesty Scheme

Notification No. Leg. 38/2014 Dated: Nov. 20, 2014 has introduced Amnesty Scheme by inserting a new section 59A in the Haryana Value Added Taxes, in order to recover old arrears of taxes which are outstanding and are difficult to recover in spite of various efforts, for the period prior to 1st April, 2014 subject to such conditions and restrictions, as may be prescribed.

[Notification No. Leg. 38/2014 Dated: Nov. 20, 2014]

Delhi VAT

7. Date of Filing of reconciliation return in form 9 extended to 9th Jan, 2015

The date of filing of online return in form 9, containing details of interstate sale at concessional rates against statutory forms C/F/H, has been extended to 09/01/2015.

[Circular No. 19/2014-15 No. F.7(420)/Policy/2011/PF/536-542 Dated: Nov. 27, 2014]

8. New Form for filing of DP-1.

Notification No.F3(352)/Policy/VAT/2013/585-596 Dated: Dec. 15, 2014 directs the registered dealers who have not filed information in Form DP-1 till date, to file information online relating to particulars of business upto 31st March, 2015. The dealers who have filed the information can also update their particulars. The information so filed/updated shall be treated as request for amendment in the registration particulars at par with Application in Form DVAT-07/Form 11 and would be accepted as such.

[Notification No.F3(352)/Policy/VAT/2013/585-596 Dated: Dec. 15, 2014]

Tamil Nadu VAT

9. Zero rate -ITC Refund- Eligibility criteria-Instructions issued

Circular No. 59/2014 Acts Cell 111/34185/2014-Dated: Nov. 27, 2014 has clarified that the exporters of exempted goods manufactured out of taxable inputs are eligible to avail the benefit of refund of ITC on related purchases of taxable goods to exports as provided under section 18(2), of the Act, 2006.

[Circular No. 59/2014 Acts Cell III/34185/2014-Dated: Nov. 27, 2014]