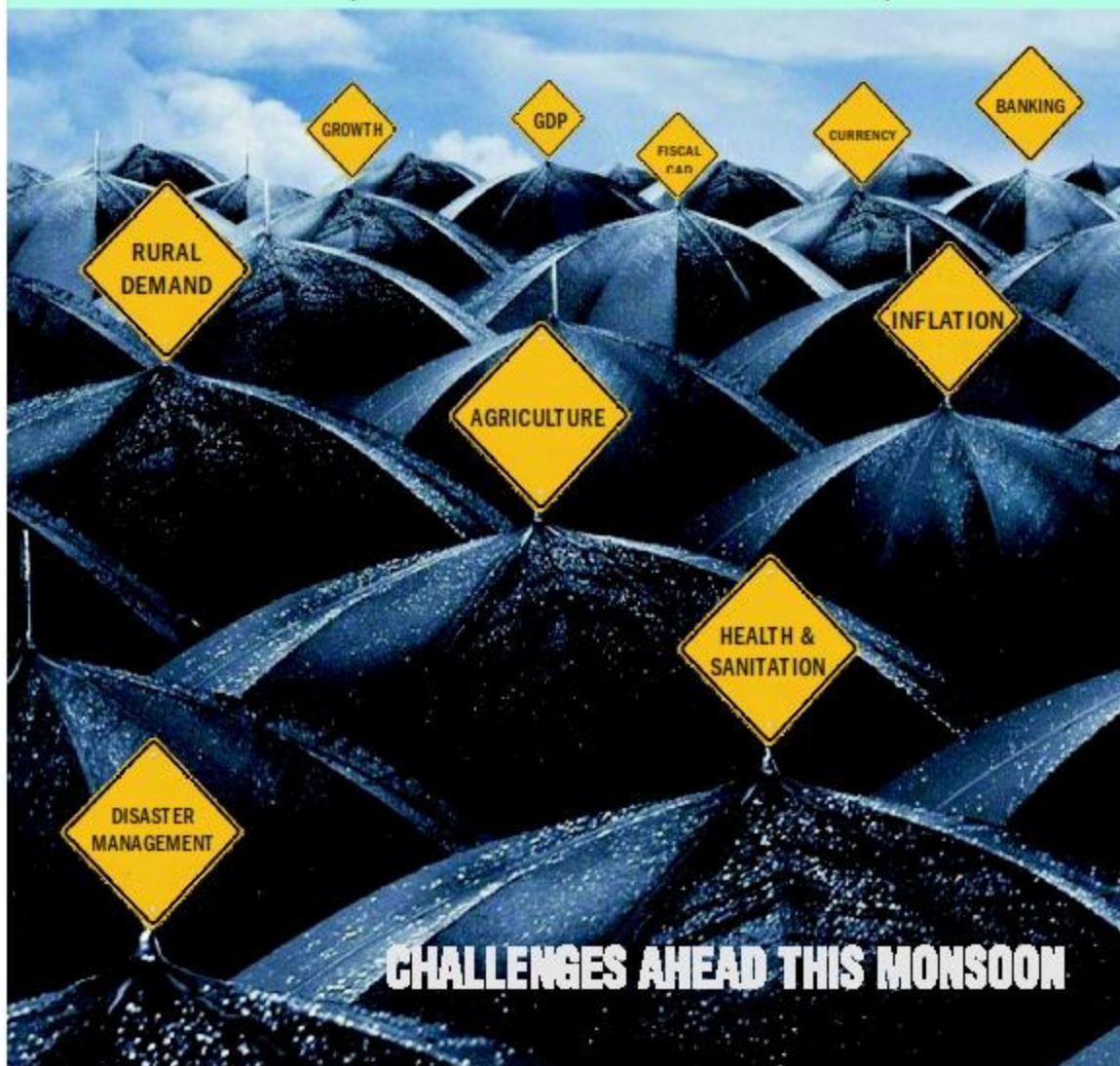




Newsletter **Raipur Chartered Accountants'** The Institute of Chartered Accountants of India, Raipur (CIRC)

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July 2015 IIIrd Edition



CHALLENGES AHEAD THIS MONSOON

FROM THE EDITOR'S DESK

Respected Members,

June is a month to say Good bye to summer and welcome the monsoon. Everyone looks expectantly to the arrival of rains to give them respite from the scorching summer heat of Raipur. However, we are yet to see a regular downpour that can bring cheers for everyone. The monsoon plays a very important role in Indian economy and a good monsoon will help in improving the market sentiments. We pray rain god and hope for a good monsoon season ahead. This month's newsletter is also based on the theme of monsoon & tells us about the key challenges which we all have to face in the coming days of monsoon season.



As we celebrated our 66th CA Foundation Day, it's time to reckon with and commend ourselves for the undoubting spirit, courage of conviction and commitment to our ideals. I hereby convey my heartfelt wishes on the occasion of Chartered Accountants Day and sincerely hope that both the profession and the professionals will touch great heights in the forthcoming years.

In this month's newsletter, we have included the latest report published by the India Meteorological department about the forecast of monsoon season this year, professional articles, activity report of the Raipur Branch of the past few months, legal updates, tax compliance calendar for the forthcoming month and few photographs of the various seminars conducted by the Raipur Branch.

Keeping in line the theme of knowledge updating of all the members, I request all the members to come forward and share their knowledge in the form of write-ups, articles or any other technical and professional information. I also request all the members to kindly share their suggestions and feedbacks on the newsletter at eboardraipur@gmail.com

CA Jitendra Singh Khanuja
Editor

RAINFALL DECLINES IN JULY, NEGATIVE IN ALL REGIONS EXCEPT NORTH-WEST

But in the north-west region it is also declining over the past few days

In signs of deficient monsoon, the country has experienced decline in rainfall in July and almost all regions except the north west have started registering negative precipitation.

According to the India Meteorological Department, (IMD) from June 1 until July 8, the country has registered an overall deficit rainfall of four per cent. Incidentally, the figure until yesterday was minus two per cent.

Central India, which received a good amount of rainfall in June, has recorded a negative rainfall of minus eight per cent followed by minus seven per cent in Southern peninsula and minus four per cent in east and north-west India.

Barring north-west India, the entire country has started registering negative precipitation, but the rainfall there is also declining over the past few days.

The IMD has already predicted a "deficient" monsoon with the country expected to receive 88 per cent of rainfall. Although June recorded 16 per cent more rainfall than its normal limit, the country's weather agency has predicted eight and 10 per cent less rainfall for July and August.

Incidentally, Skymet, a private weather forecasting agency, has predicted "above normal" rainfall (104 per cent) in July, "normal" rainfall (99 per cent) in August and (96 per cent) in September.

"The two most weather active pockets during Southwest Monsoon in India are the West Coast and Northeast India. Despite maintaining a healthy normal rainfall record, the amount of rain witnessed in these places during the first week of July this year has remained on the lower side.

"Subdued rainfall activity has kept Kerala deficient by 30 per cent, coastal Karnataka by 32 per cent, and Konkan and Goa by 15 per cent," Skymet said.

Agri-research body Indian Council for Agricultural Research (ICAR) had last week said sufficient rains are required to save pulses, oilseeds and cotton crops in rain-fed areas of central and southern India. A good spell of rain is also necessary for completion of the remaining 70 per cent of sowing of kharif crops in many parts of the country. It added.

Amid forecast of deficit rains this month, the government has asked farmers not to panic as contingency plans were being put in place to handle any adverse impact of a possible poor monsoon on kharif crops.

CHAIRMAN'S MESSAGE FOR NEWSLETTER

Dear Friends,

I extend my heartfelt warm regards and wishes to all of you on the eve of Chartered Accountants' Day, which we celebrate every year on 1st July. However, we shall celebrate this Day to celebrate the fearlessness, integrity and ever-vigilant consciousness that are the integral aspects of Indian chartered accountants' character. It was on 1st July 1949 that The Institute of Chartered Accountants of India got established with 15 selected and 5 Government nominated members in its Council, and the noble accountancy profession was constitutionally recognized, more than six months before our Country got its Constitution. I feel joyance to share that Raipur branch has hosted EYE CHECKUP for members and student as well with Vasan Eye Care on this auspicious occasion. Moreover, National Convention will be hosted to upgrade with amendments in the month of August.



With accounting having become the language of global business, today's CA is no longer being seen as just a 'bean counter' but a versatile and 'must-have' resource of modern day business. The Indian CA has fast evolved from traditional accounts keeper and auditor into a trusted business adviser equipped with multifarious skills. The role of CA has shifted from backroom to boardroom. He is no longer a statistician but a strategist. Growing from strength to strength over 66 years both in terms of numbers and quality, the profession has truly come of age and is regarded as an 'institution of public trust' besides being 'conscience keepers of economy'. It was in this backdrop that the visionary former President of India Dr. A. P. J. Abdul Kalam acknowledged us as 'Partners in National Development'.

Relaxation in Number of Audits

You would be glad to know that the long-awaited notification to exempt private companies under Section 462 of the Companies Act, 2013 has been recently issued by the Ministry of Corporate Affairs. The ICAI has highlighted a need for a clarification in this regard on various occasions, although there was no apparent need to put a cap on the number of audits of small and medium companies.

ICAI for Accounting Reforms in Indian Railways

On our Government's encouragement and its own initiatives of moving beyond its traditional contributions to economy, the ICAI has been extending its technical and infrastructural support towards the accounting reforms of various Government offices, i.e. moving from cash to accrual system of accounting, after assessing the tremendous positive impact on national financial reporting. Let me inform you that the ICAI had taken up the agenda of accounting reforms in the Indian Railways in the beginning of this year. It had undertaken a Pilot Project at its Ajmer Division and Workshop, helping them in migration from cash to accrual system of accounting, which is underway. I am happy to inform that Indian Railways has sought further support in carrying out a comprehensive review of its costing system. Already we have submitted a detailed proposal in that regard. Discussions with the Indian Railways are at an advanced stage with respect to a pilot project on the implementation of accrual system of accounting addressing the costing aspects at its production unit. We are proud to serve as per our commitment and extend all possible support to the Indian Railways in its ongoing and all future initiatives of accounting reforms.

Let's Prepare for Tax Audit as a National Duty

The tax audit season has begun which gives us enough opportunity to test and make the best use of our expertise to the core. "Taxes are what we pay for civilized society" and these are "fuel which move the wheels of growth and progress," rightly go the sayings. In this backdrop, the Chartered Accountants have been mandatorily entrusted with a very important responsibility to keep the wheel of growth running by ensuring compliance of provisions of Income-tax Act and Rules thereof of certain class of assessee by way of Tax Audit. As such, it becomes an important national and social duty of CAs in India, which has to be performed in the actual spirit of the legislative intent behind introduction of tax audit to the expectation of both the clients and the Government. To perform this onerous task efficiently and effectively, let us go by the ICAI Guidance Note on Tax Audit under Section 44AB of Income-tax Act, 1961. I wish you all the success in most effective completion of Tax Audits.

At this stage, when we are completing 66 years of our glorious existence, I would like to admit before all of you that we have really come a very long way since 1949. I feel proud of the way we have grown and got acceptance and recognition globally. We are not just the second largest accounting body of the world, but also among the global institutions that offer the most relevant and comprehensive accountancy education to its followers and practitioners.

It's time for the profession to adopt 'Vision 2025'—the year when India is likely to graduate from developing to developed economy. This CA Day also provides an opportunity for the professionals to come together and join hands with renewed zeal to realise the ICAI's Vision 2030, which aims to make the ICAI 'world's leading accounting body, a regulator and developer of trusted and independent professionals with world class competencies in accounting, assurance, taxation, finance and business advisory services'. The ICAI motto "Ya Esa Suptesu Jagarti" (That person who is awake in those that sleep) has to be actually lived by the members in all times to come.

Yours regards,

CA Chetan Tarwani
(Chairman, Raipur Branch)

EVOLUTION OF RULE 14 OF THE CREDIT RULES

The Cenvat Credit Rules, 2004 have evolved as a scheme over a period of ten years. Being a self contained code the scheme provided for recovery of wrongly availed cenvat credit through Rule 14. As introduced Rule 14 provided that where cenvat credit has been availed or utilized wrongly or has been erroneously refunded, the same shall be recoverable along with interest. For legitimizing recovery under Rule 14, the Credit Rules borrowed Section 11A & Section 11AB. Thus, all recovery proceedings prescribed for recovery of excise duty equally applied for recovery of cenvat credit.

As introduced, recovery could be initiated if credit was wrongly availed or utilized. Interest always being a consequence of demand followed even when credit was taken wrongly but was not utilized. Thus, even in cases where wrong credit was merely a book entry as it stood wrongly availed



CA Bishma Ahluwalia

but not utilized, assessee was liable to pay interest. Rule 14 of the Credit Rules was interpreted by the Hon'ble High Court of Punjab & Haryana in the case of *M/s Ind-Swift Laboratories Ltd Vs CCE – 2009 (240) ELT 328 (P&H)*. The question before the High Court was whether interest computation shall commence from the date of wrong availment of credit or wrongful utilization of credit when admittedly credit was availed wrongly and thereafter wrongly utilized. The Hon'ble High Court noted that interest has compensatory character by analyzing Section 11AB of the Central Excise Act, 1944. It was held that liability to pay duty does not arise when credit is availed but arises only when the same is utilized. Thus, interest liability commences when the credit has been utilized wrongly and no interest liability arises when credit has been only availed but not utilized.

The aforesaid position held the field till the aforesaid decision was reversed by the Hon'ble Supreme Court of India in *UOI Vs Ind-Swift Laboratories Ltd – 2011 (265) ELT 3 (SC)*. The Hon'ble Supreme Court held that the High Court had wrongly applied the principle of harmonious construction while reading Rule 14 along with Section 11AB of the Central Excise Act, 1944. It was held that Rule 14 was wrongly read down wherein the word "OR" in Rule 14 was replaced by "AND" between the expressions "taken" and "utilized wrongly". The Apex Court held that Rule 14 required strict construction wherein "AND" cannot replace "OR" to read down the provision. Accordingly, the Supreme Court laid down the law in case of Rule 14 that interest shall be recoverable from the date of wrongful availment of credit.

However, the Hon'ble High Court of Karnataka in the case of *CCE Vs Bill Forge Pvt. Ltd. – 2012 (279) ELT 209 (Kar)* in slightly different set of facts distinguished the aforesaid decision of Supreme Court. The question before the Hon'ble High Court in the case of *Bill Forge Pvt. Ltd.* was whether interest is payable where credit was taken wrongly but was reversed within a period of three months voluntarily by the assessee. The High Court held that when credit is availed the same merely represents a book entry and represents only an entitlement of the assessee to utilize the same at a later stage to discharge its tax liability. Once the entry itself is reversed before utilization, it amounts to non – availment of credit. Consequently, it was held by the High Court that where credit has been only availed but not utilized and has been reversed before utilization stage has reached, interest shall not be leviable.

The aforesaid decisions led to wide spread confusion in the industry upsetting litigation policies where cenvat credit was disputed across industry. The Central Government cleared the air by amending Rule 14 in Finance Bill 2012. The amendment was exactly what the Hon'ble Supreme Court discussed. The amendment replaced the word "OR" with "AND" between the expressions "taken" and "utilized wrongly". In order to clarify its stand on applicability of interest on wrongly availed but not utilized cenvat credit, the legislature consciously inserted the word "AND" in place of the word "OR".

Come 01.04.2012, shortly after the pronouncement of the decision of the Hon'ble Supreme Court in the case of *Ind – Swift Laboratories Ltd*, Rule 14 read as under:-

"RULE 14. Recovery of CENVAT credit wrongly taken or erroneously refunded. — Where the CENVAT credit has been taken and utilized wrongly or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of sections 11A and 11AA of the Excise Act or sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries."

Going by the timing of the amendment, it was clear that there was a conscious effort on the part of the law makers to settle all disputes emanating from the decisions discussed above with regard to applicability of interest on cenvat credit wrongly availed but not utilized. The Central Government seemed to be of the same view as the High Court of Karnataka in the case of *Bill Forge Pvt. Ltd.* The Central Government also did not wanted to unnecessary burden the assessee for only making an erroneous book entry.

The amendment did settle the aforesaid dispute of interest but what was forgotten in the entire chain of events was that Rule 14 is not only the mechanism for recovery of interest but it is a mechanism for recovery of credit which has been wrongly availed. Interest was and always will be consequence of recovery of duty/ cenvat.

This minor amendment of 01.04.2012 in Rule 14 paved the way for a new litigation with respect to applicability of recovery provision itself. The question which still went unanswered was as to what will lead to initiation of recovery? Will it be wrongful avalliment only or wrongful avalliment along with wrongful utilization? I was fortunate to be handling one of such litigations wherein such question arose. Demand of cenvat credit was issued against the assessee who had availed the credit but did not utilize the same. The credit balance was lying in its books when the demand notice was issued. It was a specific pleading along with other grounds on the part of the assessee before the lower authority and Hon'ble CESTAT that recovery mechanism under Rule 14 will kick in only when the credit has been wrongly availed & utilized. Rule 14 cannot be invoked for credit which has been wrongly availed but has not been utilized. The Hon'ble CESTAT although granted complete waiver of pre-deposit on merits of the case on other grounds but was all ears for the aforesaid argument during the stay proceedings.

A strict & literal interpretation of the aforesaid provision will restrict the recovery mechanism which could be only initiated once credit has been wrongly utilized. Thereby meaning that an assessee could always take credit which is known to be under dispute in identical circumstances in some other case and is pending before judicial forum, keep it unutilized for eternity until such dispute concludes. Once dispute concludes, assessee can take a decision whether to continue holding on to such credit or let it go. In either case, there will be no adverse situation for the assessee.

The Central Government was late but did made a move after three years and amended the provision again while introducing the Finance Bill 2015. Rule 14 of the Credit Rules was amended vide Notification No. 06/2015 – CE (NT) dated 01.03.2015 w.e.f from 01.03.2015 as under:-

"RULE 14. Recovery of CENVAT credit wrongly taken or erroneously refunded. —

- (1)
 - (i) Where the CENVAT credit **has been taken wrongly but not utilized**, the same shall be recovered from the manufacturer or the provider of output service, as the case may be, and the provisions of Section 11A of the Excise Act or Section 73 of the Finance Act, 1994, as the case may be, shall apply mutatis mutandis for effecting such recoveries;
 - (ii) Where the CENVAT credit **has been taken and utilized wrongly** or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of sections 11A and 11AA of the Excise Act or sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries."
- (2) For the purpose of sub-rule (1), all credits taken during a month shall be deemed to have been taken on the last day of the month and the utilization thereof shall be deemed to have occurred in the following manner, namely:-
 - i. The opening balance of the month has been utilized first;
 - ii. Credit admissible in terms of these rules taken during the month has been utilized next;
 - iii. Credit inadmissible in terms of these rules taken during the month has been utilized thereafter;

In a nutshell, the intention of the legislature seemed that recovery mechanism should be in place for wrongly availed credit which remains unutilized and such recovery should be without interest. However, if credit has been availed wrongly and such credit has been utilized then the same should be recovered along with interest. The position as has been upheld by High Court of Karnataka in the case of **Bill Forge Pvt. Ltd.**

It's interesting to understand whether newly introduced Rule 14 advances the aforesaid intention with an example. Let us put in numbers and examine exactly how the new Rule 14 will apply.

Particulars	March, 2015	April, 2015
Opening Balance	80	50*
Credit availed during the month	60	70
Inadmissible credit	20	0
Total credit	100	120
Credit utilized	110	80*
Closing Balance	50*	40

*Includes inadmissible credit of Rs. 20

In the first column, we have the concept of ER – 1 return wherein credit details are reflected. For the sake of this example we have bifurcated the amount of credit availed into two parts i.e. credit rightly availed (Rs. 60) and inadmissible credit (Rs. 20). The utilization provision specifically mandates that credit availed till last date of the month can only be utilized for discharging tax liability of that particular month on 6th of subsequent month. Sub – Rule (2) to new Rule 14 mandates that all credit availed in a month shall be deemed to be availed on the last month.

In the aforesaid example, going by Sub – Rule (2), in the month of March'15 assessee has availed credit of Rs. 80 (which includes Rs. 20 as wrongly availed) and has an opening balance of Rs. 80. Thus, at the end of March'15 Rs. 80 will be deemed to be utilized first. Since entire credit has not been utilized, it will be deemed that remaining Rs. 30 has been utilized from credit taken during the month (which again includes Rs. 20) and since Rs. 20 represents wrongly availed credit the same shall be deemed to be not utilized and form part of the closing balance Rs. 50.

In the month of April'15, Rs. 50 is the opening balance (remember Rs. 20 wrongly availed). This opening balance will be deemed to be utilized in the month of April'15 due to Rule 14(2) (i). Consequently, the interest clock on Rs. 20 will commence from the very next month of availment irrespective if Rs. 20 is maintained as a balance in cenvat account on month on month basis. This is against the concept of **Bill Forge Pvt. Ltd.** and is the concept of **Ind – Swift Laboratories Ltd. (SC)**.

The ambiguity continues as Rule 14(1) (i) require initiation of recovery proceedings wherein credit has been taken wrongly but not utilized. As seen above, application of Rule 14(2) has already made Rule 14(1) redundant as any wrongly availed credit shall be deemed to be utilized in the subsequent months opening balance. With the provisions worded in the aforesaid manner, I see only one scenario wherein it will be deemed that wrongly availed credit has not been utilized and i.e. where no credit balance is being utilized. Apart from the aforesaid scenario, practically no scenario exists while interpreting the provision literally wherein wrongly availed credit can be deemed to be unutilized.

With this the intention of the legislature is again under question. Does the Government intend to follow the law laid down by the Supreme Court in the case of **Ind – Swift Laboratories Ltd.** and charge interest on mere wrong availment of credit or was always in favour of the decision in the case of **Bill Forge Pvt. Ltd.** but failed to express the same in words. It is high time the Board or Ministry should intervene and come out with a clarification amending the recovery provisions.

ACTIVITY REPORT

MAY - 2015

SR.NO	DATE	PROGRAMME	TOPICS	GUEST/FACULTIES
1	01.05.2015	Release of 1st Edition of the Newsletter of the Rajpur Branch for the term 2015-16	-	-
2	01.05.2015	Full Day Seminar on Amendments in Computation of Income in Light of ICDG and CARO, Depreciation Under Companies Act	Changes in Computation of Income in Light of "Income Computation and Disclosure Standards" (ICDS) Applicable from 01st April 2015. Amendments in Depreciation Under Companies Act & Reporting Under CARO	CA Rajesh Mittal and CA Anshu Tripathi
3	10.05.2015	Live Webcast	Finance Act 2015	CA (Dr.) Ghish Anuja, FCA and CA. Anil Gupta, FCA Chairman, Indirect Tax Committee, ICAI & Central Council Member, ICAI
4	15.05.2015 To 12.05.2015	Advance ITT (Batch 4 & 5)	-	CA Ramandeep Shrota, CA Renu Jain, CA Vikas Goelcha, Dhruv Jain & CA Praveen Bhandal
5	15.05.2015	CPT Mock Test Paper	-	-
6	15.05.2015	Live Webcast Organized By: Indirect Taxes Committee of ICAI	Issues in Service Tax in Hotel, Tourism, Restaurant, Tour & Cab Operator	CA. Sachinbhai from Bangalore, CA. Gaurav Gupta from Delhi
7	15.05.2015	Study circle Meeting Organized By Rajpur Branch of ICAI jointly with IT Bar	ITR: April 15 & Analysis of Sec 286A & 287 of IT Act	CA Atendra Singh Khosla & CA Lata Kumar Jain (Host)
8	15.05.2015	ICASA Students Lecture Meeting	Amendments in Service Tax, TDS Companies Act	CA Jasu Gupta
9	21.05.2015	Lecture Meeting Organized By Rajpur Branch of ICAI jointly with IT Bar	Important Issues Related with Reassessment UPS 147 of Income Tax Act 1961	CA Prafulla Pandey
10	25.05.2015 To 29.05.2015	OTC Class (1st Batch)	-	CA Chetan Taneja, CA Vinod Jha, CA R.M. Upadhyay, Harsha Sarda, Sanjay Sahu, CA Rahul Sharma, CA Nagesh Baid, CA Dipankar Markeyan, CA Vanya Deshpande
11	25.05.2015	Live Webcast on	Companies Act 2013	CA. Ashish Bandyopadhyay, CA. V. Balaji and
12	26.05.2015	ICASA: How to Face CA Examination CPT	-	CA Rahul Sharma
13	30.05.2015	ICASA Industrial Visit	Navbharat Press Rajpur (C.G.)	-
14	30.05.2015	Seminar on Income Tax, Companies Act & Service Tax Organized By Peer Review Board, ICAI	Amendments relating to Direct Taxes by Finance Act 2015 and Undisclosed Foreign Income and Asset Bill 2015 (Official, Professional, Technical Standards and Compliance) Depreciation Accounting & Audit Report under Companies Act 2013 Compliance on Service Tax	CA. Prakash Parasi, CA. Shyam Lal Agarwal, Chairman, Peer Review Board, CA Shapendra Mehta & CA. Yash Saxena
15	30.05.2015	1st Meeting of the Chhattisgarh Task Force on VAT & GST	-	-
16	30.05.2015	Release of 2nd Edition of the Newsletter of the Rajpur Branch for the term 2015-16	-	-

JUNE - 2015

SR.NO	DATE	PROGRAMME	TOPICS	GUEST/FACULTIES
1	01.06.2015	ITT	-	Mrs. Ranjita Datta, Shishirbhai Sharma, Ashutosh Dandekar & Lollana Shaha
2	03.06.2015	Lecture Meeting	GST - An overview	CA S.K. Pandey
3	05.06.2015	Study circle Meeting Organized By Rajpur Branch of ICAI jointly with IT Bar	ITR May 2015 and Analysis of Sec 36 (3)(i) of IT Act and proceeds by Tax payers	CA B Subramanyam and CA Vanya Banerjee
4	10.6.2015	Live Webcast	Goods & Services Tax - GST	CA. Upinder Gupta, IRS
5	11.06.2015 To 26.06.2015	ONCS-I (10th Batch)	-	CA Vinod Jha, CA R.K. Lankar, M. Upadhyay, CA Manoj Jain, Lankar, Upadhyay, Harsha Sarda, Soumitra Jain, Jagdish Prabhu, Nagesh Choudhary, CA Renu Jain, Lakshy Choudhary, CA Dipankar Markeyan & CA Sonali Lata
6	12.06.2015	Workshop on Organized By: Committee on Financial Market & Investor Protection of ICAI	Provisions pertaining to Investor Protection Under Companies Act 2013	CA Rishi Srivastava
7	13.06.2015 To 26.06.2015	Certificate Course on Government Audit organized By Internal Audit Standards Board	-	CA Tushar Kati Basi, CA Gagan Sharma, Shal Prasad Aggarwal, CA L.N. Aggarwal, CA Navin Khosla and CA Savitri Sarda Rao
8	13.06.2015	ICASA Organized By: Board of Studies	Branch Level Quiz & Bloodline Contest	CA Rahul Sharma, CA Sakshi Gupta Aggarwal, Tanmay Aggarwal and Ramandeep Shrota
9	13.06.2015	Lecture Meeting Organized By Rajpur Branch of ICAI jointly with IT Bar	Project Finance and Government Audit	CA Barkha Shrota, CA Raj Kumar Lata and CA Bhaskar Choudhary
10	19.6.2015 To 02.07.2015	ONCS-II (10th Batch)	-	CA Vinod Jha, CA R.K. Lankar, M. Upadhyay, CA Manoj Jain, Lankar, Upadhyay, Harsha Sarda, Soumitra Jain, Jagdish Prabhu, Nagesh Choudhary, CA Renu Jain, Lakshy Choudhary, CA Dipankar Markeyan & CA Sonali Lata
11	19.06.2015 To 23.06.2015	OTC Class (2nd Batch)	-	CA Chetan Taneja, CA R.M. Upadhyay, Harsha Sarda, CA Sonali Choudhary, CA Rahul Sharma, CA Nagesh Baid, CA Dipankar Markeyan, CA Vanya Deshpande
12	19.06.2015	Live Webcast organized By: Indirect Taxes Committee of ICAI	Service Tax Issues under: Written Contract & Job Work	CA. Anshu Bhatia
13	21.06.2015	International Yoga Day	Yoga & Neuro Linguistic Program for Improving efficiency (Stress Management)	Vinod Tolani and Prashant Saxena
14	24.06.2015	Workshop on Organized By: Committee on Financial Market & Investor Protection of ICAI	NEFC Audit & Revised Regulatory Framework	Smt. Vidya Shivastava, Sri V. Venugopal Rao, OGR
15	27.06.2015	International Sugar Day Organized By Rajpur Branch jointly with IT Bar and ICI Rajpur Metro	Lecture on Sugar control: Amendments and Free Blood Sugar Test	Dr. Ajay Bhatia Cardiologist & Diabetologist
16	27.06.2015	Live Webcast on	Information Technology	CA. Balraj Jayaram & CA. Anand Prakash Janghi
17	27.06.2015	ONCS-III (10th Batch)	-	CA Vinod Jha, CA R.K. Lankar, M. Upadhyay, CA Manoj Jain, Lankar, Upadhyay, Harsha Sarda, Soumitra Jain, Jagdish Prabhu, Nagesh Choudhary, CA Renu Jain, Lakshy Choudhary, CA Dipankar Markeyan & CA Sonali Lata
18	28.06.2015	ICASA	Interim Results Competition	Ashu Sharma, CA R.M. Upadhyay, Rishi Khosla



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MEDIA RELEASES

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे



आईसीआईएसएफ के जनसभा सोए काउंटेडल डे

पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।



आईसीआईएसएफ के जनसभा सोए काउंटेडल डे

इंवेस्टमेंट करने से पहले करें जांच



इंवेस्टमेंट करने से पहले करें जांच

प्रतिदिन योग करने का लिया प्रण



प्रतिदिन योग करने का लिया प्रण

हॉपर्टी खरीद रहे हैं तो भूलें: भी मत करिए कैश पेमेंट

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।

विदेशी अन्न डिमांड तो उरी फीसवरी तक का भुर्गाना

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।

कार्टर एकाडेमी न्यू लेंटर के विनोद रायकर का विनोद

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।

लायंस क्लब ने विजय पार्टी सेक्वांटेडल का सम्मान



लायंस क्लब ने विजय पार्टी सेक्वांटेडल का सम्मान

ICAI Raipur celebrates annual CA Day

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।

इंवेस्ट करने से पहले बैंक का करीबी प्रोड तो गरी, बैंकों गैरिफनेट

आईसीआईएसएफ के जनसभा सोए काउंटेडल डे में भाग लेने वाले सदस्यों को यह सलाह दी गई है कि वे अपने पर्सनल और प्रोफेशनल लाइफ में एक्टिविटी से बढ़ाएं खुशियां।



CA Sidharth Parakh

Appointed as Member (Finance) in the Admission and Fee Regulatory Committee constituted under The Chhattisgarh Niji Vyavasayik Sanstha (Pravesh ka VinimayanAvam Shulk Ka Nirdharan) Adhiniyam, 2008 by Government of Chhattisgarh



Congratulations



CA Vinay Palsaina

Co-opted Member in Non Standing Committee of CIRC for the year 2015-16 Young Member Empowerment Committee

COMPANIES (AUDITOR'S REPORT) ORDER, 2015 [CARO 2015]

SA 200 states that the Auditor's opinion on the financial statement deals with whether the financial statements are prepared, in all material respect, in accordance with the applicable financial reporting framework. The auditor's opinion therefore does not assure the future viability of the entity nor the effectiveness or efficiency with which the management has conducted affairs of the entity. The judicially recognized duty of Auditor is not to go into whether the business is conducted prudently or not as long he does his own job which is to ascertain and state the true financial position at the time of his audit. (Re London and General Bank's case 1895)



CA Ankush Golechha

Central Government required the Auditors' to report of certain important aspects so it issued MAOCARO, 1975 thereafter MAOCARO 1988 and then CARO 2003 u/s 227 (4A) of Companies Act 1956. Now u/s 143 the Central Government has issued CARO 2015 which has superseded CARO 2003.

CARO 2015 is applicable to every companies except

- i. banking company;
- ii. an insurance company;
- iii. Section 8 Company;
- iv. One Person Company;
- v. Private limited company (All conditions to be satisfied)-
 - i. with a paid up capital and reserves not more than Rs 50 lakh;
 - ii. which does not have loan outstanding exceeding Rs. 25 lakh from any bank or financial institution;
 - iii. does not have a turnover exceeding Rs 5 crore at any point of time during the FY.

We present herewith a comparisons of CARO 2015 vis-à-vis CARO 2003 and have also mentioned the probable reason for deletion of certain reporting requirement from CARO 2015.

Sr No	CARO 2015	CARO 2003
(i) (a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Same as CARO 2003
(i) (b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	Same as CARO 2003 Requirement to report disposing off of substantial part of fixed assets during the year, if any, has been done away with.
(ii) (a)	Whether physical verification of inventory has been conducted at reasonable intervals by the management;	Same as CARO 2003
(ii) (b)	Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	Same as CARO 2003
(ii)	Whether the company is maintaining proper Same	as CARO 2003

(c)	records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	Same as CARO 2003, except i. no need to mentioned about loans accepted by company, details to be mentioned only about loans granted. ii. no need to mention number of parties and amount involved
(iii) (a)	whether receipt of the principal amount and interest are also regular; and	Same as CARO 2003
(iii) (b)	if overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	Same as CARO 2003 No need for reporting about rate on interest being and other terms being prejudicial to company as the same will be charged as per section 186(7)
(iv)	is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing failure to correct major weaknesses in internal control system.	Same as CARO 2003 except i. sale of services also added
(v)	in case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	Same as CARO 2003
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	Same as CARO 2003
(vii) (a)	is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more	Same as CARO 2003 except Investor Education and Protection Fund removed as the same has been added as vii c below

	than six months from the date they became payable, shall be indicated by the auditor.	
(vii) (b)	in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	Same as CARO 2003
(vii) (c)	Whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.	New
(viii)	whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	Same as CARO 2003
(ix)	whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Same as CARO 2003
(x)	whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	Same as CARO 2003
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	Same as CARO 2003
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	Same as CARO 2003

Provision present in CARO 2003 and deleted in Deleted CARO 2015 with probable justification

Requirement	CARO 2003	Possible Justification for deletion
Transactions entered by the company in which the director(s) is/are interested	<p>(a) whether transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;</p> <p>(b) whether each of these transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;</p> <p>(This information is required only in case of transactions exceeding the value of five lakh rupees in respect of any party and in any one financial year).</p>	<p>Audit Committee has been mandated to review all related party transactions inter-alia determining whether the same has been conducted on arm's length basis or not.</p> <p>Merely charging at prevailing market price is no more the criteria.</p> <p>Entire transaction needs to be on arm's length basis.</p>
Internal Audit System	In the case of listed companies and/or other companies having a paid-up capital and reserves exceeding Rs.50 lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and nature of its business	Companies Act, 2013 mandates the Directors to report the same under Director's Responsibility Statement under Section 134
Records to be maintained by Company for loans granted	Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; If not, the deficiencies to be pointed out	Since Pledge of shares has been included in the definition of charge therefore it seems that it is included in point iii of CARO 2015
Compliance of special Statute	Whether the provisions of any special statute applicable to chit fund have been duly complied with? In respect of nidhi/ mutual benefit fund/societies;	
Records Maintained	If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any,	

	granted under section 49 of the Act	
Details of Funds raised	Whether the funds raised on short-term basis have been used for long term investment and vice versa; If yes, the nature and amount is to be indicated	
Preferential Allotment and determination of arm's length price	Whether the company has made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company;	As per section 62(1)(c) of Companies Act, 2013 company has to obtain valuation report for preferential allotment made, which takes care of pricing issue.
Creation of Security	Whether securities have been created in respect of debentures issued?	
End use of funds raised	Whether the management has disclosed on the end use of money raised by public issues and the same has been verified	

LEGAL UPDATE

Circulars/Notifications

Given below are the important Circulars and Notifications issued by the CBDT & CBEC, during the last month for information and use of members. Readers are requested to use the citation/website or weblink to access the full text of desired circular/notification.

DIRECT TAXES



1. Circular containing comprehensive guidelines on the conditions for condonation of delay in filing refund claim and claim for carry forward of losses under section 119(2)(b) of the Income-tax Act and the procedure to be followed for deciding such matters— Circular No. 9/2015, dated 09-06-2015
2. Clarifications on Rollback Provisions of Advance Pricing Agreement Scheme— Circular No. 10/2015, dated 10-06-2015
3. Admission of belated application for revision from assessee seeking refund arising out of retrospective amendment excluding land classified as agricultural land in the records of the Government and used for agricultural purposes from the definition of urban land—Circular No. 11/2015, dated 11-06-2015
4. CBDT's Explanatory Circular On The Provisions Of The Black Money Act, 2015
The CBDT has issued Circular No. 12 of 2015 dated 02.07.2015 setting out the Explanatory Notes on Provisions Relating to Tax Compliance For Undisclosed Foreign Income and Assets as Provided in Chapter VI of The Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015
5. Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Rules, 2015
The Ministry of Finance has vide Notification No. 58/2015 dated 2nd July 2015 notified the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Rules, 2015
6. CBDT's Order Notifying 01.07.2015 As The Date Of Commencement Of The Black Money Act
The CBDT has issued an Order dated 01.07.2015 stating that a difficulty has arisen in interpreting the expression 'date of commencement of the Act' in the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015. The CBDT has stated that the said 'date of commencement of the Act' shall be 1st July 2015
7. Finance Ministry Press Release Regarding Compliance Window Under Black Money Act
The Ministry of Finance has issued a Press Release dated 01.07.2015 stating that 30th September, 2015 is the date on or before which a Person may make a Declaration in respect of an Undisclosed Asset Located Outside India Under the Compliance Provisions of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015; It is also stated that the last date by which a person must pay the tax and penalty in respect of the undisclosed foreign assets so declared shall be the 31st day of December, 2015

INDIRECT TAXES

8. Rate of Service Tax on Restaurant Services clarified by CBEC vide Circular No. 184/3/2015-ST, Dated : June 3, 2015.
9. Amendment in Rule 6(3) of CENVAT Credit Rules, 2004 vide Notification No. 14/2015-Central Excise (N.T.), Dated : May 19, 2015





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COUPON CODE: RCA 0701

VALID TILL: 30 Sept 2015

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COUPON CODE: RCA 0702

VALID TILL: 30 Sept 2015

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COUPON CODE: RCA 0703 - 15% OFF VALID TILL: 15 August 2015 - 10% OFF VALID TILL: 15 Sept 2015

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Notes: All offers valid till the dates mentioned in individual coupons. If any discrepancies, decision of the management will be final. Please inform that you will be using the coupon before placing your order. These coupons can be used by anyone who has it. The food outlet, serving at Raipur Railway station is open 24 and coupons are valid only at this specific outlet only. For any further queries, please mail us at info@prachinshiksha.com or call us at +91-3009180003 or +91-771-6560085.

TAX CALENDAR

INCOME TAX (July'2015)

- 7 July 2015 - Due date for deposit of Tax deducted/collected for the month of June, 2015
- 7 July 2015 - Due date for deposit of TDS for the period April 2015 to June 2015 when Assessing Officer has permitted quarterly deposit of TDS under Section 192,194A, 194D or 194H
- 15 July 2015 - Quarterly statement of TDS/TCS deposited for the quarter ending June 30, 2015 when tax is deducted/collected by a person other than an office of Government
- 22 July 2015 - Due date for issue of TDS Certificate for tax deducted under Section 194-IA in the month of June,2015
- 30 July 2015 - Quarterly TDS certificate (in respect of tax deducted for payments other than salary by a person not being an office of the Government) or quarterly TCS certificate (in respect of tax collected by any person) for the quarter ending June 30, 2015.
- 31 July 2015 - Due date for filing of returns of income-tax and wealth tax for the assessment year 2015-16 has been extended from July 31, 2015 to August 31, 2015 vide ORDER [F.NO.225/154/2015/ITA.II], DATED 10-6-2015.

CHHATTISGARH VAT (July'2015)

- 30 July 2015 - Due date for filing quarterly Return(VAT, ET, CST, WCT)
- 10 July 2015 - Due date for payment of WCT.
- 30 July 2015 - Due date for payment of VAT, CST & ET
- 30 July 2015 - Last date for finalisation of assessment for the f.y. 2009-10

Excise (July'2015)

- 6 July 2015 - Due date for deposit of tax electronically for the month of June'2015
- 10 July 2015 - Due date for filing monthly return for other than units availing SSI exemption for June'2015 (ER -1 return)
- 10 July 2015 - Due date of furnishing monthly information in relation to principal units.
- 15 July 2015 - Due date for filing return for registered dealers for the quarter April'2015 to June'2015
- 20 July 2015 - Due date for filing quarterly return in Form ER-3 for small scale manufacturers availing SSI exemption for April'2015 to June'2015.

Service Tax (July'2015)

- 6 July 2015 - Due date for deposit of tax electronically for the month of June'2015

PF & ESIC (July'2015)

- 15 July 2015 - Due date for PF e-payment for June'2015
- 21 July 2015 - Due date for ESI deposit of June'2015.

CLASSIFICATION OF SILICA BASED MATERIAL USED FOR MAKING RAMMING MASS

INTRODUCTION

The latest issue of litigation prevailing in most of the Commissionerates around the country is the classification of the silica based materials such as Quartz Grains and Powder, Quartzite Powder, Quartzite Grains, Silica Grains Mixture etc. (here-in after referred to as the 'Products' or 'Products under dispute'). These products are most essential ingredient of Ramming Mass, a Refractory material, used for lining purpose in various types of furnaces to prevent the erosion of Refractory bricks. The motive of the discussion to follow is to seek appropriate classification of products as aforesaid by answering following question –

"Whether they are classifiable under Chapter heading 25.06 of First Schedule to Central Excise Tariff Act, 1985 attracting nil rate of duty or they merit classification under Chapter heading 38.16 ibid attracting 12.5% rate of duty advalorem?"



CA Tanmay Jain

For proper understanding of issue, I divide the discussion into four sections namely –

Section 1	Extracts of relevant legal provisions for ready reference.
Section 2	Analysis of product under dispute and their manufacturing process.
Section 3	Root cause of Dispute – Contention put forth by Department as well as Assessee.
Section 4	Conclusion supported by relevant caselaws.

Section 1 – Extracts of Relevant Legal Provisions
Chapter Heading 25.06 reads as under –

"Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape"

Tariff item	Description of Goods	Rate of Duty
2506 10	- Quartz	
2506 1010	--- in lumps	0%
2506 1020	--- in powder	0%
2506 20	- Quartzite	
2506 2010	--- in lumps	0%
2506 2020	--- in powder	0%
2506 2090	--- Others	0%

Chapter Note 1 to Chapter 25 reads as follows –

"1. Except where their context or Note 4 to this Chapter otherwise requires, the headings of this Chapter cover only products which are in the crude state or which have been washed, but not products that have been roasted, calcined, obtained by mixing or subjected to processing beyond that mentioned in each heading.

Whereas Chapter Heading 38.16 reads as under –

"Refractory cements, mortars, concretes and similar compositions, other than products of Heading No. 3801"

First para of the HSN Explanatory notes below Chapter Heading 38.16 reads as following -

"This heading covers certain preparations (e.g. for furnace lining) with a basis of such refractory materials as chamotte and dinas earths, crushed or ground corundum, powdered quartzites, chalk, calcined dolomite, with an added refractory binder (for example, Sodium silicate, magnesium or zinc flousilicates)

Section 2 – Analysis of Products under dispute and their Manufacturing Process Manufacturing process of Quartz Grains and /or Powder

The Manufacturer procures the Quartz stones / lumps falling under Tariff Heading 25.06 from the mines which are classifiable under Tariff item 2506 1010. The said Quartz stones are then brought to the factory. They are then crushed into small chips with the help of mechanical crusher. The chips of Quartz lumps are then fed into impact mill and ball mills through the conveyor system for grinding into grains. Thereafter the grounded material is subjected to screening with the help of vibratory screen where the grains of various desired size and powder is separated. Subsequently as per customers demand, the aforesaid screened Quartz Grains and Quartz Powder are either packed separately according to their size or they are mixed together as per the requirement of individual customer.

The same process is under taken in respect of Quartzite stones / lumps also. It is pertinent to mention here that Quartz Grains / powder are not mixed with Quartzite Grains / powder.

Manufacturing process of Ramming Mass

The abovementioned material namely Quartz Grains or / and powder and the Quartzite Grains and / or powder are used by the customer / user for lining of induction furnace after undertaking the following process. The Quartz Grains or / and Powder and Quartzite Grains or / and Powder as the case may be is first subjected to the heat treatment at the temperature of about 150 to 200 degree centigrade in a big iron tray for removal of moisture from the material. Thereafter the material is allowed to cool down upto about 50 degrees centigrade.

After cooling, the boric acid / additive / bonding agent is mixed to the extent of 1% to 1.5% by weight and such mixed material is further allowed to cool down to room temperature. Then the material gets ready for use in induction furnace for lining purpose.

Key Observations to be made from above process of manufacture –

1. The grains and powder of Quartz are first separated using vibratory screen. Then they are mixed again as per customers demand and specification. Same process is applied with Quartzite grains and powder also.
2. Grains and Powder of Quartz are not mixed with Grains and Powder of Quartzite.
3. The products under dispute are not subjected to heat treatment and mixed with any binding substance. Hence they cannot be used for lining purpose as such.

Section 3 – Contention of Department and the Assessee

Revenue's Contention

"Since grains and powder of Quartz and / or Quartzite are being mixed with each other, the product under dispute cannot be classified under Chapter Heading 25 in view of Chapter Note 1 to Chapter 25."

Assessee's Contention

"Since the product are not mixed with any binding substance / agent, the product under dispute cannot be classified under Chapter heading 38.16 in view of HSN explanatory note appearing below said heading."

Section 4 – Conclusion

The product under dispute actually merit classification under Chapter heading 25.06 for the following reasons –

1. The mixing of Quartz Powder with Quartz Grains neither alter the chemical composition of the product nor does it bring into existence any new commercial product. Hence the same does not amount to manufacture meriting change in tariff heading and attracting levy of excise duty.

Said activity of mixing is also not covered by exclusion part of Chapter Note 1 to Chapter 25 of Central Excise Tariff as is evident from bare perusal of the said Chapter Note as well.

Following judgements lend credence to the aforesaid contention –

- (I) Deepak Agro Solution Ltd. Versus Commissioner of Customs, Maharashtra - 2008 (227) ELT 52(S.C.)
- (II) Coromandel Fertilizers Ltd. Versus CCE&C, Visakhapatnam - 2007 (211) ELT 89 (Tri. - Bang.)
- (III) Deepak Fertilisers & Petrochemicals Corp. Ltd. Versus CC, Nhava Sheva - 2002 (139) ELT 0328 (Tri. - Mumbai)

2. Rule 2 (b) of Interpretation of the schedule to Central Excise Tariff Act, 1985, provides a change in classification of mixtures or a combination of one material with other material or substance and not the mixture of different physical forms of one and the same material.

3. From the perusal of HSN explanatory note appearing below Chapter heading 38.16, it is crystal clear that when powdered Quartz / Quartzite is added with a refractory binder, only then it can come under the purview of Chapter Heading 38.16 of Central Excise Tariff Act, 1985. The materials viz Quartz Grains, Quartz Powder, Quartzite Grains, Quartzite Powder etc. are not the preparations containing any binding agent hence classification thereof under tariff heading 38.16 of Central Excise Tariff Act, 1985 would be legally incorrect.

Hence in my opinion, the products should be classified under Chapter heading 25.06 of Central Excise Tariff as is being done by almost all the manufactures in the industry around the country preparing said products. However, any suggestion / contrary view in this matter are most welcomed.

EVENT GALLERY



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