





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*

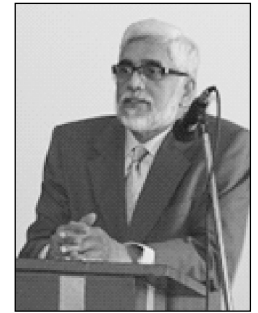
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Date	Payments / Returns
1	Seminar on BUDGET arranged by Bizsol
5	State Excise Act Returns in Form RT-1 / RT-2 for February
6	Excise E- Payments for February Service Tax -E Payments for February
7	Payment of Salary / Wages If employees <1000 TDS Payments for February
10	Payment of Salary / Wages If employees > 1000 ER-1 / ER-2 Returns for February ER-6 Return for February
15	PF Payment Cum Return in Form ECR for February Payment of Water Cess in Form-I for February Advance Tax Final Installment
20	LBT Payments for February
21	ESIC Payments for February VAT Payments for February VAT Monthly Return in Form 231 for February CST Payment & Return in Form III [E] for February
23	Annual payment for renewal of Weight Bridge Certificate
30	ER-7 Return Monthly Profession Tax Payment-cum-return in Form IIIB (having payment more than Rs. 50,000/-) for February Annexure-19 under Central Excise - Proof of Exports for February
31	Apprentice Act- Quarterly Report in Form APP-6 for January to March Excise Duty Payment for March ST Payments for March Professional Tax payment (incase liability less than Rs 50,000 per year) for the period April to March

## FROM THE DESK OF THE CHAIRMAN



In these days of instant messaging and hyper active electronic media an assignment to undertake an analysis of the Budget is fraught with the danger of repetitive recitation. This issue of Bizsol Update, like every year post Budget, carries a clause-by-clause and Act-by-Act analysis of consequential changes of various taxation statutes. Again, as always, I do hope that the readers would find our incisive analysis of both the direct and indirect taxation proposals useful and educative. Without getting into the analysis of the taxation proposals covered elsewhere in this issue let me confine myself to pen some salient features, broad contours and important milestones of this much awaited and talked about Budget.

Arun Jaitley, the Finance Minister after his recent medical treatment did not look in the pink of health when he arrived to present the annual financial document of his government to the Lok Sabha. Having lost weight through a bariatric surgery he looked sick and tired unlike the Indian economy which by all accounts has acquired new wings. Jaitley did not look as if he was all set to deliver something like a 'big - bang' Budget whatever it really means. It is also doubtful if the Finance Minister was taking the advice from his boss on all matters concerning Budget presentations. If he had sought the advice of the PM, the latter would have given a tip or two to his FM on how to dress up for the occasion. The FM's dress sense on this all important occasion left much to be desired. You have to give it to the TV anchors and participants of the TV debates for inventing phrases to slot every action or activity of those in public life. Be that as it may, gone are the days when Budgets used to be only accounting statements of the Government. The only parameter to determine the classification of the Budget used to be whether it was hard or soft. This Budget may or may not be a 'big-bang' one for Arun Jaitley. But for Narendra Modi it is nothing short of a 'huge-bang' exercise because of

the context and setting in which the Budget was unveiled.

Unlike in the past this Budget assumes huge significance as much for the content as for the context. Days before the B-day the Cabinet accepted the recommendations of the 14th Finance Commission headed by the former Governor of the Reserve Bank of India, Mr. Y V Reddy. This report of the Commission had recommended devolution 62% of the tax revenues collected by the Centre to the states including the grants-in-aid. This was path breaking, for not only that the government was living up to its promise of co-operative federalism, but also was in effect ceding space which was considered all too powerful in the previous dispensation which tried to concentrate all possible resources to itself. In one stroke the Central government augmented the resources of the states by passing on unprecedented share of taxes to them.

One week before the presentation of the Budget on 20th February 2015 the Reserve Bank of India and the Central Government inked a historic Monetary Policy Framework Agreement aimed to redesign the monetary policy architecture which is hailed as the single most important monetary policy initiative since the opening up of the Indian economy. As per this Agreement India's central bank will aim to bring down inflation to below 6 percent by Jan 2016. Consumer inflation target for 2016 - 2017 and subsequent years will be 4 percent +/-2 percentage points. Should the RBI fail to achieve this objective it will have to write to the Government outlining the reasons for its failure. Raghuram Rajan, the Governor of RBI finally appears to have got all on board to commit that inflation targeting is the number one priority for the authorities and regulators.

Just two days before the General Budget Suresh Prabhu, the Railway Minister handpicked earlier by

the Prime Minister for the job virtually redefined his own role in this all important Ministry - from that of a distributor of sops with dubious intentions to that of a professional Chief Executive Officer of the ministry he heads. Perhaps for the first time in recent history a Minister of Railways transcended the state boundaries and looked at Indian Railways as Indian Railways. Shiv Sena can have one more reason to be upset with Prabhu, for he did not transform himself into a Minister for Maharashtra Railways! True to form Prabhu did a remarkable job of not announcing any new trains - another first in recent times. Instead, he set out his goals, the drivers and his thrust areas with clinical precision and focus - typical CEO style. The Railway Minister and his Budget had a vision for the future with a precise roadmap for its its execution.

Sandwiched between the Railway Budget and the General Budget came the Economic Survey authored by the Chief Economic Advisor to the Government Mr. Aravind Subramanian. Based on the revised methodology of compiling the fiscal numbers by the Central Statistics Office the Economic Survey has projected a rate of growth of the economy at an impressive 8% to 8.5%. Though the new methodology adopted for calculating the fiscal numbers are in line with the generally accepted international standards there is still room for the authorities to compare and reconcile the old and the new series. Notwithstanding this the Survey did project a sound fiscal position for the country and in the process unintentionally set the tone for the impending Budget to follow the next day.

It is in this setting that Arun Jaitley, the Finance Minister presented his Budget to the Parliament. Luck favours the brave, so goes the saying. Jaitley would vouch for it. When he presented the last Budget in July 14 he accepted the challenge of achieving a fiscal deficit target of 4.1% for 2014-15. Circumstances appear to have conspired to enable the FM to achieve this target, if not better them. The Budget envisages a fiscal deficit target of 3.9% for 2015-16. He, however, has pushed the date for achieving the fiscal deficit target of 3% as mandated by the Fiscal Responsibility and Budget Management Act (FRBM) by one more year to 2017-18. All eyes were on what the FM would do vis-a-vis this target, for any attempt to dilute the targets and indulge in fiscal profligacy in the name of

providing immediate growth momentum to the economy would have ruffled the feathers of the rating agencies for sure. Jaitley appears to have struck a compromise here.

In the good old days when word processing softwares were relatively new, the acronym WYSIWYG used to be quite popular. It stands for 'What You See Is What You Get'. This acronym helps us to describe Modi. He is not apologetic about what he does. When the Budget proposed a phased reduction of corporate tax from 30% to 25% over the next four years and a proposal to abolish Wealth Tax Act Modi government must have been aware of the potential reactions to these proposals. Modi through Jaitley is unapologetic about what the Budget has done. The effective tax rate for the corporate hovers around 23% after accounting for all the exemptions and benefits. In one stroke the FM has proposed to do away with all the exemptions and rationalise the tax rates. The proposal, for all that you know, may be revenue-neutral; but it is not politics-neutral. The Opposition has already taken the opportunity to tom-tom that the Budget is pro rich because it is pro corporate. Arun Jaitley by abolishing the Wealth Tax Act has provided further ammunition to his critics, economic logic notwithstanding. The figures of collection of tax under this Act reveal the ground realities. Enacted in 1957 this Act is now more a compendium of nuisance coupled with compliance nightmares. The super rich would rather pay the additional surcharge now imposed than being haunted by this stealth tax.

The stamp of Modi is all over the Budget. While the Pradhan Mantri Gram Sinchai Yojana aims at "per drop more crop" the newly proposed Mudra Bank envisages a 'fund for the unfunded' for new entrepreneurs on similar lines as the 'bank for the unbanked' through the Pradhan Manthri Jandhan Yojana. Narendra Modi's penchant for slogans is well-known. The Finance Minister left no one in doubt about who the real hero of the Budget was. I could count no less than six Pradhan Manthri Yojanas in his proposals though FM made sure that they were not called Narendra Modi Yojanas. Therein lies one major take away from this Budget. The Budget seeks to tweak, trim or trash a number of existing Yojanas, a majority of them bear the name of one or the other member of the Gandhi (new version) family.

The announcements in the Budget on the infrastructure front were on expected lines. The hefty allocation for this all important sector has not come one day too soon. With an allocation of Rs.70,000 crores and with a promise to give more depending on the ability of the government based on the buoyancy of the economy it may turn out to be the most important part of this Budget together with a number of steps for additional investment in this sector. The Public Private Partnership model of which the PM is a big fan is about to get a facelift. The announcement of five ultra mega power projects with an investment of no less than one lakh crores is significant for more reasons than one. Apart from the crying need for this investment, the operative mechanism of this proposal has caught the fancy of many. As the FM called it, it is a 'plug and play' model where the government would auction the project along with all the statutory clearances required and the private sector can bid, operate and profit. That is some welcome initiative.

Modi government's eagerness to reach out to the aam aadmi was also all too visible in the Budget. There were a slew of proposals with an eye on the financial inclusion of the under privileged. The government appears to be gung-ho about the efficacy of the delivery mechanism of subsidies through what the minister called JAM - Jan Dhan, Aadhar and Mobile. Deploying these as powerful tools to distribute subsidies the government has laid out a number of social welfare schemes, insurance coverage and pension. That is called leveraging on the investments made by the previous regime to one's own advantage. As long as it serves the intended purpose one should have no reason to complain.

The Indians' penchant for the yellow metal is only well-known. No amount of fiscal, monetary and statutory measures has succeeded in arresting the urge of an average Indian to splurge on gold. Necessity is the mother of invention - and innovation. The Finance Minister has proposed a number of measures to harness the intrinsic value of gold stashed away in the dark rooms in various parts of the country. The government has proposed to introduce the Gold Monetisation Scheme and would also make gold coins indigenously. Even as the hidden value of gold finds productive use, the owner of the

metal ears returns on it with little effort and no risk. That is called win-win.

There are a number of noble and not so noble items in the wish list of the FM that has found their place in the Budget. Having failed to bring back black money stashed abroad as promised during the elections the FM is all set to legislate a draconian statute to be enacted during this fiscal. More things change, more they remain the same. FERA became FEMA and now FEMA is about to become FERA again - some roller coaster ride with the alphabets! The Budget also proposes to finally set up the much talked about Public Debt Management Agency (PDMA) to synchronise the management of India's external borrowings and domestic debt. How far will this move affect the autonomy of the Reserve Bank of India remains to be seen. The FM also waxed eloquent about the need for bringing in a bankruptcy code. It may turn out to be something similar to the Chapter XI proceedings existing in the United States. If you have a right to enter, ideally you should also have a right to exit as well.

The time when the Prime Minister thumped his desk the loudest was when the FM announced in his Budget speech that propagating Yoga would be deemed to be a charitable purpose. This would benefit trusts set up by various gurus including Baba Ramdev which also carry out commercial activities in the name of yoga. Sometimes it pays to have your Prime Minister an ardent practitioner of Yoga.

A discussion on the Budget cannot be complete without hearing the voice of the Opposition. The Left parties normally prepare their dissenting opinions even before the Budget papers go for printing. The Congress presented an insipid and clichéd opposition to the Budget. The party has not yet got used to the role as an opposition party as it always considers itself to be the natural party of governance. However, there was one outstanding exception. Chidambaram, the former Finance Minister did punch holes on the various claims made by Arun Jaitley with facts, figures and analysis in his inimitable style. That was some refreshing change.

Foreign Institutional Investors, the biggest movers of Indian stocks, got their wish list fulfilled in this Budget at last. The Finance Minister postponed the

implementation of the potentially cantankerous General Anti Avoidance Rules of taxation (GAAR), and also proposed that offshore investors do not have to pay Minimum Alternate Tax (MAT). FIIs have also been allowed to invest in Private Equity Funds. GAAR is being allowed to die a natural death. The President of India may now be having regrets in having given his formal consent to the FM to present the Budget. But then, little would he have known that the FM would dump one of his favourite, albeit draconian tax initiatives. That is democracy for you! The Government does not want to appear to be held guilty of murder of GAAR whereas in the case of Direct Taxes Code (DTC) the FM pronounced it dead as a matter of mere formality. Here Chidambaram can have a serious grievance having burnt midnight oil to put together a legislation which would have carried

his name as the author.

While talking about death and burial I get tremendous satisfaction in writing the obituary for that tax called Primary Education Cess and the Secondary Education Cess. I feel liberated from having to work with decimals and the attendant clerical tedium. Will someone enlighten us about whatever happened to the proceeds collected so far and its utilisation, for Cess by definition is a focussed tax for an identified project or activity. With this the remaining vestige of memory of the Left parties who had a say in running the government in the past and had a big hand in getting this Cess imposed and collected also stands finally buried.

Thank you.

**Venkat R. Venkitachalam**



## BUDGET ANALYSIS 2015-16

### Customs Act 1962

Sec No. / R No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
28(2)	Date on which assent to the Finance Bill is received	Section 28 (2) - Proviso - New		Provided that where notice under clause (a) of sub-section (1) has been served and the proper officer is of the opinion that the amount of duty along with interest payable thereon under section 28AA or the amount of interest, as the case may be, as specified in the notice, has been paid in full within thirty days from the date of receipt of the notice, no penalty shall be levied and the proceedings against such person or other persons to whom the said notice is served under clause (a) of sub-section (1) shall be deemed to be concluded	It is welcome provision so as to reduce the litigation if : <ul style="list-style-type: none"> <li>• SCN has been served for demand of duty and interest thereon within one year &amp; the said amount of duty and interest has been paid within 30 days from the date of receipt of notice, no penalty proceedings to be initiated and such SCN issued is deemed to be concluded</li> </ul>
28(5)	Date on which assent to the Finance Bill is received		(5) Where any duty has not been levied or has been short-levied or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under section 28AA and the penalty equal to twenty-five per cent. of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.	(5) Where any duty has not been levied or has been short-levied or the interest has not been charged or has been part-paid or the duty or interest has been erroneously refunded by reason of collusion or any wilful mis-statement or suppression of facts by the importer or the exporter or the agent or the employee of the importer or the exporter, to whom a notice has been served under sub-section (4) by the proper officer, such person may pay the duty in full or in part, as may be accepted by him, and the interest payable thereon under section 28AA and the penalty equal to Fifteen per cent. of the duty specified in the notice or the duty so accepted by that person, within thirty days of the receipt of the notice and inform the proper officer of such payment in writing.	It is welcome provision. When duty is demanded alleging suppression of fact willful mis-statement, willful mis-declaration etc. and duty and interest is paid, in such case penalty is reduced from 25% to 15%.

Sec No. / R No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
28	Date on which assent to the Finance Bill is received	Explanation 3 has been newly inserted		Explanation 3.- For the removal of doubts, it is hereby declared that the proceedings in respect of any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued under sub-section (1) or sub-section (4), as the case may be, but an order determining duty under sub-section (8) has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall, without prejudice to the provisions of sections 135, 135A and 140, as may be applicable, be deemed to be concluded, if the payment of duty, interest and penalty under the proviso to sub-section (2) or under subsection (5), as the case made in full within thirty days from the date on which such assent is received."	The said provision has been made applicable for the such cases, where OIO has not been issued and duty has not been confirmed and if the duty demand alongwith interest is paid within 30 days from the date of receipt of assent to the bill, then such cases deemed to be concluded.
112 (b)(ii)	Date on which assent to the Finance Bill is received		(ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded on such goods or five thousand rupees, whichever is the greater;	"(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher: Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;".	Welcome Provision. In case of demand without having any allegation of suppression of facts etc. The penalty provision has been substantially reduced to 10% of the duty or Rs. 5000/- whichever is higher. Instead of equal duty or Rs. 5000/- whichever is higher. And if such penalty so levied is paid within 30 days from the communication of order then penalty will be reduced to 25% of the penalty, so determined (25% of 10% or Rs. 5000/- whichever is higher.
114(ii)	Date on which assent to the Finance Bill is received	R	(ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded or five thousand rupees, whichever is the greater;	(ii) in the case of dutiable goods, other than prohibited goods, subject to the provisions of section 114A, to a penalty not exceeding ten per cent. of the duty sought to be evaded or five thousand rupees, whichever is higher:	Welcome Provision. In case of demand without having any allegation of suppression of facts etc. The penalty provision has been substantially reduced to 10% of the duty or Rs. 5000/- whichever is



Sec No. / R No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
				Provided that where such duty as determined under sub-section (8) of section 28 and the interest payable thereon under section 28AA is paid within thirty days from the date of communication of the order of the proper officer determining such duty, the amount of penalty liable to be paid by such person under this section shall be twenty-five per cent. of the penalty so determined;".	higher. Instead of equal duty or Rs. 5000/- whichever is higher. And if such penalty so levied is paid within 30 days from the communication of order then penalty will be reduced to 25% of the penalty, so determined (25% of 10% or Rs. 5000/- whichever is higher.
127A	Date on which assent to the Finance Bill is received		(b) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of customs duty, pending before an adjudicating authority on the date on which an application under sub-section (1) of section 127B is made : Provided that when any proceeding is referred back in any appeal or revision, as the case may be, by any court, Appellate Tribunal or any other authority, to the adjudicating authority for a fresh adjudication or decision, as the case may be, then such proceeding shall not be deemed to be a proceeding pending within the meaning of this clause;	(b) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of customs duty, pending before an adjudicating authority on the date on which an application under sub-section (1) of section 127B is made : Provided that when any proceeding is referred back, as the case may be, by any court, Appellate Tribunal or any other authority, to the adjudicating authority for a fresh adjudication or decision, as the case may be, then such proceeding shall not be deemed to be a proceeding pending within the meaning of this clause;	Appeal / revision has been omitted from the proviso mainly for ascertaining for the pending cases.
127B (1A)	Date on which assent to the Finance Bill is received		(1A) Notwithstanding anything contained in sub-section (1), where an application was made under sub-section (1) before the 1st day of June, 2007 but an order under sub-section (1) of section 127C has not been made before the said date, the applicant shall within a period of thirty days from the 1st day of June, 2007 pay the accepted duty liability failing which his application shall be liable to be rejected.	Omitted	Redundant provision has been omitted.

Sec No. / R No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
127C (6)	Date on which assent to the Finance Bill is received		<p>(6) An order under subsection (5) shall not be passed in respect of an application filed on or before the 31st day of May, 2007, later than the 29th February, 2008 and in respect of an application made on or after the 1st day of June, 2007, after nine months from the last day of the month in which the application was made, failing which the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under section 127B had been made.</p> <p>Provided that the period specified under this subsection may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months.</p>	Omitted	Redundant provision has been omitted.
127E	Date on which assent to the Finance Bill is received		<p>If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending before it, it is necessary or expedient to reopen any proceeding connected with the case but which has been completed under this Act before application for settlement under section 127B was made, it may, with the concurrence of the applicant, reopen such proceeding and pass such order thereon as it thinks fit, as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also:</p>	Omitted	Powers of Settlement Commissioner to reopen the cases has been withdrawn.

Sec No. / R No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			<p>Provided that no proceeding shall be reopened by the Settlement Commission under this section after the expiry of five years from the date of application under sub-section (1) of section 127B.</p> <p>Provided further that no proceeding shall be reopened by the Settlement Commission under this section in a case where an application under section 127B is made on or after the 1st day of June, 2007.</p>		
127H(1)	Date on which assent to the Finance Bill is received		Explanation. - For the removal of doubts, it is hereby declared that the application filed before the Settlement Commission on or before the 31st day of May, 2007 shall be disposed of as if the amendment in this section had not come into force	Omitted	Redundant provision has been omitted.
127L(1)	Date on which assent to the Finance Bill is received	Bar on subsequent application for settlement in certain cases.	<p>(i) an order of settlement passed under sub-section (7) of section 127C as it stood immediately before the commencement of section 102 of the Finance Act, 2007(22 of 2007) or sub-section (5) of section 127C provides for the imposition of a penalty on the applicant under section 127B for settlement, on the ground of concealment of particulars of his duty liability; or</p> <p>(ii) after the passing of an order of settlement under said sub-section (7) as it stood immediately before the commencement of section 102 of the Finance Act, 2007 (22 of 2007) or sub-section (5) of section 127C in relation to a case, such person is convicted of any offence under this Act in relation to that case; or</p> <p>(iii) the case of such person is sent back to the proper officer by the Settlement Commission under section 127-I, then such person shall not be entitled to apply for settlement under section 127B in relation to any other matter.</p>	<p>(i) an order of settlement provides for the imposition of a penalty on the applicant under section 127B for settlement, on the ground of concealment of particulars of his duty liability; or</p> <p>(ii) after the passing of an order of settlement in relation to a case, such person is convicted of any offence under this Act in relation to that case; or</p> <p>(iii) the case of such person is sent back to the proper officer by the Settlement Commission under section 127-I, then such person shall not be entitled to apply for settlement under section 127B in relation to any other matter.</p>	The order prior to 2007 is omitted being redundant.

## Central Excise Act 1944

Sec. No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
3A	Date on which assent to the Finance Bill is received	Newly Added		Explanation 3.-- For the purposes of sub-sections (2) and (3), the word "factor" includes "factors"	Powers has been given to determine the annual capacities based on one or more factors
11A	Date on which assent to the Finance Bill is received	Omitted	<p>(5) Where, during the course of any audit, investigation or verification, it is found that any duty has not been levied or paid or short-levied or short-paid or erroneously refunded for the reason mentioned in clause (a) or clause (b) or clause (c) or clause (d) or clause (e) of sub-section (4) but the details relating to the transactions are available in the specified record, then in such cases, the Central Excise Officer shall within a period of five years from the relevant date, serve a notice on the person chargeable with the duty requiring him to show cause why he should not pay the amount specified in the notice along with interest under section 11AA and penalty equivalent to fifty per cent of such duty.</p> <p>(6) Any person chargeable with duty under sub-section (5), may, before service of show cause notice on him, pay the duty in full or in part, as may be accepted by him along with the interest payable thereon under section 11AA and penalty equal to one per cent of such duty per month to be calculated from the month following the month in which such duty was payable, but not exceeding a maximum of twenty-five per cent of the duty, and inform the Central Excise Officer of such payment in writing.</p>		<p>Penalty structure has been rationalized and the provisions w.r.t. duty short levied or short paid on account of suppression of facts etc. and if such duty is paid alongwith interest before issue of SCN, penalty was to the extent of 1% per month, maximum to 25% duty and if it is paid, no SCN will be issued.</p> <p>All these provisions have been omitted.</p>

Sec. No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			<p>7) The Central Excise Officer, on receipt of information under sub-section (6) shall-</p> <p>(i) not serve any notice in respect of the amount so paid and all proceedings in respect of the said duty shall be deemed to be concluded where it is found by the Central Excise Officer that the amount of duty, interest and penalty as provided under sub-section (6) has been fully paid;</p> <p>(ii) Proceed for recovery of such amount if found to be short-paid in the manner specified under sub-section (1) and the period of one year shall be computed from the date of receipt of such information.</p>		
<p>11A(7A) 11A(8) 11A(11)(b)</p>		<p>Omitted</p>	<p>7A "Notwithstanding anything contained in sub-section (1) or sub-section (3) or sub-section (4) or sub-section (5), the Central Excise Officer may, serve, subsequent to any notice or notices served under any of those sub-sections, as the case may be, a statement, containing the details of duty of central excise not levied or paid or short-levied or short-paid or erroneously refunded for the subsequent period, on the person chargeable to duty of central excise, then, service of such statement shall be deemed to be service of notice on such person under the aforesaid sub-section (1) or sub-section (3) or sub-section (4) or sub-section (5), subject to the condition that the grounds relied upon for the subsequent period are the same as are mentioned in the earlier notice or notices."</p>	<p>(7A)"Notwithstanding anything contained in sub-section (1) or sub-section (3) or sub-section (4) or sub-section (5), the Central Excise Officer may, serve, subsequent to any notice or notices served under any of those sub-sections, as the case may be, a statement, containing the details of duty of central excise not levied or paid or short-levied or short-paid or erroneously refunded for the subsequent period, on the person chargeable to duty of central excise, then, service of such statement shall be deemed to be service of notice on such person under the aforesaid sub-section (1) or sub-section (3) or sub-section (4), subject to the condition that the grounds relied upon for the subsequent period are the same as are mentioned in the earlier notice or notices."</p> <p>(8) In computing the period of one year referred to in clause (a) of subsection (1) or five years referred to in sub-section (4), the period during</p>	<p>Redundant provision has been omitted, since sub section 5 is omitted as per above amendment.</p>

Sec. No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			<p>(8) In computing the period of one year referred to in clause (a) of subsection (1) or five years referred to in sub-section (4) or sub-section (5), the period during which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) within one year from the date of notice in respect of cases falling under subsection (4) or sub-section (5).</p>	<p>which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) Within one year from the date of notice in respect of cases falling under subsection (4).</p>	
11A (Explanation-1) (b)(ii)	Date on which assent to the Finance Bill is received	Omitted	(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed on due date, the date on which such return has been filed;	(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed, the date on which such return has been filed;	The provision considering the filing of returns, on due date has been omitted.
11A(vi)	Date on which assent to the Finance Bill is received	Newly Added		(vi) in the case where only interest is to be recovered, the date of payment of duty to which such interest relates.";	Revision factor has also been applicable for interest and relevant date for the same is date of duty payment
11A (Explanation-1) (c)	Date on which assent to the Finance Bill is received	Omitted	(c) "specified records" means records including computerised records maintained by the person chargeable with the duty in accordance with any law for the time being in force.!		Specific record has been deleted from the explanation provided in Sec 11A(c)
11A (16)	Date on which assent to the Finance Bill is received	Newly Added		(16) The provisions of this section shall not apply to a case where the liability of duty not paid or short-paid is self-assessed and declared as duty	Recovery of duty demand for the amount reflected in returns but not paid not to be covered under Sec 11A.

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				payable by the assessee in the periodic returns filed by him, and in such case, recovery of non-payment or short payment of duty shall be made in such manner as may be prescribed.	Recovery proceedings can be initiated under different provisions.
11A (Explanation 2)	Date on which assent to the Finance Bill is received		Explanation 2.- For the removal of doubts, it is hereby declared that any non-levy, shortlevy, non-payment, short-payment or erroneous refund before the date on which the Finance Bill, 2011 receives the assent of the President, shall continue to be governed by the provisions of section 11A as it stood immediately before the date on which such assent is received	Explanation 2.- For the removal of doubts, it is hereby declared that any non-levy, shortlevy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President, shall be governed by the provisions of section 11A as amended by the Finance Act, 2015	Explanation has been corrected so as to in line with this Finance Bill
11AC	Date on which assent to the Finance Bill is received		Penalty for short-levy or non-levy of duty in certain cases. - (1) The amount of penalty for non-levy or short-levy or non-payment or short payment or erroneous refund shall be as follows :- (a) where any duty of excise has not been levied or paid or short-levied or short paid or erroneously refunded, by reason of fraud or collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of this Act or of the rules made there under with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty equal to the duty so determined; (b) where details of any transaction available in the specified records, reveal that any duty of excise has not been levied	11AC. (1) The amount of penalty for non-levy or short-levy or non-payment or short-payment or erroneous refund shall be as follows:- (a) where any duty of excise has not been levied or paid or has been short-levied or shortpaid or erroneously refunded, for any reason other than the reason of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty not exceeding ten percent of the duty so determined or rupees five thousand, whichever is higher: Provided that where such duty and interest payable under section 11AA is paid either before the issue of show cause notice or within thirty days of issue of show cause notice, no penalty shall be payable by the person liable	Penalty provision has been rationalized. Refer Separate Chart. Further, if during the adjudication upto CESTAT and penalty is increased or modified and such amount is paid within 30 days, then penalty will be further reduced to 25% of the total penalty so modified or increased.

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			<p>or paid or short-levied or short-paid or erroneously refunded as referred to in sub-section (5) of section 11A, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty equal to fifty per cent of the duty so determined;</p> <p>(c) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (b) is paid within thirty days of the date of communication of order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent of the duty so determined;</p> <p>(d) where the appellate authority modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10) of section 11A, then, the amount of penalties and interest payable shall stand modified accordingly and after taking into account the amount of duty of excise so modified, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay such amount of penalty or interest so modified.</p> <p>Explanation.-For the removal of doubts, it is hereby declared that in a case where a notice has been served under sub-section (4) of section 11A and subsequent to issue of such notice, the Central</p>	<p>to pay duty or the person who has paid the duty and all proceedings in respect of said duty and interest shall be deemed to be concluded;</p> <p>(b) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (a) is paid within thirty days of the date of communication of the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the penalty imposed, subject to the condition that such reduced penalty is also paid within the period so specified;</p> <p>(c) where any duty of excise has not been levied or paid or has been short-levied or shortpaid or erroneously refunded, by reason of fraud or collusion or any wilful misstatement or suppression of facts, or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay a penalty equal to the duty so determined:</p> <p>Provided that in respect of the cases where the details relating to such transactions are recorded in the specified record for the period beginning with 8th April, 2011 up to the date on which the Finance Bill, 2015 receives the assent of the President (both days inclusive), the penalty shall be fifty per cent of the duty so determined;</p> <p>(d) where any duty demanded in a show cause notice and the</p>	



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			<p>Excise Officer is of the opinion that the transactions in respect of which notice was issued have been recorded in specified records and the case falls under sub-section (5), penalty equal to fifty per cent of the duty shall be leviable.</p> <p>(2) Where the amount as modified by the appellate authority is more than the amount determined under sub-section (10) of section 11A by the Central Excise Officer, the time within which the interest or penalty is payable under this Act shall be counted from the date of the order of the appellate authority in respect of such increased amount."</p>	<p>interest payable thereon under section 11AA, issued in respect of transactions referred to in clause (c), is paid within thirty days of the communication of show cause notice, the amount of penalty liable to be paid by such person shall be fifteen per cent. of the duty demanded, subject to the condition that such reduced penalty is also paid within the period so specified and all proceedings in respect of the said duty, interest and penalty shall be deemed to be concluded;</p> <p>(e) where any duty as determined under sub-section (10) of section 11A and the interest payable thereon under section 11AA in respect of transactions referred to in clause (c) is paid within thirty days of the date of communication of the order of the Central Excise Officer who has determined such duty, the amount of penalty liable to be paid by such person shall be twenty-five per cent. of the duty so determined, subject to the condition that such reduced penalty is also paid within the period so specified.</p> <p>(2) Where the appellate authority or tribunal or court modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10) of section 11A, then, the amount of penalty payable under clause (c) of sub-section (1) and the interest payable under section 11AA shall stand modified accordingly and after taking into account the amount of duty of excise so modified, the person who is liable to pay duty as determined under sub-section (10) of section 11A shall also be liable to pay such amount of penalty and interest so modified.</p> <p>(3) Where the amount of duty or penalty is increased by the</p>	

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				<p>appellate authority or tribunal or court over the amount determined under sub-section (10) of section 11A by the Central Excise Officer, the time within which the interest and the reduced penalty is payable under clause (b) or clause (e) of sub-section (1) in relation to such increased amount of duty shall be counted from the date of the order of the appellate authority or tribunal or court.</p> <p>Explanation 1.- For the removal of doubts, it is hereby declared that-</p> <p>(i) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where no show cause notice has been issued before the date on which the Finance Bill, 2015 receives the assent of the President shall be governed by the provisions of section 11AC as amended by the Finance Act, 2015;</p> <p>(ii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where show cause notice has been issued but an order determining duty under sub-section (10) of section 11A has not been passed before the date on which the Finance Bill, 2015 receives the assent of the President, shall be eligible to closure of proceedings on payment of duty and interest under the proviso to clause (a) of sub-section (1) or on payment of duty, interest and penalty under clause (d) of sub-section (1), subject to the condition that the payment of duty, interest and penalty, as the case may be, is made within thirty days from the date on which the Finance Bill, 2015 receives the assent of the President;</p> <p>(iii) any case of non-levy, short-levy, non-payment, short-payment or erroneous refund where an order deter-</p>	

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				<p>mining duty under sub-section (10) of section 11A is passed after the date on which the Finance Bill, 2015 receives the assent of the President shall be eligible to payment of reduced penalty under clause (b) or clause (e) of sub-section (1), subject to the condition that the payment of duty, interest and penalty is made within thirty days of the communication of the order.</p> <p>Explanation 2.-- For the purposes of this section, the expression "specified records" means</p> <p>records maintained by the person chargeable with the duty in accordance with any law for the timebeing in force and includes computerised records."</p>	
31 (c)	Date on which assent to the Finance Bill is received		(c) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of excise duty, pending before an adjudicating authority on the date on which an application under sub-section (1) of section 32E is made: Provided that when any proceeding is referred back in any appeal or revision, as the case may be, by any court, Appellate Tribunal or any other authority, to the adjudicating authority for a fresh adjudication or decision, as the case may be, then such proceeding shall not be deemed to be a proceeding pending within the meaning of this clause;	(c) "case" means any proceeding under this Act or any other Act for the levy, assessment and collection of excise duty, pending before an adjudicating authority on the date on which an application under sub-section (1) of section 32E is made: Provided that when any proceeding is referred back, as the case may be, by any court, Appellate Tribunal or any other authority, to the adjudicating authority for a fresh adjudication or decision, as the case may be, then such proceeding shall not be deemed to be a proceeding pending within the meaning of this clause;	Appeal/ revision has been omitted from the proviso mainly for ascertaining for the pending cases.
32(3)	Date on which assent to the Finance Bill is received	Settlement Commission	(3) The Chairman, Vice-Chairman and other Members of the Settlement Commission shall be appointed by the Central Government from amongst persons of integrity and outstanding	(3) The Chairman, Vice-Chairman and other Members of the Settlement Commission shall be appointed by the Central Government from amongst persons of integrity and outstanding knowledge of, and experience	The proviso has been deleted and provisions applicable to all the members will be applicable to Chairman & Vice Chairman.

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			<p>ability, having special knowledge of, and experience in, administration of customs and central excise laws:</p> <p>Provided that, where a member of the Board is appointed as the Chairman, Vice-Chairman or as a Member of the Settlement Commission, he shall cease to be a member of the said Board.</p>	<p>in, administration of customs and central excise laws:</p>	
32B	Date on which assent to the Finance Bill is received	Vice-Chairman to act as Chairman or to discharge his functions in certain circumstances.	<p>(1) In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the Vice-Chairman or, as the case may be, such one of the Vice-Chairmen as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Chapter to fill such vacancy, enters upon his office.</p> <p>(2) When the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the Vice-Chairman or, as the case may be, such one of the Vice-Chairmen as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.</p>	<p>(1) In the event of the occurrence of any vacancy in the office of the Chairman by reason of his death, resignation or otherwise, the Member or, as the case may be, such one of the Member as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall act as the Chairman until the date on which a new Chairman, appointed in accordance with the provisions of this Chapter to fill such vacancy, enters upon his office.</p> <p>(2) When the Chairman is unable to discharge his functions owing to absence, illness or any other cause, the Member or, as the case may be, such one of the Member as the Central Government may, by notification in the Official Gazette, authorise in this behalf, shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.</p>	Perhaps the position of Vice Chairman may be eliminated since it has been replaced with members.
32E	Date on which assent to the Finance Bill is received	Application for settlement of cases	(1A)Notwithstanding anything contained in sub-section (1), where an application was made under sub-section (1), before the 1st day of June, 2007	Omitted	Redundant provision is omitted

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			<p>but an order under sub-section (1) of section 32F has not been made before the said date or payment of amount so ordered by the Settlement Commission under sub-section (1) of section 32F has not been made, the applicant shall within a period of thirty days from the 1st day of June, 2007, pay the accepted duty liability failing which his application shall be liable to be rejected.</p>		
32F (6)	Date on which assent to the Finance Bill is received	Procedure on receipt of an application under section 32E	<p>(6) An order under sub-section (5) shall not be passed in respect of an application filed on or before the 31st day of May, 2007, later than the 29th day of February, 2008 and in respect of an application made on or after the 1st day of June, 2007, after nine months from the last day of the month in which the application was made, failing which the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under section 32E had been made. Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months.</p>	<p>(6) An order under sub-section (5) shall not be passed in respect of an application filed on, after nine months from the last day of the month in which the application was made, failing which the settlement proceedings shall abate, and the adjudicating authority before whom the proceeding at the time of making the application was pending, shall dispose of the case in accordance with the provisions of this Act as if no application under section 32E had been made. Provided that the period specified under this sub-section may, for reasons to be recorded in writing, be extended by the Settlement Commission for a further period not exceeding three months.</p>	Redundant provision is omitted
32H	Date on which assent to the Finance Bill is received	Power of Settlement Commission to reopen completed proceedings	If the Settlement Commission is of the opinion (the reasons for such opinion to be recorded by it in writing) that, for the proper disposal of the case pending	Omitted	Power of Settlement Commission to reopen completed proceedings has been withdrawn

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			<p>before it, it is necessary or expedient to reopen any proceeding connected with the case but which has been completed under this Act before application for settlement under section 32E was made, it may, with the concurrence of the applicant, reopen such proceeding and pass such order thereon as it thinks fit, as if the case in relation to which the application for settlement had been made by the applicant under that section covered such proceeding also :</p> <p>Provided that no proceeding shall be reopened by the Settlement Commission under this section after the expiry of five years from the date of application.</p> <p>Provided further that no proceeding shall be reopened by the Settlement Commission under this section in a case where an application under section 32E is made on or after the 1st day of June, 2007.</p>		
32K	Date on which assent to the Finance Bill is received	Power of Settlement Commission to grant immunity from prosecution and penalty	(1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 32E has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his duty liability, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act [and also either wholly or in part from the imposition of any penalty and fine] under this Act, with respect to the case covered by the settlement :	(1) The Settlement Commission may, if it is satisfied that any person who made the application for settlement under section 32E has co-operated with the Settlement Commission in the proceedings before it and has made a full and true disclosure of his duty liability, grant to such person, subject to such conditions as it may think fit to impose, immunity from prosecution for any offence under this Act [and also either wholly or in part from the imposition of any penalty and fine] under this Act, with respect to the case covered by the settlement : Provided that no such immunity shall be granted by the	Being explanation was redundant, omitted

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			<p>Provided that no such immunity shall be granted by the Settlement Commission in cases where the proceedings for the prosecution for any such offence have been instituted before the date of receipt of the application under section 32E.</p> <p>[Explanation. - For the removal of doubts, it is hereby declared that applications filed before the Settlement Commission on or before the 31st day of May, 2007 shall be disposed of as if the amendment in this section had not come into force.]</p>	Settlement Commission in cases where the proceedings for the prosecution for any such offence have been instituted before the date of receipt of the application under section 32E.	
32 O	Date on which assent to the Finance Bill is received	Bar on subsequent application for settlement in certain cases	<p>(i) an order of settlement passed under sub-section (7) of section 32F, as it stood immediately before the commencement of section 122 of the Finance Act, 2007(22 of 2007) or sub-section 5 of section 32F, provides for the imposition of a penalty on the person who made the application under section 32E for settlement, on the ground of concealment of particulars of his duty liability; or</p> <p>(ii) after the passing of an order of settlement under the said sub-section (7), as it stood immediately before the commencement of section 122 of the Finance Act, 2007(22 of 2007) or sub-section 5 of section 32F, in relation to a case, such person is convicted of any offence under this Act in relation to that case; or</p>	<p>(i) an order of settlement, provides for the imposition of a penalty on the person who made the application under section 32E for settlement, on the ground of concealment of particulars of his duty liability; or</p> <p>(ii) after the passing of an order of settlement, in relation to a case, such person is convicted of any offence under this Act in relation to that case; or</p>	Redundant provision is omitted
37 (4)	Date on which assent to the Finance Bill is received	Power of Central Government to make rules	(4) Notwithstanding anything contained in sub-section (3), and without prejudice to the provisions of section 9, in making rules under this	(4) Notwithstanding anything contained in sub-section (3), and without prejudice to the provisions of section 9, in making rules under this section, the Central Government	Penalty amount has been increased from Rs 2000/- to Rs. 5000/-

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			<p>section, the Central Government may provide that if any manufacturer, producer or licensee of a warehouse -</p> <p>a) removes any excisable goods in contravention of the provisions of any such rule, or</p> <p>b) does not account for all such goods manufactured, produced or stored by him, or</p> <p>c) engages in the manufacture, production or storage of such goods without having applied for the registration required under section 6, or</p> <p>d) contravenes the provisions of any such rule with intent to evade payment of duty, then, all such goods shall be liable to confiscation and the manufacturer, producer or licensee shall be liable to a penalty not exceeding the duty leviable on such goods or two thousand rupees, whichever is greater;</p>	<p>may provide that if any manufacturer, producer or licensee of a warehouse -</p> <p>a) removes any excisable goods in contravention of the provisions of any such rule, or</p> <p>b) does not account for all such goods manufactured, produced or stored by him, or</p> <p>c) engages in the manufacture, production or storage of such goods without having applied for the registration required under section 6, or</p> <p>d) contravenes the provisions of any such rule with intent to evade payment of duty, then, all such goods shall be liable to confiscation and the manufacturer, producer or licensee shall be liable to a penalty not exceeding the duty leviable on such goods or FIVE thousand rupees, whichever is greater;</p>	
37 (5)	Date on which assent to the Finance Bill is received	Power of Central Government to make rules	(5) Notwithstanding anything contained in sub-section (3), the Central Government may make rules to provide for the imposition upon any person who acquires possession of, or is in any way concerned in transporting, removing, depositing, keeping, concealing, selling or purchasing, or in any other manner deals with, any excisable goods which he knows or has reason to believe are liable to confiscation under this Act or the rules made thereunder, a penalty not exceeding the duty leviable on such goods or two thousand rupees, whichever is greater.	(5) Notwithstanding anything contained in sub-section (3), the Central Government may make rules to provide for the imposition upon any person who acquires possession of, or is in any way concerned in transporting, removing, depositing, keeping, concealing, selling or purchasing, or in any other manner deals with, any excisable goods which he knows or has reason to believe are liable to confiscation under this Act or the rules made thereunder, a penalty not exceeding the duty leviable on such goods or FIVE thousand rupees, whichever is greater.	Penalty amount has been increased from Rs 2000/- to Rs. 5000/-



**CENTRAL EXCISE RULES, 2002**

<b>Rule No.</b>	<b>Amendment Effective Date</b>	<b>Provision</b>	<b>Existing Provision</b>	<b>Amendment in Existing / New Provision</b>	<b>Bizsol Analysis</b>
Rule 8, sub-rule (4) of Central Excise Rules, 2002	01-Mar-2015 vide Notification No.08/2015-Central Excise (NT) dated 01.03.2015	Manner of Payment of Duty	(4) The provisions of section 11 of the Act shall be applicable for recovery of the duty as assessed under rule 6 and the interest under sub-rule (3) in the same manner as they are applicable for recovery of any duty or other sums payable to the Central Government	(4) The provisions of section 11 of the Act shall be applicable for recovery of the duty as assessed under rule 6 and the mentioned in the return filed under these rules, interest under sub-rule (3) and the penalty under sub-rule 3(A) in the same manner as they are applicable for recovery of any duty or other sums payable to the Central Government	Now the recovery of duty, interest and penalty to be made in same manner as dues payable to Central Government.
Rule 10 sub rule (3)	01-Mar-2015 vide Notification No.08/2015-Central Excise (NT) dated 01.03.2015	New		"(4) The records under this rule may be preserved in electronic form and every page of the record so preserved shall be authenticated by means of a digital signature.  (5) The Board may, by notification, specify the conditions, safeguards and procedure to be followed by an assessee preserving digitally signed records.	New provision is inserted for keeping records in electronic form and digitally signed so as to reduce the paper work.
Rule 11, sub-rule 2 Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Goods to be removed on invoice	N.A.	"Provided further that if goods are directly sent to a job worker on the direction of a manufacturer or the provider of output service, the invoice shall also contain the details of the manufacturer or the provider of output service, as the case may be, as buyer and contain the details of job worker as the consignee:  Provided also that if the goods are directly sent to any person on the direction of the registered dealer, the invoice shall also contain the details of the registered dealer as the buyer and the person as the consignee, and that person shall take CENVAT credit on the basis of the registered dealer's invoice:  Provided also that if the goods imported under the cover of a bill of entry are sent directly to buyer's premises, the invoice issued by the importer shall mention that goods are sent directly from the place or port of import to the buyer's premises.;	If goods are directly sent to job worker or any other person on behalf of buyer then name of buyer shall also be mentioned on the Invoice.

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Rule 11, sub-rule (7) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Goods to be removed on invoice	The provisions of this rule shall apply mutatis mutandis to goods supplied by a first stage dealer or a second stage dealer.	The provisions of this rule shall apply mutatis mutandis to goods supplied by an importer who issues an invoice on which GEN VAT credit can be taken, or a first stage dealer or a second stage dealer.	Rule 11 also made applicable on registered Importer.
Rule 11, sub-rule (8) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Goods to be removed on invoice	N.A.	"(8) An invoice issued under this rule by a manufacturer may be authenticated by means of a digital signature: Provided that where the duplicate copy of the invoice meant for transporter is digitally signed, a hard copy of the duplicate copy of the invoice meant for transporter and self attested by the manufacturer shall be used for transport of goods.	The option of authentication on an invoice by means of digital signature is introduced. This will expedite the process of clearances.
Rule 11, sub-rule (9) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Goods to be removed on invoice	N.A.	(9) The Board may, by notification, specify the conditions, safeguards and procedure to be followed by an assessee using digitally signed invoice. Explanation. - For the purposes of rule 11 and this rule, the expressions, "authenticate", "digital signature" and "electronic form" shall have the respective meanings as assigned to them in the Information Technology Act, 2000 (21 of 2000).	Separate notification will be issued for procedure and condition for using of digital signature on invoice.
Rule 12, sub-rule (8) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Filing of return	N.A.	"(6) Where any return or Annual Financial Information Statement or Annual Installed Capacity Statement referred to in this rule is submitted by the assessee after due date as specified for every return or statements, the assessee shall pay to the credit of the Central Government, an amount calculated at the rate of one hundred rupees per day subject to a maximum of twenty thousand rupees for the period of delay in submission of each such return or statement."	Henceforth delay in submission of ER-4/ER-7 return will attract penalty of Rs. 100 per day subject maximum Rs. 20,000/-.

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 12CCC Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Power to impose restrictions in certain types of cases	Notwithstanding anything contained in these rules, where the Central Government, having regard to the extent of evasion of duty, nature and type of offences or such other factors as may be relevant, is of the opinion that in order to prevent evasion of, or default in payment of duty of excise, it is necessary in the public interest to provide for certain measures including restrictions on a manufacturer, first stage and second stage dealer or an exporter may, by notification in the Official Gazette, specify the nature of restrictions including suspension of registration in case of a dealer, types of facilities to be withdrawn and procedure for issue of such order by the Chief Commissioner of Central Excise.	Notwithstanding anything contained in these rules, where the Central Government, having regard to the extent of evasion of duty, nature and type of offences or such other factors as may be relevant, is of the opinion that in order to prevent evasion of, or default in payment of duty of excise, it is necessary in the public interest to provide for certain measures including restrictions on a manufacturer, a registered importer, first stage and second stage dealer or an exporter may, by notification in the Official Gazette, specify the nature of restrictions including suspension of registration in case of a dealer, types of facilities to be withdrawn and procedure for issue of such order by the Chief Commissioner of Central Excise.	Provision relating to powers of Central Government to impose restrictions has been extended to registered importer as well.
Rule 17(6) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	New	N.A.	"(6) Where the return is submitted under sub-rule (3) by the assessee after the due date as mentioned in that sub-rule, the assessee shall pay to the credit of the Central Government, an amount calculated at the rate of one hundred rupees per day subject to a maximum of twenty thousand rupees for the period of delay in submission of each return."	Henceforth delay in submission of ER-2 return will attract penalty of Rs. 100 per day subject maximum Rs. 20,000/-.
Rule 18 Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Rebate of duty	Explanation.- Export• includes goods shipped as provision or stores for use on board a ship proceeding to a foreign port or supplied to a foreign going aircraft	"Explanation. - For the purposes of this rule, "export", with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India and includes shipment of goods as provision or stores for use on board a ship proceeding to a foreign port or supplied to a foreign going aircraft."	No rebate will be allowed when goods are cleared to SEZ.

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 22 sub-rule (2) and (3) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Access to a registered premises	<p>2) Every assessee, and first stage and second stage dealer shall furnish to the officer empowered under sub-rule (1), a list in duplicate, of-</p> <p>(i) all the records prepared and maintained for accounting of transaction in regard to receipt, purchase, manufacture, storage, sales or delivery of the goods including inputs and capital goods, as the case may be;</p> <p>(ii) all the records prepared and maintained for accounting of transaction in regard to payment for input services and their receipt or procurement; and (iii) all the financial records and statements including trial balance or its equivalent).</p> <p>3) Every assessee, and first stage and second stage dealer shall, on demand make available to the 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 14 A or section 14 AA of the Act,-</p> <p>(i) the records maintained or prepared by him in terms of sub-rule (2);(ii) the cost audit reports, if any, under section 233B of the Companies Act, 1956(1 of 1956);and (iii) the income-tax audit report, if any, under section 44 AB of the Income-tax Act, 1961 (43 of 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.</p>	<p>2) Every assessee, an importer who issues an invoice on which CENVAT credit can be taken, and first stage and second stage dealer shall furnish to the officer empowered under sub-rule (1), a list in duplicate, of-</p> <p>(i) all the records prepared and maintained for accounting of transaction in regard to receipt, purchase, manufacture, storage, sales or delivery of the goods including inputs and capital goods, as the case may be;</p> <p>(ii) all the records prepared and maintained for accounting of transaction in regard to payment for input services and their receipt or procurement; and</p> <p>(iii) all the financial records and statements including trial balance or its equivalent).</p> <p>3) Every assessee, an importer who issues an invoice on which CENVAT credit can be taken, and first stage and second stage dealer shall, on demand make available to the 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 14 A or section 14 AA of the Act,- (i) the records maintained or prepared by him in terms of sub-rule (2);</p> <p>(ii) the cost audit reports, if any, under section 233B of the Companies Act, 1956(1 of 1956); and (iii) the income-tax audit report, if any, under section 44 AB of the Income-tax Act, 1961 (43 of 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.</p>	The registered Importer also included so as to access his registered premises.

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 25 (1) Proviso	01-Mar-2015 vide Notification No.08/2015-Central Excise (Non-Tariff) dated 01.03.2015	Confiscation and penalty	<p>(1) Subject to the provisions of section 11 AC of the Act, if any producer, manufacturer, registered person of a warehouse or a registered dealer,</p> <p>(a) removes any excisable goods in contravention of any of the provisions of these rules or the notifications issued under these rules; or</p> <p>(b) does not account for any excisable goods produced or manufactured or stored by him; or</p> <p>(c) engages in the manufacture, production or storage of any excisable goods without having applied for the registration certificate required under section 6 of the Act; or</p> <p>(d) contravenes any of the provisions of these rules or the notifications issued under these rules with intent to evade payment of duty,-</p> <p>then, all such goods shall be liable to confiscation and the producer or manufacturer or registered person of the warehouse or a registered dealer, as the case may be, shall be liable to a penalty not exceeding the duty on the excisable goods in respect of which any contravention of the nature referred to in clause (a) or clause (b) or clause (c) or clause (d) has been committed, or two thousand rupees, whichever is greater</p>	<p>(1) Subject to the provisions of section 11 AC of the Act, if any producer, manufacturer, registered person of a warehouse or an importer who issues an invoice on which CENVAT credit can be taken, or a registered dealer,</p> <p>(a) removes any excisable goods in contravention of any of the provisions of these rules or the notifications issued under these rules; or</p> <p>(b) does not account for any excisable goods produced or manufactured or stored by him; or</p> <p>(c) engages in the manufacture, production or storage of any excisable goods without having applied for the registration certificate required under section 6 of the Act; or</p> <p>(d) contravenes any of the provisions of these rules or the notifications issued under these rules with intent to evade payment of duty,-</p> <p>then, all such goods shall be liable to confiscation and the producer or manufacturer or registered person of the warehouse or an importer who issues an invoice on which CENVAT credit can be taken, or a registered dealer, as the case may be, shall be liable to a penalty not exceeding the duty on the excisable goods in respect of which any contravention of the nature referred to in clause (a) or clause (b) or clause (c) or clause (d) has been committed, or five thousand rupees whichever is greater</p>	Now the registered importer also included in this rule and penalty imposable is not exceeding the duty or Rs, 5000/- whichever is greater. Penalty of Rs. 5000/- is increased from Rs.2000/-

**CENVAT CREDIT RULES, 2004**

<b>Rule No.</b>	<b>Amendment Effective Date</b>	<b>Provision</b>	<b>Existing Provision</b>	<b>Amendment in Existing / New Provision</b>	<b>Bizsol Analysis</b>
Rule 4 (1)	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	(1) The CENVAT credit in respect of inputs may be taken immediately on receipt of the inputs in the factory of the manufacturer or in the premises of the provider of output service:	(1) The CENVAT credit in respect of inputs may be taken immediately on receipt of the inputs in the factory of the manufacturer or in the premises of the provider of output service or in the premises of the job worker, in case goods are sent directly to the job worker on the direction of the manufacturer or the provider of output service, as the case may be	Instant cenvat credit is available even in case goods are directly sent to the job worker at the time of receipt of goods at job worker
Rule 4 (1) Proviso 3	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	Provided that the manufacturer or the provider of output service shall not take cenvat credit after six month of the date of issue of any document specified in sub-rule 1 of rule 9	Provided that the manufacturer or the provider of output service shall not take cenvat credit after one year of the date of issue of any document specified in sub-rule 1 of rule 9	Assessee friendly amendment. Restriction of cenvat credit on Inputsto be availed within six month has been extended upto one year.
Rule 4 (2) (a)	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	(2) (a) The CENVAT credit in respect of capital goods received in a factory or in the premises of the provider of output service or outside the factory of the manufacturer of the final products for generation of electricity for captive use within the factory,at any point of time in a given financial year shall be taken only for an amount not exceeding fifty per cent. of the duty paid on such capital goods in the same financial year:	(2) (a) The CENVAT credit in respect of capital goods received in a factory or in the premises of the provider of output service or outside the factory of the manufacturer of the final products for generation of electricity for captive use within the factoryor in the premises of the job worker, in case capital goods are sent directly to the job worker on the direction of the manufacturer or the provider of output service, as the case may be at any point of time in a given financial year shall be taken only for an amount not exceeding fifty per cent. of the duty paid on such capital goods in the same financial year:	Instant cenvat credit is available even in case goods are directly sent to the job worker at the time of receipt of goods at job worker, condition for availment of cenvat on capital goods i.e. 50% in current year and 50% in subsequent year is also made applicable.
Rule 4 (5)(a)	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment/ New	(5) (a) The CENVAT credit shall be allowed even if any inputs or capital goods as such or after being partially processed are sent to a job worker for further processing, testing, repair, re-conditioning, or for the manufacture of intermediate goods necessary for the	"(a) (i) The CENVAT credit on inputs shall be allowed even if any inputs as such or after being partially processed are sent to a job worker and from there subsequently sent to another job worker and likewise, for further processing, testing, repairing, re-conditioning or for the manufacture of intermediate goods neces	More flexibility is brought for availment of cenvat credit in multiple job work transactions is allowed.  In case capital goods are sent to the job worker, time limit for returning back to the manufacturer's premises has been specified as two years.

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			<p>manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or provider of output service taking the CENVAT credit that the goods are received back in the factory within one hundred and eighty days of their being sent to a job worker and if the inputs or the capital goods are not received back within one hundred eighty days, the manufacturer or provider of output service shall pay an amount equivalent to the CENVAT credit attributable to the inputs or capital goods by debiting the CENVAT credit or otherwise, but the manufacturer or provider of output service can take the CENVAT credit again when the inputs or capital goods are received back in his factory or in the premises of the provider of output service</p>	<p>sary for the manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or the provider of output service taking the CENVAT credit that the inputs or the products produced therefrom are received back by the manufacturer or the provider of output service, as the case may be, within one hundred and eighty days of their being sent from the factory or premises of the provider of output service, as the case may be:</p> <p>Provided that credit shall also be allowed even if any inputs are directly sent to a job worker without their being first brought to the premises of the manufacturer or the provider of output service, as the case may be, and in such a case, the period of one hundred and eighty days shall be counted from the date of receipt of the inputs by the job worker;</p> <p>(ii) the CENVAT credit on capital goods shall be allowed even if any capital goods as such are sent to a job worker for further processing, testing, repair, re-conditioning or for the manufacture of intermediate goods necessary for the manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or the provider of output service taking the CENVAT credit that the capital goods are received back by the manufacturer or the provider of output service, as the case may be, within two years of their being so sent:</p> <p>Provided that credit shall be allowed even if any capital goods are directly sent to a job worker without their being first brought to the premises of the</p>	

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
				<p>manufacturer or the provider of output service, as the case may be, and in such a case, the period of two years shall be counted from the date of receipt of the capital goods by the job worker;</p> <p>(iii) if the inputs or capital goods, as the case may be, are not received back within the time specified under sub-clause (i) or (ii), as the case may be, by the manufacturer or the provider of output service, the manufacturer or the provider of output service shall pay an amount equivalent to the CENVAT credit attributable to the inputs or capital goods, as the case may be, by debiting the CENVAT credit or otherwise, but the manufacturer or the provider of output service may take the CENVAT credit again when the inputs or capital goods, as the case may be, are received back in the factory or in the premises of the provider of output service."</p>	
<p>Rule 4 (7) Provisio 1, 2,3</p>	<p>1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)</p>	<p>Amendment</p>	<p>Provided that in respect of input service where whole of the service tax is liable to be paid by the recipient of service, credit shall be allowed after the service tax is paid:</p> <p>9Provided further that in respect of an input service, where the service recipient is liable to pay a part of service tax and the service provider is liable to pay the remaining part, the CENVAT credit in respect of such input service shall be allowed on or after the day on which payment is made of the value of input service and the service tax paid or payable as indicated in invoice, bill or, as the case may be, challan referred to in rule 9:</p>	<p>"Provided that in respect of input service where whole or part of the service tax is liable to be paid by the recipient of service, credit of service tax payable by the service recipient shall be allowed after such service tax is paid:"</p> <p>"Provided further that in case the payment of the value of input service and the service tax paid or payable as indicated in the invoice, bill or, as the case may be, challan referred to in rule 9 is not made within three months of the date of the invoice, bill or, as the case may be, challan, the manufacturer or the service provider who has taken credit on such input service, shall pay an amount equal to the CENVAT credit availed on such input service, except an amount equal to the CENVAT</p>	<p>Earlier three provisios are amended and made in two simplified provisos</p> <p>In case payment of value of services are not made within three months, recipient of service is not required to reverse the cenvat credit of service tax paid by him under reverse charge, but need to reverse the portion of service tax paid by the service provider.</p>



Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			<p>Provided also that in case the payment of the value of input service and the service tax paid or payable as indicated in the invoice, bill or, as the case may be, challan referred to in rule 9, except in respect of input service where the whole of the service tax is liable to be paid by the recipient of service, is not made within three months of the date of the invoice, bill or, as the case may be, challan, the manufacturer or the service provider who has taken credit on such input service, shall pay an amount equal to the CENVAT credit availed on such input service and in case the said payment is made, the manufacturer or output service provider, as the case may be, shall be entitled to take the credit of the amount equivalent to the CENVAT credit paid earlier subject to the other provisions of these rules :"</p>	<p>credit of the tax that is paid by the manufacturer or the service provider as recipient of service, and in case the said payment is made, the manufacturer or output service provider, as the case may be, shall be entitled to take the credit of the amount equivalent to the CENVAT credit paid earlier subject to the other provisions of these rules:"</p>	
Rule 4, 6th Proviso	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	<p>Provided that the manufacturer or the provider of output service shall not take cenvat credit after six month of the date of issue of any document specified in sub-rule 1 of rule 9</p>	<p>Provided that the manufacturer or the provider of output service shall not take cenvat credit after one year of the date of issue of any document specified in sub-rule 1 of rule 9</p>	<p>Assessee friendly amendment. Restriction of cenvat credit on Input Service to be availed within six month has been extended upto one year.</p>
Rule 4 Explanations I and II,	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	<p>Explanation I.- The amount mentioned in this sub-rule, unless specified otherwise, shall be paid by the manufacturer of goods or the provider of output service by debiting the CENVAT credit or otherwise on or before the 5th day of the following month except for the month of March, when such payment shall be made on or before the 31st day of the month of March.</p>	<p>Explanation I.- The amount mentioned in this rule, unless specified otherwise, shall be paid by the manufacturer of goods or the provider of output service by debiting the CENVAT credit or otherwise on or before the 5th day of the following month except for the month of March, when such payment shall be made on or before the 31st day of the month of March.</p>	<p>In explanation I &amp; II the word sub-rule is replaced by word 'rule'. Hence these explanations are applicable for entire rule 4.</p>

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			Explanation II. - If the manufacturer of goods or the provider of output service fails to pay the amount payable under this sub-rule, it shall be recovered, in the manner as provided in rule 14, for recovery of CENVAT credit wrongly taken.	Explanation II. - If the manufacturer of goods or the provider of output service fails to pay the amount payable under this rule, it shall be recovered, in the manner as provided in rule 14, for recovery of CENVAT credit wrongly taken.	
Rule 5 Explanation I	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	New		"(1A) "export goods" means any goods which are to be taken out of India to a place outside India."	Henceforth no accumulated cenvat will be refunded under rule 5 in case of Supply to EOU or SEZ. As export goods has been specifically defined as taken out of India.
Rule 6 Explanation I & II	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	New		Explanation 1. - For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory. Explanation 2. - Value of non-excisable goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made thereunder."	Any non-excisable goods cleared from factory for consideration shall be treated as exempted goods. Now provisions of rule 6 will be applicable to any non excisable goods i.e. scrap of packing material etc and reversal of cenvat credit will be applicable. Moreover, in case value of non-excisable goods is not available then value shall be determined using reasonable means consistent with principles of valuation rules.
Rule 9 (4)	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	New		"Provided that provisions of this sub-rule shall apply mutatis mutandis to an importer who issues an invoice on which CENVAT credit can be taken".	As per notification no. 8/2014 CE (NT) dt. 28.02.2014, Importer's invoice was made eligible to avail cenvat credit. Therefore Importer is required to maintain records indicating the fact that the input or capital goods was supplied from the stock on which duty was paid and only an amount of such duty on pro rata basis has been indicated in the invoice issued by him.
Rule 12 AAA	1st March 2015 (Notification		Power to impose restrictions in certain types of cases.- Notwithstanding	Power to impose restrictions in certain types of cases.- Notwithstanding anything con	Provision relating to powers of Central Government to impose restric-

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
	No. 06/2015 CE(NT) dated 01.03.2015)		anything contained in these rules, where the Central Government, having regard to the extent of misuse of CENVAT credit, nature and type of such misuse and such other factors as may be relevant, is of the opinion that in order to prevent the misuse of the provisions of CENVAT credit as specified in these rules, it is necessary in the public interest to provide for certain measures including restrictions on a manufacturer, first stage and second stage dealer provider of taxable service or an exporter, may by a notification in the Official Gazette, specify the nature of restrictions including restrictions on utilization of CENVAT credit and suspension of registration in case of a dealer and type of facilities to be withdrawn and procedure for issue of such order by an officer authorized by the Board.	tained in these rules, where the Central Government, having regard to the extent of misuse of CENVAT credit, nature and type of such misuse and such other factors as may be relevant, is of the opinion that in order to prevent the misuse of the provisions of CENVAT credit as specified in these rules, it is necessary in the public interest to provide for certain measures including restrictions on a manufacturer, registered importer, first stage and second stage dealer provider of taxable service or an exporter, may by a notification in the Official Gazette, specify the nature of restrictions including restrictions on utilization of CENVAT credit and suspension of registration in case of an importer, a dealer and type of facilities to be withdrawn and procedure for issue of such order by an officer authorized by the Board.	tions has been extended to registered importer as well.
Rule 14	1st March 2015 (Notification No. 06/2015 CE(NT) dated 01.03.2015)	Amendment	Where the CENVAT credit has been taken and utilised 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.	14. Recovery of CENVAT credit wrongly taken or erroneously refunded. - (1) (i) Where the CENVAT credit has been taken wrongly but not utilised, 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 (32 of 1994), as the case may be, shall apply mutatis mutandis for effecting such recoveries; (ii) Where the CENVAT credit has been taken and utilised wrongly or has been erroneously refunded, the same shall be recovered along with interest from the manufacturer or	Now show cause notice can be issued for centvat credit taken wrongly even though same is not utilized. Utilization will be worked out in sequential manner 1) Opening balance 2) Eligible credit 3) Non-eligible credit.

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
				<p>the provider of output service, as the case may be, and the provisions of sections 11A and 11AA of the Excise Act or sections 73 and 75 of the Finance Act, 1994, as the case may be, shall apply mutatis mutandis for effecting such recoveries.</p> <p>(2) For the purposes 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 utilisation thereof shall be deemed to have occurred in the following manner, namely:</p> <p>-</p> <p>(i) the opening balance of the month has been utilised first;</p> <p>(ii) credit admissible in terms of these rules taken during the month has been utilised next;</p> <p>(iii) credit inadmissible in terms of these rules taken during the month has been utilised thereafter."</p>	
Rule 15	On receipt of assent of President of India	Amendment	<p>(1) If any person, takes or utilises CENVAT credit in respect of input or capital goods or input services, wrongly or in contravention of any of the provisions of these rules, then, all such goods shall be liable to confiscation and such person, shall be liable to a penalty not exceeding the duty or service tax on such goods or services, as the case may be, or two thousand rupees, whichever is greater.</p> <p>(2) In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of the Excise Act, or of the rules</p>	<p>(1) If any person, takes or utilises CENVAT credit in respect of input or capital goods or input services, wrongly or in contravention of any of the provisions of these rules, then, all such goods shall be liable to confiscation and such person, shall be liable to a penalty in terms of clause (a) or clause (b) of sub-section (1) of section 11AC of the Excise Act or sub-section (1) of section 76 of the Finance Act (32 of 1994), as the case may be.</p> <p>(2) In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of the Excise Act, or of the rules made thereunder with intent to evade payment of duty, then, the manufacturer shall also be</p>	Penalty provisions has been mentioned specifically instead of generic

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			made thereunder with intent to evade payment of duty, then, the manufacturer shall also be liable to pay penalty in terms of the provisions of section 11AC of the Excise Act. (3) In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of these rules or of the Finance Act or of the rules made thereunder with intent to evade payment of service tax, then, the provider of output service shall also be liable to pay penalty in 78 of the Finance Act.	liable to pay penalty in terms of the provisions of clause (c), clause (d) or clause (e) of sub-section (1) of section 11AC of the Excise Act.  (3) In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of these rules or of the Finance Act or of the rules made thereunder with intent to evade payment of service tax, then, the provider of output service shall also be liable to pay penalty in terms of the provisions of sub-section (1) of section 78 of the Finance Act.	

**CENTRAL EXCISE (REMOVAL OF GOODS AT CONCESSIONAL RATE OF DUTY FOR MANUFACTURE OF EXCISABLE GOODS) RULES 2001**

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 3 Sub rule (3)	01-Mar-2015 Notification No. 09/2015-Central Excise(N.T.) 01.03.2015	Execution of general bond with surety or security	For availing benefit of concessional rate under these rules "the manufacturer shall execute a general bond with surety or security."	Now proviso has been inserted as " "Provided that it shall be sufficient to provide a letter of undertaking by a manufacturer against whom no show cause notice has been issued under sub-sections (4) or (5) of section 11A of Central Excise Act, 1944 or where no action is proposed under any notification issued in pursuance of rule 12CCC of Central Excise Rules, 2002 or rule 12AAA of CENVAT Credit Rules, 2004."	It is a welcome provision w.r.t. relaxation from execution of bond with surety or security. Now only undertaking as per this proviso will suffice.  If no show cause notice has been issued for penalty not been imposed then instead of bond & surety only undertaking will be sufficient.

**CENTRAL EXCISE NON TARIFF NOTIFICATIONS (OTHERS)**

Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 12CCC of CER, 2002 and 12AAA of CCR, 2004	01-Mar-2015 vide Notification No.10/2015-CE (NT) dated 01.03.2015	Amendment in Notification No.16/2014-CE(NT) dated 21.03.2014	For said restrictions "where a manufacturer, first stage or second stage dealer, or an exporter including a merchant exporter is prima facie found to be knowingly involved"	The word "where a manufacturer" has been substituted as "where a manufacturer, registered importer"	Now for specified restrictions registered importer is also added along with a manufacturer.
Section 23A, Clause (C), Sub-Clause (iii) of CEA 1944	01-Mar-2015 vide Notification No.11/2015-CE (NT) dated 01.03.2015	Specification of Definitions w.r.t. residential firm	(iii) a resident falling within any such class or category of persons, as the Central Government may, by notification in the Official Gazette, specify in this behalf, and which or who, as the case may be, makes application for advance ruling under sub-section(1) of section 23C;  Explanation. "For the purposes of this clause, joint venture in India means a contractual arrangement whereby two or more persons undertake an economic activity which is subject to joint control and one or more of the participants or partners or equity holders is a non-resident having substantial interest in such arrangement;	(a) "firm" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 (9 of 1932), and includes- (i) the limited liability partnership as defined in clause (n) of sub-section (1) of the section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009); or (ii) limited liability partnership which has no company as its partner; or (iii) the sole proprietorship; or (iv) One Person Company.  (b) (i) "sole proprietorship" means an individual who engages himself in an activity as defined in sub-clause (a) of section 23A of the Central Excise Act, 1944. (ii) "One Person Company" means as defined in clause (62) of section 2 of the Companies Act, 2013 (18 of 2013).  (c) "Resident" shall have the meaning assigned to it in clause (42) of section 2 of the Income-tax Act, 1961 (43 of 1961) in so far as it applies to a resident firm.	Now sole proprietor, LLP, OPC etc also can opt for advance ruling.

**POST FACTO VERIFICATION FOR REGISTRATION**

Sec.No./ Rule No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Rule 9	1st March, 2015 07/2015-C.E.(N.T.) dated 01.03.2015	Amendment	Application for registration to be made online, Number is generated online. However self attested documents to be submitted within 7 days for obtaining the certificate. Excise thereafter undertake verification and issue the certificate.	Application for registration to be made online, Registration certificate will be issued within 2 days pending post facto verification.	Welcome move for post facto verification and control on unnecessary harassment of new assessee.  Detailed guidelines w.r.t. procedures to be followed for transfer of Business and acquisition of factory, change in constitution, deregistration, cancellation of registration are provided.  Existing registrant needs to file amendment application giving email id, mobile number and business transaction no. (Customs Registration No., IEC, VAT, CST, CIN & Service Tax).

**AMENDMENT IN ABATEMENT NOTIFICATION FOR  
MRP BASED ASSESSMENT**

<b>Chapter/ Tariff Head</b>	<b>New Notification No.</b>	<b>Existing Notification</b>	<b>Amendment in Existing / New Notification</b>	<b>Bizsol Analysis</b>
04029110 and 04029920	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	Sr. No. 1 A has been inserted for Condensed Milk put up in unit container	Packaged milk is included in MRP based assessment and 30% abatement has been provided on MRP.
210120	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	Sr. No. 16 A has been in- serted for Extracts, essences and concentrates of tea or mate and preparations with a basis of these extracts, es- sences or concentrates or with a basis of tea or mate	30% abatement on MRP based assessment is pro- vided for the goods covered under chapter 210120.
2202	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	Sr. No. 25A has been inserted for All goods except mineral waters and aerated waters	35% abatement on MRP based assessment has been provided for the goods cov- ered under chapter 2202 i.e. Beverages except for mineral waters and aerated waters
64	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	All Footwear	Abatement on all footwear covered under chapter 64 has been reduced from 35% to 25%.
85 or 94	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	falling under heading 8539 [except lamps for automob- iles],	LED lights or fixtures includ- ing LED Lamps falling under Chapter 85 or heading 9405 has been brought into MRP based assessment.
22029010, 20, 30, 90	03/2015 CE(NT) dated 1st March 2015	49/2008 CE(NT) dated 24th December 2008	-	Natural Beverages on which 2% duty is leviable on total value without any abatement.

**Factors relevant to determination of production capacity of notified goods (Chewing Tobacco and Pan Masala) to include maximum packing speed of machines. (in addition to number of packing machines). Central Excise (NT) Notification no 4 and 5 dated 01.03.2015**

**Service Tax**

**NEW NOTIFICATION / CIRCULAR ISSUED UNDER SERVICE TAX**

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
3/2015	1/03/2015	Service tax exemption on services provided by commission agent located outside India under notification 42/2012 dated 29/06/12.	Notification rescinded.	Services provided by commission agent has been covered under revised definition of intermediary services. As a result of such change the place of provision of service is outside India and hence not taxable. As a result this notification become redundant. In other words the services provided by commission agent located outside India is outside of the purview of service tax.
4/2015	1/04/2015	Service provided to an exporter in relation to transport of the said goods by goods transport agency in a goods carriage directly from their place of removal, to an inland container depot, a container freight station, a port or airport, as the case may be, from where the goods are exported.	Service provided to an exporter in relation to transport of the said goods by goods transport agency in a goods carriage directly from their place of removal, to an inland container depot, a container freight station, a port or airport or land customs station, as the case may be, from where the goods are exported.	Exemption extended to goods taken to land customs station.
5/2015	1/03/2015	–	Rule 2(1)(aa) has been introduced : '(aa) "aggregator" means a person, who owns and manages a web based software application, and by means of the application and a communication device, enables a potential customer to connect with persons providing service of a particular kind under the brand name or trade name of the aggregator	Global service providers namely UBER, OLA cabs will come under service tax net.
5/2015	1/03/2015	–	Rule 2(1)(bca) "brand name or trade name" means, a brand name or a trade name, whether registered or not, that is to say, a name or a mark, such as an invented word or writing, or a symbol, monogram, logo, label, signature, which is used for the purpose of indicating, or so as to indicate a connection, in the course of trade between a service and some person using the name or mark with or without any indication of the identity of that person;'	To give effect to the aggregator concept the definition of brand name or trade name has been added.



Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
5/2015	1/03/2015	–	Rule 2 (1)(d)(i)(AAA) inserted: in relation to service provided or agreed to be provided by a person involving an aggregator in any manner, the aggregator of the service: Provided that if the aggregator does not have a physical presence in the taxable territory, any person representing the aggregator for any purpose in the taxable territory shall be liable for paying service tax; Provided further that if the aggregator does not have a physical presence or does not have a representative for any purpose in the taxable territory, the aggregator shall appoint a person in the taxable territory for the purpose of paying service tax and such person shall be liable for paying service tax.';	Aggregator, his representative in India or if no representative in India person compulsorily appointed.
5/2015	Date to be notified	(E) in relation to support services provided or agreed to be provided by Government or local authority except,- Notification/Section (a) renting of immovable property, and (b) services specified sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994, to any business entity located in the taxable territory, the recipient of such service;	Rule 2 (1)(d)(i) (E) in relation to services provided or agreed to be provided by Government or local authority except,- (a) renting of immovable property, and (b) services specified sub-clauses (i), (ii) and (iii) of clause (a) of section 66D of the Finance Act,1994, to any business entity located in the taxable territory, the recipient of such service;	Any service provided by the Government will now be under reverse charge. (other than the renting of immovable property, services by department of Post, services in relation to aircraft and vessels, services for transportation of goods and passengers.) Any service specifically covered under exemption or any of the other clauses of negative list will be outside purview of service tax.
5/2015	1/04/2015	–	"(EEA) in relation to service provided or agreed to be provided by a mutual fund agent or distributor to a mutual fund or asset management company, the recipient of the service	Additional services added and recipient of service need to discharge the liability under reverse charge mechanism.
5/2015	1/04/2015	–	(EEB) in relation to service provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent, the recipient of the service	Now service tax liability shall be discharged by lottery distributor or selling agent under reverse charge mechanism.
5/2015	1/03/2015	Rule 4 : (1A) For the purposes of sub-rule (1), the Central Board of Excise and Customs may, by an order specify the documents which are to be submitted by the assessee along with the applica-	Rule 4(1A) has been deleted. (9) The registration granted under this rule shall be subject to such conditions, safeguards and procedure as may be specified by an order issued by the Board	All registrations will now be made according to the procedures specified by the order issued by Board which will be not later than 2 days. Existing registered unit

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
		tion within such period, as may be specified in the said order.		needs to submit email i.d. and mobile no and inform BTN number through amendment to registration with in 3 months i.e. prior to 30th June 2015.
5/2015	Date to be notified	–	"4C. Authentication by digital signature- (1) Any invoice, bill or challan issued under rule 4A or consignment note issued under rule 4B may be authenticated by means of a digital signature.  (2) The Board may, by notification, specify the conditions, safeguards and procedure to be followed by any person issuing digitally signed invoices.	Welcome move to facilitate the quicker processing of documents and reduce the flow of paper work. However the copy/ record of each page needs digital signature.
5/2015	Date to be notified	–	Rule 5 (4) Records under this rule may be preserved in electronic form and every page of the record so preserved shall be authenticated by means of a digital signature. (5) The Board may, by notification, specify the conditions, safeguards and procedure to be followed by an assessee preserving digitally signed records. Explanation - For the purposes of rule 4C and sub-rule (4) and (5) of this rule,- (i) The expression "authenticate" shall have the same meaning as assigned in the Information Technology Act, 2000 (21 of 2000). (ii) The expression "digital signature" shall have the meaning as defined in the Information Technology Act, 2000 (21 of 2000) and the expression "digitally signed" shall be construed accordingly	Welcome move to facilitate the quicker processing of documents and reduce the flow of paper work
5/2015	Assent to Budget	Rule 6 (6A) Where an amount of service tax payable has been self-assessed under sub-section (1) of section 70 of the Act, but not paid, either in full or part, the same, shall be recoverable alongwith interest in the manner prescribed under section 87 of the Act.	Omitted	This provision has been removed from rules being introduced in the Act itself.
5/2015	Notified date	Rule 6(7) The person liable for paying the service tax in relation to the services of booking of tickets for travel by air provided by	Rule 6(7) The person liable for paying the service tax in relation to the services of booking of tickets for travel by air provided by	Aligned with the proposed increase in service tax rate

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
		<p>an air travel agent, shall have the option, to pay an amount calculated at the rate of 0.6% of the basic fare in the case of domestic bookings, and at the rate of 1.2% of the basic fare in the case of international bookings, of passage for travel by air, during any calendar month or quarter. as the case may be towards the discharge of his service tax liability instead of paying service tax at the rate specified in section 66B of Chapter V of the Act and the option, once exercised, shall apply uniformly in respect of all the bookings of passage for travel by air made by him and shall not be changed during a financial year under any circumstances</p>	<p>an air travel agent, shall have the option, to pay an amount calculated at the rate of 0.7% of the basic fare in the case of domestic bookings, and at the rate of 1.4% of the basic fare in the case of international bookings, of passage for travel by air, during any calendar month or quarter. as the case may be towards the discharge of his service tax liability instead of paying service tax at the rate specified in section 66B of Chapter V of the Act and the option, once exercised, shall apply uniformly in respect of all the bookings of passage for travel by air made by him and shall not be changed during a financial year under any circumstances</p>	
5/2015	Assent to Budget	<p>Rule 6(7A) An insurer carrying on life insurance business shall have the option to pay tax:</p> <p>(i) on the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of policy holder, if such amount is intimated to the policy holder at the time of providing of service;</p> <p>(ii) in all other cases, 3 per cent of the premium charged from policy holder in the first year and 1.5 per cent of the premium charged from policy holder in the subsequent years;</p>	<p>Rule 6(7A) An insurer carrying on life insurance business shall have the option to pay tax:</p> <p>(i) on the gross premium charged from a policy holder reduced by the amount allocated for investment, or savings on behalf of policy holder, if such amount is intimated to the policy holder at the time of providing of service;</p> <p>(ii) in all other cases, 3.5 per cent of the premium charged from policy holder in the first year and 1.75 per cent of the premium charged from policy holder in the subsequent years;</p>	Aligned with the proposed increase in service tax rate
5/2015	Notified date	<p>Rule 6(7B) The person liable to pay service tax in relation to purchase or sale of foreign currency, including money changing, shall have the option to pay an amount calculated at the following rate towards discharge of his service tax liability instead of paying service tax at the rate specified in section 66B of Chapter V of the Act, namely : (a) 0.012 per cent. of the gross amount of currency exchanged for an amount upto rupees 100,000, subject to the minimum amount of rupees 30 and</p> <p>(b) rupees 120 and 0.06 per cent. of the gross amount of currency</p>	<p>Rule 6(7B) The person liable to pay service tax in relation to purchase or sale of foreign currency, including money changing, shall have the option to pay an amount calculated at the following rate towards discharge of his service tax liability instead of paying service tax at the rate specified in section 66B of Chapter V of the Act, namely :</p> <p>(a) 0.014 per cent of the gross amount of currency exchanged for an amount upto rupees 100,000, subject to the minimum amount of rupees 35 and</p> <p>(b) rupees 140 and 0.07 per cent. of the gross amount of currency</p>	Aligned with the proposed increase in service tax rate

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis																								
		<p>exchanged for an amount of rupees exceeding rupees 100,000 and upto rupees 10,00,000; and</p> <p>(c) rupees 660 and 0.012 per cent. of the gross amount of currency exchanged for an amount of rupees exceeding 10,00,000, subject to maximum amount of rupees 6000</p> <p>Provided that the person providing the service shall exercise such option for a financial year and such option shall not be withdrawn during the remaining part of that financial year.</p>	<p>exchanged for an amount of rupees exceeding rupees 100,000 and upto rupees 10,00,000; and</p> <p>(c) rupees 770 and 0.014 per cent. of the gross amount of currency exchanged for an amount of rupees exceeding 10,00,000, subject to maximum amount of rupees 7000</p> <p>Provided that the person providing the service shall exercise such option for a financial year and such option shall not be withdrawn during the remaining part of that financial year.</p>																									
		<p>Rule 6(7C)</p> <table border="1"> <thead> <tr> <th>S.No.</th> <th>Rate</th> <th>Condition</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rs 7000/- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw</td> <td>If the lottery or lottery scheme is one where the guaranteed prize payout is more than 80%</td> </tr> <tr> <td>2</td> <td>Rs 11000 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw</td> <td>If the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%</td> </tr> </tbody> </table>	S.No.	Rate	Condition	(1)	(2)	(3)	1	Rs 7000/- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw	If the lottery or lottery scheme is one where the guaranteed prize payout is more than 80%	2	Rs 11000 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw	If the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%	<table border="1"> <thead> <tr> <th>S.No.</th> <th>Rate</th> <th>Condition</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Rs 8200 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw</td> <td>If the lottery or lottery scheme is one where the guaranteed prize payout is more than 80%</td> </tr> <tr> <td>2</td> <td>Rs 12800 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw</td> <td>If the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%</td> </tr> </tbody> </table>	S.No.	Rate	Condition	(1)	(2)	(3)	1	Rs 8200 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw	If the lottery or lottery scheme is one where the guaranteed prize payout is more than 80%	2	Rs 12800 /- on every Rs 10 Lakh (or part of Rs 10 Lakh) of aggregate face value of lottery tickets printed by the organising State for a draw	If the lottery or lottery scheme is one where the guaranteed prize payout is less than 80%	Aligned with the proposed increase in service tax rate
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5/2015	Assent to Budget	(i) "distributor or selling agent" shall have the meaning assigned to them in clause (c) of the rule 2 of the Lottery (Regulation) Rules, 2010 notified by the Government of India in the Ministry of Home Affairs published in the Gazette of India, Part-II, Section 3, Sub-section (i) vide number G.S.R. 278(E) dated 1st April, 2010 and shall include distributor or selling agent authorized by the lottery organizing State.	Omitted	Explanation to Rule 6(7C) has been omitted																								
8/2015	1/04/2015	Taxable value 25% for transportation goods	Taxable value 30% for transportation goods	Abatement rates are reduced by 5%																								
8/2015	1/04/2015	Abatement of 30% allowed on Services provided in relation to chit.	No abatement provided	Abatement rates are changed.																								

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
8/2015	1/04/2015	Taxable value was 40% for Transport of goods in a vessel	Taxable value was 30% for Transport of goods in a vessel	Abatement rates are changed.
06/2015	01/04/ 2015	Notification 25/2012 dated 20/06/ 2015: 2. Health care services by a clinical establishment, an authorised medical practitioner or para-medics;	2. (i) Health care services by a clinical establishment, an authorised medical practitioner or para-medics; (ii) Services provided by way of transportation of a patient in an ambulance, other than those specified in (i) above;	Exemption to the Ambulance service provider has been extended to not only to clinical establishment but to all other users.
06/2015	01/04/ 2015	12. Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of - (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession; (c) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; (f) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation 1 to clause 44 of section 65 B of the said Act;	Omitted	Services provided to the Government, a local authority or a governmental authority in respect of construction erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration to specified categories of work will be taxable w.e.f. 1st April 2015 and also cenvat on input will not be entitled
06/2015	01/04/ 2015	14. Services by way of construction, erection, commissioning, or installation of original works pertaining to,- (a) an airport, port or railways, including monorail or metro;	14. Services by way of construction, erection, commissioning, or installation of original works pertaining to,- (a) an railways, including monorail or metro;	construction, erection, commissioning, or installation of original works provided to port and airports will now be taxable w.e.f. 1st April 2015 and also cenvat on input will not be entitled
06/2015	01/04/ 2015	16. Services by a performing artist in folk or classical art forms of (i) music, or (ii) dance, or (iii) theatre, excluding services provided by such artist as a brand ambassador.	16. Services by an artist by way of a performance in folk or classical art forms of (i) music, or (ii) dance, or (iii) theatre, if the consideration charged for such performance is not more than one lakh rupees: Provided that the exemption shall not apply to service provided by such artist as a brand ambassador.	New condition are specified for availment of exemption. Service tax will be attracted to performance of music, dance if professional fees is more than Rs. 1 lakh per performance.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
06/2015	01/04/ 2015	20. Services by way of transportation by rail or a vessel from one place in India to another of the following goods- (i) foodstuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages, or	20. Services by way of transportation by rail or a vessel from one place in India to another of the following goods - (i) milk, salt and food grain including flours, pulses and rice.	Exemption has been withdrawn on transportation of foodstuff including flours, tea, coffee, jaggery, sugar and edible oil, by rail or a vessel.
06/2015	01/04/ 2015	21. Services provided by a goods transport agency, by way of transport in a goods carriage of,- (d) foodstuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages.	21. Services provided by a goods transport agency, by way of transport in a goods carriage of,- (d) milk, salt and food grain including flours, pulses and rice	Exemption has been withdrawn on transportation of foodstuff including flours, tea, coffee, jaggery, sugar and edible oil, by road.
06/2015	01/04/ 2015	–	26A. Services of life insurance business provided under following schemes - (d) Varishtha Pension Bima Yojana;	New Bima policy has been included in the list of exempted life insurance scheme.
06/2015	01/04/ 2015	29. Services by the following persons in respective capacities - (c) mutual fund agent to a mutual fund or asset management company (d) distributor to a mutual fund or asset management company (e) selling or marketing agent of lottery tickets to a distributor or a selling agent	Omitted	These categories of services are now taxable under reverse charge.
06/2015	To be notified	30. Carrying out an intermediate production process as job work in relation to- (c) any goods on which appropriate duty is payable by the principal manufacturer; or	30. Carrying out an intermediate production process as job work in relation to- (c) any goods excluding alcoholic liquors for human consumption on which appropriate duty is payable by the principal manufacturer; or	Service tax now will be levied on the job work process carried out in respect of alcoholic liquors for human consumption.
06/2015	01/04/ 2015	32. Services by way of making telephone calls from - (a) departmentally run public telephone; (b) guaranteed public telephone operating only for local calls; or (c) free telephone at airport and hospital where no bills are being issued	Omitted	Service tax exemption has been withdrawn w.r.t. making telephone calls as specified in earlier notification.
06/2015	01/04/ 2015	–	"43. Services by operator of Common Effluent Treatment Plant by way of treatment of effluent	Services of Effluent Treatment Plant by way of treatment of effluent has now been exempted.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
06/2015	01/04/ 2015	–	44. Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables	Services used for pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables has now been exempted from payment of service tax.
06/2015	01/04/ 2015	–	45. Services by way of admission to a museum, national park, wildlife sanctuary, tiger reserve or zoo	Museum, national park, wildlife sanctuary, tiger reserve or zoo are outside service tax net. It is shifted from negative to exemption list.
06/2015	01/04/ 2015	–	46. Service provided by way of exhibition of movie by an exhibitor to the distributor or an association of persons consisting of the exhibitor as one of its members	Rates of movie will go down.
06/2015	To be notified	–	47. Services by way of right to admission to- (i) exhibition of cinematographic film, circus, dance, or theatrical performance including drama or ballet; (ii) recognised sporting event; (iii) award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event, where the consideration for admission is not more than Rs.500 per person.	Rates of movie will go down. However award functions , concert, pageant, musical performance or any sporting event having entry fees more than Rs. 500/- For example dandia, new year celebration.
06/2015	01/04/ 2015	–	2.(xaa) "national park' has the meaning assigned to it in the clause (21) of the section 2 of The Wild Life (Protection) Act, 1972 (53 of 1972)	Definition has been added.
06/2015	To be notified	–	2.(zab) recognised sporting event" means any sporting event,- (i) organised by a recognised sports body where the participating team or individual represent any district, state, zone or country; (ii) covered under entry 11.	"Recognized sporting event has been defined.
06/2015	01/04/ 2015	(zi) "trade union" has the meaning assigned to it in clause (h) of section 2 of the Trade Unions Act,1926(16 of 1926).	(zi) "tiger reserve" has the meaning assigned to it in clause (e) of section 38K of the Wild Life (Protection) Act, 1972 (53 of 1972)	Definition has been added.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			(zj) "trade union" has the meaning assigned to it in clause (h) of section 2 of the Trade Unions Act, 1926 (16 of 1926); (zk) "wildlife sanctuary" means sanctuary as defined in the clause (26) of the section 2 of The Wild Life (Protection) Act, 1972 (53 of 1972); (zl) "zoo" has the meaning assigned to it in the clause (39) of the section 2 of the Wild Life (Protection) Act, 1972 (53 of 1972).	
7/2015	1/04/2015	–	(ib) provided or agreed to be provided by a mutual fund agent or distributor, to a mutual fund or asset management company	Additional services added and recipient of service need to discharge the liability. Now liability fixed on service recipient under this class of services.
7/2015	1/04/2015	–	(ic) provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent	Additional services added and recipient of service need to discharge the liability. Now liability fixed on service recipient under this class of services.
7/2015	Date to be notified	Sr. No 1 A (iv) provided or agreed to be provided by,- ..... (C) Government or local authority by way of support services excluding,-	Sr. No 1 A (iv) provided or agreed to be provided by,- ..... (C) Government or local authority excluding,-	Aligned in line with above mentioned amendment in Rule 2 of Service tax Rules, 1994.
7/2015	1/03/2015	–	"(vi) provided or agreed to be provided by a person involving an aggregator in any manner;"	Include Aggregator in taxability scope according to amendment in Service Tax Rules, 1994
7/2015	1/03/2015	(II) The extent of service tax payable thereon by the person who provides the service and the person who receives the service for the taxable services specified in (I) shall be as specified in the following Table, namely:-	"II. The extent of service tax payable thereon by the person who provides the service and any other person liable for paying service tax for the taxable services specified in paragraph I shall be as specified in the following Table, namely:-";	The wording are aligned to include all categories of persons liable to pay service tax in terms of Rule 2 (1) (d) of Service Tax Rules, 1994.
7/2015	1/03/2015	Percentage of service tax payable by the person receiving the service	"Percentage of service tax payable by any person liable for paying service tax other than the service provider	The wording are aligned to include all categories of persons liable to pay service tax in terms of Rule 2 (1) (d) of Service Tax Rules , 1994.



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7/2015	1/04/2015	-				"1B:Service tax to be paid on 100% of taxable value in respect of services provided or agreed to be provided by a mutual fund agent or distributor, to a mutual fund or asset management company				Additional services added and recipient of service need to discharge the liability. Now liability fixed on service recipient under this class of services.	
7/2015	1/04/2015	-				1C: Service tax to be paid on 100% of taxable value in respect of service provided or agreed to be provided by a selling or marketing agent of lottery tickets to a lottery distributor or selling agent				Additional services added and recipient of service need to discharge the liability. Now liability fixed on service recipient under this class of services.	
7/2015	1/04/2015	8.	in respect of services provided or agreed to be provided by way of supply of manpower for any purpose or security services	25%	75%	8.	in respect of services provided or agreed to be provided by way of supply of manpower for any purpose or security services	0%	100%	100% service tax liability has been shifted to service recipient.	
7/2015	1/03/2015	-				11. Service tax to be paid on 100% taxable value in respect of any service provided or agreed to be provided by a person involving an aggregator in any manner				100% service tax to be paid by aggregator or his representative.	
8/2015	1/04/2015	No condition specified for abatement w.r.t. transportation of goods by rail.				Condition added for mentioned in the Notification 26/2012: "CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.";				Condition added for claiming abatement.	
8/2015	1/04/2015	No condition specified for abatement w.r.t. transportation of passengers with or without accompanied belongings by rail.				Condition added for mentioned in the Notification 26/2012: "CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.";				Condition added for claiming abatement.	
8/2015	1/04/2015	5	Transport of passengers by air, with or without accompanied belongings	40	CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.	5	Transport of passengers by air, with or without accompanied belongings (i) economy class (ii) other than economy class	40	60	CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.	In line with the policy of higher taxes to the richer class.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
8/2015	1/04/2015	Taxable value 25% for transportation goods	Taxable value 30% for transportation goods	Abatement rates are reduced by 5%
8/2015	1/04/2015	Abatement of 30% allowed on Services provided in relation to chit.	No abatement provided	Abatement rates are changed.
8/2015	1/04/2015	Taxable value was 40% for Transport of goods in a vessel	Taxable value was 30% for Transport of goods in a vessel	Abatement rates are changed.
9/2015	1/03/2015	–	(a) "firm" shall have the meaning assigned to it in section 4 of the Indian Partnership Act, 1932 (9 of 1932) , and includes- (i) the limited liability partnership as defined in clause (n) of sub-section (1) of the section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009); or (ii) limited liability partnership which has no company as its partner; or  (iii) the sole proprietorship; or (iv) One Person Company. (b) (i) "sole proprietorship" means an individual who engages himself in an activity as defined in sub-clause (a) of section 96A of the Finance Act, 1994.  (ii) "One Person Company" means as defined in clause (62) of section 2 of the Companies Act, 2013 (18 of 2013).  (c) "resident" shall have the meaning assigned to it in clause (42) of section 2 of the Income-tax Act, 1961 (43 of 1961) in so far as it applies to a resident firm.	Resident firm including proprietor, LLP, OTC etc are notified as category/ class of persons who can apply for advance ruling.
Section 65B Clause 9	Notified date subsequent to President Assent	"amusement facility" means a facility where fun or recreation is provided by means of rides, gaming devices or bowling alleys in amusement parks, amusement arcades, water parks, theme parks or such other places but does not include a place within such facility where other services are provided	Omitted	Definition of amusement facility has been deleted from negative list since it and considered in exempted list.
Section 65B Clause 23A	President Assent	–	"foreman of chit fund" shall have the same meaning as is assigned to the term "foreman" in clause (j) of section 2 of the Chit Funds Act, 1982	New definition added.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Section 65B Clause 24	Notified date subsequent to President Assent	"entertainment event" means an event or a performance which is intended to provide; recreation, pastime, fun or enjoyment, by way of exhibition of cinematographic film, circus, concerts, sporting event, pageants, award functions, dance, musical or theatrical performances including drama, ballets or any such event or programme	Omitted	Definition of entertainment event has been deleted from negative list since it and considered in exempted list
Section 65B Clause 26A	President Assent	–	"Government" means the Departments of the Central Government, a State Government and its Departments and a Union territory and its Departments, but shall not include any entity, whether created by a statute or otherwise, the accounts of which are not required to be kept in accordance with article 150 of the Constitution or the rules made thereunder";	Government has been defined so as to avoid the disputes.
Section 65B Clause 31A	President Assent	–	"lottery distributor or selling agent" means a person appointed or authorised by a State for the purposes of promoting, marketing, selling or facilitating in organising lottery of any kind, in any manner, organised by such State in accordance with the provisions of the Lotteries (Regulation) Act, 1998';	lottery distributor or selling agent has been deleted from negative list and Lottery distributor is brought under the taxable category.
Section 65B Clause 40	Notified date subsequent to President Assent	"process amounting to manufacture or production of goods" means a process on which duties of excise are leviable under section 3 of the Central Excise Act, 1944 or any process amounting to manufacture of alcoholic liquors for human consumption, opium, Indian hemp and other narcotic drugs and narcotics on which duties of excise are leviable under any State Act for the time being in force; (1 of 1944.)	"process amounting to manufacture or production of goods" means a process on which duties of excise are leviable under section 3 of the Central Excise Act, 1944 or any process amounting to manufacture of opium, Indian hemp and other narcotic drugs and narcotics on which duties of excise are leviable under any State Act for the time being in force; (1 of 1944.)	Manufacture of alcoholic liquor for human consumption is excluded. Service Tax shall be levied on contract manufacturing / job work for production of potable liquor for a consideration. Negative list has been shortened.
Explanation to Section 65B Clause 44	President Assent	Explanation 2.– For the purposes of this clause, transaction in money shall not include any activity relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomi	Explanation 2. - For the purposes of this clause, the expression "transaction in money or actionable claim" shall not include- (i) any activity relating to use of money or its conversion by cash or by any other mode, from one form, currency or denomination,	Transaction in money or actionable claim is outside the purview of service tax. Services w.r.t. lottery distributor or selling agent, foreman of chit fund for conducting or organising a chit in any manner will now be under service tax.

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		nation for which a separate consideration is charged.	to another form, currency or denomination for which a separate consideration is charged; (ii) any activity carried out, for a consideration, in relation to, or for facilitation of, a transaction in money or actionable claim, including the activity carried out- (a) by a lottery distributor or selling agent in relation to promotion, marketing, organising, selling of lottery or facilitating in organising lottery of any kind, in any other manner; (b) by a foreman of chit fund for conducting or organising a chit in any manner.';	
Section 65B Clause 49	Notified date subsequent to President Assent	"support services" means infrastructural, operational, administrative, logistic, marketing or any other support of any kind comprising functions that entities carry out in ordinary course of operations themselves but may obtain as services by outsourcing from others for any reason whatsoever and shall include advertisement and promotion, construction or works contract, renting of immovable property, security, testing and analysis	Omitted	Concept of support services by Government is removed. Service tax applicability on services by Government has undergone changes
Section 66B	Notified date subsequent to President Assent	12%	14%	Rate increased to 14% - Path towards GST defined.
Section 66D(a)(iv)	Notified date subsequent to President Assent	support services, other than services covered under clauses (i) to (iii) above, provided to business entities	services, other than services covered under clauses (i) to (iii) above, provided to business entities	Taxability of Government Services is increased and covered under Reverse charge through changes in corresponding provisions
Section 66D(f)	President Assent	any process amounting to manufacture or production of goods	services by way of carrying out any process amounting to manufacture or production of goods excluding alcoholic liquor for human consumption	Carrying out of intermediate production process of alcoholic liquor for human consumption on job work will be liable for Service Tax
Explanation to Section 66D(i)	President Assent	–	Explanation.- For the purposes of this clause, the expression "betting, gambling or lottery" shall not include the activity specified in Explanation 2 to clause (44) of section 65B	Explanation added to have implicit clarity that the activities w.r.t. lottery agent mentioned above are not included under this list.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Section 66F (Illustration)	President Assent	–	The services by the Reserve Bank of India, being the main service within the meaning of clause (b) of section 66D, does not include any agency service provided or agreed to be provided by any bank to the Reserve Bank of India. Such agency service, being input service, used by the Reserve Bank of India for providing the main service, for which the consideration by way of fee or commission or any other amount is received by the agent bank, does not get excluded from the levy of service tax by virtue of inclusion of the main service in clause (b) of the negative list in section 66D and hence, such service is leviable to service tax	Illustration added to Principles of interpretation of specified descriptions of services or bundled services for elaborating the clause w.r.t. Unless otherwise specified, reference to a service (herein referred to as main service) shall not include reference to a service which is used for providing main service.
Section 67(a)	Notified date subsequent to President Assent	"consideration" includes any amount that is payable for the taxable services provided or to be provided;	"consideration" includes- (i) any amount that is payable for the taxable services provided or to be provided; (ii) any reimbursable expenditure or cost incurred by the service provider and charged, in the course of providing or agreeing to provide a taxable service, except in such circumstances, and subject to such conditions, as may be prescribed; (iii) any amount retained by the lottery distributor or selling agent from gross sale amount of lottery ticket in addition to the fee or commission, if any, or, as the case may be, the discount received, that is to say, the difference in the face value of lottery ticket and the price at which the distributor or selling agent gets such ticket.'	It is mainly to over come the decision of Delhi high Court in the case of Inter national Continental, Rule 5 can not override section 67 and hence corrective action has been taken as per Cadila Judgments
Section 73(1B)	President Assent	–	Notwithstanding anything contained in sub-section (1), in a case where the amount of service tax payable has been self-assessed in the return furnished under sub-section (1) of section 70, but not paid either in full or in part, the same shall be recovered along with interest thereon in any of the modes specified in section 87, without service of notice under sub-section (1)	This provision was earlier covered under Rule 6(6A). The same is now proposed to be incorporated under the respective section to avoid the litigations w.r.t. constitutional validity of such provisions through Rules. Penalty provisions has been rationalized and it is welcome provision.

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Section 73(4A)	President Assent	Penalty @ 1% of tax for each month subject to maximum 25% where the service tax has not been levied or paid or short levied or short paid or erroneously refunded and the same has been brought out during the course of audit, investigation or verification. The service of notice in this case is dispensed with.	Omitted	Differential penalty provisions as applicable during the course of audit or otherwise with out suppression of fact has been dispense with. No penalty will be imposed if service tax has been paid along with interest.
Section 76	President Assent	<p>76. Penalty for failure to pay service tax</p> <p>Any person, liable to pay service tax in accordance with the provisions of section 68 or the rules made under this Chapter, who fails to pay such tax, shall pay, in addition to such tax and the interest on that tax amount in accordance with the provisions of section 75, a penalty which shall not be less than 3 [one hundred rupees] for every day during which such failure continues or at the rate of 4[two per cent.] of such tax, per month, whichever is higher, higher, starting with the first day after the due date till the date of actual payment of the outstanding amount of service tax:</p> <p>Provided that the total amount of the penalty payable in terms of this section shall not exceed the service tax payable in terms of this section shall not exceed 5[fifty per cent of] the service tax payable.</p> <p>6 [Illustration</p> <p>X, an assessee, fails to pay service tax of ten lakh rupees payable by 5th March. X pays the amount on 15th March. The default has continued for ten days. The penalty payable by X is computed as follows:-</p> <p>1% of the amount of default for 10 days = <math>1/100 \times 10,00,000 \times 10/31 = \text{Rs. } 3,225.80</math></p> <p>Penalty calculated @ Rs. 100 per day for 10 days = Rs. 1,000</p> <p>Penalty liable to be paid is Rs. 3,226.00.]</p>	<p>"76. (1) Where service tax has not been levied or paid, or has been short-levied or short-paid, or erroneously refunded, for any reason, other than the reason of fraud or collusion or wilful misstatement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty not exceeding ten per cent. of the amount of such service tax:</p> <p>Provided that where such service tax and interest is paid within a period of thirty days of--</p> <p>(i) the date of service of notice under sub-section (1) of section 73, no penalty shall be payable;</p> <p>(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the penalty imposed in that order, only if such reduced penalty is also paid within such period.</p> <p>(2) Where the Commissioner (Appeals), the Appellate Tribunal or, the court, as the case may be, modifies the service tax determined under sub-section (2) of section 73, then, the amount of penalty payable thereon, shall also stand modified accordingly, and the benefit of reduced penalty under the proviso to sub-section (1) shall be available if such</p>	<p>Penalty provisions has been rationalized.</p> <p>If penalty is modified by adjudicating authority and such demand along with interest is paid within 30 days from the order, penalty needs to be paid to the extent of 25% of modified penalty.</p>

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			service tax, interest and reduced penalty so payable, is paid within a period of thirty days from the date of receipt of the order by which such modification is made.	
Section 78	President Assent	<p>78. Penalty for suppressing value of taxable service. -</p> <p>4[(1) Where any service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded, by reason of -</p> <p>(a) fraud; or</p> <p>(b) collusion; or</p> <p>(c) wilful mis-statement; or</p> <p>(d) suppression of facts; or</p> <p>(e) contravention of any of the provisions of this Chapter or of the rules made thereunder with intent to evade payment of service tax, the person, liable to pay such service tax or erroneous refund, as determined under sub-section (2) of section 73, shall also be liable to pay a penalty, in addition to such service tax and interest thereon, if any, payable by him, which shall be equal to the amount of service tax so not levied or paid or short-levied or short-paid or erroneously refunded:</p> <p>Provided that where true and complete details of the transactions are available in the specified records, penalty shall be reduced to fifty per cent. of the service tax so not levied or paid or short-levied or short-paid or erroneously refunded:</p> <p>Provided further that where such service tax and the interest payable thereon is paid within thirty days from the date of communication of order of the Central Excise Officer determining such service tax, the amount of penalty liable to be paid by such person under the first proviso shall be twenty-five per cent. of such service tax:</p> <p>Provided also that the benefit of reduced penalty under the second proviso shall be available</p>	<p>"78. (1) Where any service tax has not been levied or paid, or has been short-levied or shortpaid, or erroneously refunded, by reason of fraud or collusion or wilful mis-statement or suppression of facts or contravention of any of the provisions of this Chapter or of the rules made thereunder with the intent to evade payment of service tax, the person who has been served notice under the proviso to sub-section (1) of section 73 shall, in addition to the service tax and interest specified in the notice, be also liable to pay a penalty which shall be equal to hundred per cent. of the amount of such service tax:</p> <p>Provided that where such service tax and interest is paid within a period of thirty days of --</p> <p>(i) the date of service of notice under the proviso to sub-section (1) of section 73, the penalty payable shall be fifteen per cent. of such service tax;</p> <p>(ii) the date of receipt of the order of the Central Excise Officer determining the amount of service tax under sub-section (2) of section 73, the penalty payable shall be twenty-five per cent. of the service tax so determined:</p> <p>Provided further that the benefit of reduced penalty under the first proviso shall be available only if the amount of such reduced penalty is also paid within such period.</p> <p>(2) Where the Commissioner ( Appeals), the Appellate Tribunal or the court, as the case may be, modifies the service tax determined under sub-section (2) of section 73, then, the amount of penalty payable thereon, shall also stand modified accordingly, and the benefit of reduced penalty under the first proviso to sub-</p>	<p>Penalty provisions has been rationalized.</p> <p>If penalty is modified by adjudicating authority and such demand along with interest is paid within 30 days from the order, penalty needs to be paid to the extent of 25% of modified penalty.</p>

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		<p>only if the amount of penalty so determined has also been paid within the period of thirty days referred to in that proviso:</p> <p>Provided also that in case of a service provider whose value of taxable services does not exceed sixty lakh rupees during any of the years covered by the notice or during the last preceding financial year, the period of thirty days shall be extended to ninety days.</p> <p>(2) Where the service tax determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purposes of this section, the service tax as reduced or increased, as the case may be, shall be taken into account:</p> <p>Provided that in case where the service tax to be payable is increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, the benefit of reduced penalty under the second proviso to sub-section (1), shall be available, if the amount of service tax so increased, the interest payable thereon and twenty-five per cent. of the consequential increase of penalty have also been paid within thirty days or ninety days, as the case may be, of communication of the order by which such increase in service tax takes effect:</p> <p>Provided further that if the penalty is payable under this section, the provisions of section 76 shall not apply.</p> <p>Explanation.- For the removal of doubts, it is hereby declared that any amount paid to the credit of the Central Government prior to the date of communication of the order referred to in the second proviso to sub-section (1) or the first proviso to sub-section (2) shall be adjusted against the total amount due from such person.]</p>	<p>section (1) shall be available if such service tax, interest and reduced penalty so payable, is paid within a period of thirty days from the date of receipt of the order by which such modification is made."</p>	



Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
Section 78B	President Assent	-	<p>78B. (1) Where, in any case,--</p> <p>(a) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and no notice has been served under sub-section (1) of section 73 or under the proviso thereto, before the date on which the Finance Bill, 2015 receives the assent of the President; or</p> <p>(b) service tax has not been levied or paid or has been short-levied or short-paid or erroneously refunded and a notice has been served under sub-section (1) of section 73 or under the proviso thereto, but no order has been passed under sub-section (2) of section 73, before the date on which the Finance Bill, 2015 receives the assent of the President, then, in respect of such cases, the provisions of section 76 or section 78, as the case may be, as amended by the Finance Act, 2015 shall be applicable.</p> <p>(2) Notwithstanding anything contained in sub-section (1), in respect of cases falling under the provisions of sub-section (4A) of section 73 as was in force prior to the date of coming into force of the Finance Act, 2015, where no notice under the proviso to sub-section (1) of section 73 has been served on any person or, where so served, no order has been passed under sub-section (2) of section 73, before such date, the penalty leviable shall not exceed fifty per cent. of the service tax."</p>	Penalty provisions has been rationalized.
Section 80	President Assent	<p>80. Penalty not to be imposed in certain cases. - 2(1) Notwithstanding anything contained in the provisions of section 76 3[section 77 or 4[first proviso to sub- section (1) of section 78]], no penalty shall be imposable on the assessee for any failure referred to in said provisions, if the assessee proves that there was reasonable cause for the said failure.</p> <p>5"(2) Notwithstanding anything contained in the provisions of</p>	Omitted	Powers of waiver of penalty by Commissioner even on bonafied ground has been withdrawn

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		<p>section 76 or section 77 or section 78, no penalty shall be imposable for failure to pay service tax payable, as on the 6th day of March, 2012, on the taxable service referred to in sub-clause (zzzz) of clause (105) of section 65, subject to the condition that the amount of service tax along with interest is paid in full within a period of six months from the date on which the Finance Bill, 2012 receives the assent of the President."</p>		
Section 86	President Assent	<p>(1) Any assessee aggrieved by an order passed by a 10[Commissioner] of Central Excise under 1[section 73 section 83A 2[xxxx]], or an order passed by a 3[Commissioner] of Central Excise (Appeals) under section 85, may appeal to the Appellate Tribunal against such order 4 "within three months of the date of receipt of the order".</p> <p>[(1A) (i) The Board may, by notification in the Official Gazette, constitute such Committees as may be necessary for the purposes of this Chapter.</p> <p>(ii) Every Committee constituted under clause (i) shall consist of two Chief Commissioners of Central Excise or two Commissioners of Central Excise, as the case may be.]</p> <p>6[(2)The 7[Committee of Chief Commissioners of Central Excise] may, if it objects to any order passed by the Commissioner of Central Excise under 8[section 73 or section 83A 9[xxxx]], direct the Commissioner of Central Excise to appeal to the Appellate Tribunal against the order.</p> <p>10[Provided that where the Committee of Chief Commissioners of Central Excise differs in its opinion against the order of the Commissioner of Central Excise, it shall state the point or points on which it differs and make a reference to the Board which shall, after considering the facts of the</p>	<p>In section 86 of the 1994 Act, in sub-section (1), --</p> <p>(a) for the words "Any assessee", the words "Save as otherwise provided herein, an assessee" shall be substituted;</p> <p>(b) the following provisos shall be inserted, namely:-</p> <p>"Provided that where an order, relating to a service which is exported, has been passed under section 85 and the matter relates to grant of rebate of service tax on input services, or rebate of duty paid on inputs, used in providing such service, such order shall be dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944:</p> <p>Provided further that all appeals filed before the Appellate Tribunal in respect of matters covered under the first proviso, after the coming into force of the Finance Act, 2012, and pending before it up to the date on which the Finance Bill, 2015 receives the assent of the President, shall be transferred and dealt with in accordance with the provisions of section 35EE of the Central Excise Act, 1944."</p>	<p>Minor correction has been made, instead of any assessee aggrieved has been made as assessee only.</p> <p>Appeal against the order of Commissioner Appeal relating to rebate claim to be made before Joint Secretary Department of Revenue and pending cases also needs to be transferred.</p>

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		<p>order, if is of the opinion that the order passed by the Commissioner of Central Excise is not legal or proper, direct the Commissioner of Central Excise to appeal to the Appellate Tribunal against the order.</p> <p>11[(2A) The Committee of Commissioners may, if he objects to any order passed by the Commissioner of Central Excise (Appeals) under section 85, direct any Central Excise Officer to appeal on his behalf to the Appellate Tribunal against the order:]</p> <p>12[Provided that where the Committee of Commissioners differs in its opinion against the order of the Commissioner of Central Excise (Appeals), it shall state the point or points on which it differs and make a reference to the jurisdictional Chief Commissioner who shall, after considering the facts of the order, if is of the opinion that the order passed by the Commissioner of Central Excise (Appeals) is not legal or proper, direct any Central Excise Officer to appeal to the Appellate Tribunal against the order.</p> <p>Explanation.- For the purposes of this sub-section, "jurisdictional Chief Commissioner" means the Chief Commissioner having jurisdiction over the concerned adjudicating authority in the matter.]]</p> <p>13[(3) "Every appeal under sub-section (2) or sub-section (2A) shall be filed within four months from the date on which the order sought to be appealed against is received by the Committee of Chief Commissioners or, as the case may be, the Committee of Commissioners.";]</p> <p>(4) 14[The Commissioner of Central Excise or 15[any Central Excise Officer subordinate to him] or the assessee, as the case may be, on receipt of of a notice that an appeal against the order of the Commissioner of Central Excise or the Commissioner of Central Excise (Appeals) has been preferred under sub-section (1) or</p>		

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
		<p>sub-section (2) or sub-section (2A)] by the other party may, notwithstanding that he may not have appealed against such order or any part thereof, within forty-five days of the receipt of the notice, file a memorandum of cross-objections, verified in the prescribed manner, against any part of the order of the 1[Commissioner] of Central Excise or the 2[Commissioner] of Central Excise (Appeals), and such memorandum shall be disposed of by the Appellate Tribunal as if it were an appeal presented within the time specified in sub-section (3).</p> <p>(5) The Appellate Tribunal may admit an appeal or permit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in 6 [sub-section (1) or sub-section (3)]" or sub-section (4) if it is satisfied that there was sufficient cause for not presenting it within that period.</p> <p>3[(6) An appeal to the Appellate Tribunal shall be in the prescribed form and shall be verified in the prescribed manner and shall, irrespective of the date of</p> <p>of demand of service tax and interest or of levy of penalty in relation to which the appeal is made, be accompanied by a fee of, -</p> <p>a) where the amount of service tax and interest demanded and penalty levied by any Central Excise Officer in the case to which the appeal relates is five lakh rupees or less, one thousand rupees;</p> <p>b) where the amount of service tax and interest demanded and penalty levied by any Central Excise Officer in the case to which the appeal relates is more than five lakh rupees but not exceeding fifty lakh rupees, five thousand rupees;</p> <p>c) where the amount of service tax and interest demanded and penalty levied by any Central Excise Officer in the case to which</p>		

Notification/ Section	Amendment Effective date	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
		<p>the appeal relates is more than fifty lakh rupees, ten thousand rupees:                      Provided that no fee shall be payable in the case of an appeal referred to in sub-section (2) or sub-section (2A) or a memorandum of crossobjections referred to in sub-section (4).                      (6A) Every application made before the Appellate Tribunal, -                      a) in an appeal for grant of stay or for rectification of mistake or for any other purpose; or                      b) for restoration of an appeal or an application, shall be accompanied by a fee of five hundred rupees :                      Provided that no such fee shall be payable in the case of an application filed by the Commissioner of Central Excise or Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise, as the case may be under this sub-section.]                      (7) Subject to the provisions of this Chapter, in hearing the appeal and making orders under this section, the Appellate Tribunal shall exercise the same powers and follow the same procedure as it exercise and follows in hearing the appeals and making orders under the 4 [Central Excise Act, 1944] (1 of 1944)</p>		
Section 94	President Assent	94 [(aa) the determination of amount and value of taxable service under section 67;]	94 (aa) determination of the amount and value of taxable service, the manner thereof, and the circumstances and conditions under which an amount shall not be a consideration, under section 67;'	Amendment has been made for additional coverage so as to include the manner of determination of amount and value also include the circumstances and conditions, value may not be the consideration.
Chapter VI	Notified date subsequent to President Assent	–	New Chapter Introduced for Swachh Bharat Cess. An enabling provision is being made to empower the Central Government to impose a Swachh Bharat Cess on all or any of the taxable services at a rate of 2% of the value of such taxable services with the objective of financing and promoting Swachh Bharat initiatives. Provisions of Chapter V of the Finance Act, 1994 and the rules made thereunder will be applicable to this Cess	ACCHE AUR SWACHH DIN AANE WALE HAI.

**INCOME TAX – Please visit our website for changes introduced in Income Tax**



**Foreign Trade Policy**

**Notifications:**

- Minimum Export Price on export of edible oils in branded consumer packs of upto 5 Kgs has been reduced to USD 900 per MT from USD 1100 per MT. **[Notification No. 108 (RE-2013)/2009-2014 dated 06/02/2015]**
- The minimum import price (MIP) of Cardamom with HS code 0908 31 of Chapter 09 of ITC (HS), 2012 - Schedule - 1 (Import Policy) is fixed at Rs.500/- per Kg., with immediate effect. **[Notification No. 109 (RE-2013)/2009-2014 dated 06/02/2015]**
- New entry at Sl. No. 31 A in Chapter 3 of Schedule 2 of ITC(HS) Classification of Export & Import Items has been added prohibiting export of Shark fins of all species of Shark with immediate effect. **[Notification No. 110 (RE-2013)/2009-2014 dated 06/02/2015]**
- Import policy of the item 'Shark fins' covered under EXIM Code 0305 71 00 is changed from 'free' to 'prohibited'. **[Notification No. 111 (RE-2013)/2009-2014 dated 06/02/2015]**
- Minimum Export Price (MEP) on export of Potato has been removed with immediate effect. **[Notification No. 112 (RE-2013)/2009-2014**

**dated 20/02/2015]**

- A new laboratory named International Institute of Diamond Grading and Research India Private Limited, Surat, India is added for purpose of certification/ grading of diamonds of 0.25 carats and above, under paragraph 4A.2.1 of Foreign Trade Policy, 2009-2014. **[Notification No. 113 (RE-2013)/2009-2014 dated 02/03/2015]**

**Public Notices:**

- A new format for issue of IEC numbers in electronic form i.e. e-IEC, based on online applications, is being introduced as Appendix 18B-1. Further, it is notified that decision regarding grant or refusal of IEC will be conveyed to the applicant through sms and system generated letter, on the registered email address of the applicant. **[Public Notice No. 84 (RE-2013)/2009-2014 dated the 10/02/2015]**
- The application fee for online IEC is corrected to read as Rs 250/- instead of Rs 500/- **[Public Notice No. 85 (RE-2013)/2009-2014 dated the 13/02/2015]**
- Product description and ITC HS codes of certain items mentioned in Appendix 37-A, Vishesh Krishi Gram Udyog Yojana (VKGUY) Table 2 of HBP v1 have been amended to bring more clarity which are as under:

Sl.No.	VKGUY Product Code (as per Public Notice No. 52 dated 25/02/2014)	Description (as per Public Notice No. 52 dated 25/02/2014)		ITC HS code (as per Public Notice No. 52 dated 25/02/2014)	Amended ITC HS code
		Botanical Name	Other Name		
706.	706	Apium Graveolens seed	Ajmoda/Celery seed	1302 19 19	0910 99 11
716.	716	Coriandrum Sativum seeds	Corriander seeds/ Dhania	1302 19 19	0909 21 10 0909 21 90 0909 22 00
693.	693	Trigonella Foenumgraceum seed	Fenugreek / methi	1302 19 19	0910 99 12

Sl.No.	VKGUY Product Code (as per Public Notice No. 52 dated 25/02/2014)	Description (as per Public Notice No. 52 dated 25/02/2014)		ITC HS code (as per Public Notice No. 52 dated 25/02/2014)	Amended ITC HS code
		Botanical Name	Other Name		
696.	696	Zingiber Officinalis	Ginger / Sunth, Adrak	1302 19 19	0910 11
680.	680	Curcuma longa	Turmeric / Haldi	1302 19 19	0910 30
635.	635	Vernonia Anthmintica (purple flebin, kali jeeri) Cumin Black of seed qty other Cumin Black seeds	–	0909 30 11	0909 31
676.	676	Cassia Angustifolia Senna leaves and pads	Indian Senna / Sonamukhi	1302 19 19	1211 90 22
683.	683	Garcinia Cambogia	Goraka / Kokam	1302 19 19	1302 19 18
783.	783	other: Endosperm flour of Cassia seeds, Sesbania seeds whether or not modified	–	1302 32 90	0910 99 21

The benefits of VKGUY on exports made between 25th February 2014 and the date of issue of this Public Notice, for items mentioned at Sl. No. 2 and 3 of this Public Notice, shall be admissible on the basis of product description alone, irrespective of ITC (HS) Code mentioned in the shipping bill.

The product 'Tamarind Kernel Powder' is deleted from Sl. No. 663 of VKGUY Table 2 and is assigned a new Sl. No. 784 in VKGUY Table 2. Sl. No. 663 and new Sl. No. 784 shall be as under:

S.No.	VKGUY Product Code	Description	ITC HS code	Admissible Rate
663	663	Tamarindus Indicus i.e. Tamarind (fresh, dried, seeds)	08109020	5%
		Flour meal and powder of Tamarind, Cotyledon	08134010	
		Flour of Tamarind (Tamarind Indica)	11063010	
784	784	Tamarind Kernel powder	13023290	5%

**[Public Notice No. 86 (RE-2013)/2009-2014 dated the 16/02/2015]**

- Amendment in the para 2.9(b) of HBP(Vol.I) (2009-14) as under:  
"Only one IEC shall be issued against a single

PAN. Multiple IECs issued against a single PAN will be deactivated suo-moto after 31.03.2015." **[Public Notice No. 87 (RE-2013)/2009-2014 dated the 17/02/2015]**

**Policy Circular:**

- No New Circular

**Trade Notice:**

- No New Notice

**Special Economic Zone**

**Notifications:**

- No New Notifications

**MVAT**

**Notification:**

- No New Notifications

**Circular**

- Department has prescribed the detailed procedure for filing of return for the dealers under Luxury Tax and Sugarcane Purchase Tax who were physically filing returns and making electronic payment through GRAS. **[Trade Circular No.3T of 2015 dated 20.02.2015]**

## Company Law

### Notifications :

- According to provisions of Section 133 of Companies Act, 2013 as well as provisions of Section 210A sub-section (1) of Companies Act, 1956 the Central Government in consultation with the National Advisory Committee on Accounting Standards, issued these 'Companies (Indian Accounting Standards) Rules, 2015' which are effective from 1st day of April, 2015. These rules are applicable to the companies on the basis of their net worth criteria stated in Rule 4. These companies and their Auditors should comply with the Indian Accounting Standards (Ind AS) as specified in these rules while preparation of their financial statements and conducting audit. **[Notification No. G.S.R. (E)dated 16th Feb 2015]**
- Now new form GNL-4 (Form for filing addendum or rectification of defects or incompleteness) has been issued for filing of any further information or documents called for, in respect of application or e-form or document filed electronically to MCA. **[Notification No. G.S.R. (E)dated 24th Feb 2015]**

### Circulars:

- Time limit for filing of Notice of appointment of the Cost Auditor in form CAR-2 has been extended up to 31st Mar 2015 without any penalty / late fees. **[General Circular No.02/2015 dated 11th Feb 2015]**
- Companies are facing difficulty while filing of form DIR-12 for particulars of change in Director due to deactivation of DSC of Director who has filed DIR-11 for notice of resignation by resigning director. On this it has been clarified that the Registrar of Companies within their respective jurisdictions are authorized, on request from the stakeholders, and after due examination, to allow any one of the resigned director who was an authorized signatory Director for the purpose of filing DIR-12 only along with additional fees, as applicable. **General Circular No.03/2015 dated 3rd Mar 2015]**

## FEMA (Important Circulars)

- As per A.P. (DIR Series) Circular No.124 dated April 21, 2014, Foreign Direct Investment (FDI) up to % was permitted under the automatic route for greenfield investments and FDI of up to 100 % was permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector. Upon a review, it has been decided to carve out medical devices from the above mandate. **[RBI/2014-15/441 A.P.(DIR Series) Circular No.70 February 02, 2015]**
- As per the Sixth Bi-Monthly Monetary Policy Statement, 2014-15 dated February 3, 2015, it has been decided to merge the Export Credit Refinance (ECR) facility with the system level liquidity provision with effect from the fortnight beginning on February 7, 2015. Accordingly, no new refinancing under the ECR will be available after February 6, 2015 and the refinancing availed up to February 6, 2015 would continue till its maturity. **[RBI/2014-15/444 REF.No.MPD.BC.376/07.01.279/2014-15 February 03, 2015]**
- As per A.P. (DIR Series) Circular No. 13 dated July 23, 2014 all registered Foreign Portfolio Investors (FPI) with the RBI that wish to invest in government securities shall be allowed to invest in government bonds with a minimum residual maturity of three years. But now it has been announced by the RBI in its Sixth Bi-Monthly Monetary Policy Statement, 2014-15, issued on February 03, 2015 that all future investments by FPIs in the debt market (not only government bonds) in India will be required to be made with a minimum residual maturity of three years. It has also been decided by the RBI that investments by an FPI within the limit for investment in corporate bonds shall be required to be made in corporate bonds with a minimum residual maturity of three years and FPIs shall not be allowed to make any further investments in liquid and money market mutual fund schemes. However, there will be no lock-in period and FPIs shall be free to sell the securities (including those that are presently held with less than three years



residual maturity) to domestic investors if desired. **[RBI/2014-15/448 A.P. (DIR Series) Circular No. 71 February 03, 2015]**

- As per A.P. (DIR Series) Circular No. 13 dated July 23, 2014, the Foreign Portfolio Investors (FPIs) can purchase Government securities and Non-Convertible Debentures (NCDs) / bonds issued by an Indian company subject to terms and conditions as mentioned therein and limits (currently USD 30 billion) as prescribed for the same by the RBI.

It has now been decided by the RBI that FPIs can reinvest their coupons in Government securities even when the existing limits are fully utilized. Which means that FPIs shall be permitted to invest in government securities with coupons being received on their existing investments in government securities and these investments shall be kept outside the applicable limit (currently USD 30 billion) for investments by FPIs in government securities. **[RBI/2014-15/453 A.P. (DIR Series) Circular No.72 February 05, 2015]**

- As per A.P. (DIR Series) Circular No. 108 dated June 11, 2013 an exporter receiving an advance payment for exports (with or without interest) from a buyer outside India shall be under an obligation and should ensure that shipment of goods are made within the stipulated period from the date of receipt of advance payment.

It has been observed by the RBI that there is substantial increase in the number and amount of advances received for exports which are remaining outstanding beyond the stipulated period on account of non-performance (No shipments in stipulated time in case of export of goods). The RBI has advised AD - I banks to follow-up with the concerned exporters in order to ensure that export performance (shipment of goods) are completed within the stipulated time period and to refer those cases to the Directorate of Enforcement (DoE) for further investigation. **[RBI/2014-15/461 A. P. (DIR Series) Circular No.74 February 09, 2015]**

- As per A.P. (DIR Series) Circular No. 82 dated February 21, 2012, individuals, firms and

companies while making payments exceeding USD 5,000 or its equivalent towards imports into India must be made to file Form A-1.

But now, with a view to liberalise and simplify the procedure, the RBI has decided to remove the rule of submitting request in Form A-1 to AD - I banks for making payments towards imports into India. However, banks would need to collect requisite details from importers and satisfy itself about the bonafides of the transactions before effecting the remittance. **[RBI/2014-15/467 A. P. (DIR Series) Circular No.76 February 12, 2015]**

- As per A.P. (DIR Series) circular no. 32 dated December 28, 2010, eligible residents can enter into FCY-INR swaps for hedging the exchange-rate or interest rate risk exposure arising out of long-term foreign currency borrowing or to transform long-term INR borrowing into foreign currency liability. Subject to operational guidelines, the swap transactions, once cancelled, shall not be rebooked or reentered, by whichever mechanism or by whatever name called.

Now, to permit greater flexibility to residents who are foreign currency borrowers, the RBI has decided to permit eligible borrowers to re-enter into fresh FCY-INR swaps to hedge the underlying but with conditions that the underlying (exchange rate or interest rate) should still be surviving at the time of cancellation or after the expiry of the tenor of the original swap contract that had been cancelled. **[RBI/2014-15/469 A.P. (DIR Series) Circular No. 78 February 13, 2015]**

- As per A.P. (DIR Series) Circular No.42 dated November 28, 2014, the 20:80 scheme for import of gold was withdrawn in consultation with the Government by the RBI.

As per requests from gold importers, the following clarifications have been issued by the RBI in consultation with the Government of India:

1. The obligation to export under the 20:80 schemes will continue to apply in respect of unutilised gold imported before November 28, 2014, i.e., the date of abolition of the 20:80 scheme.

2. Nominated banks are now permitted to import gold on consignment basis and sale of gold domestically will have to be against upfront payments. Banks are also freed to grant gold metal loans.
3. Star and premier trading houses (STH/PTH) can import gold on DP basis as per entitlement without any end-use restrictions.
4. The import of gold coins and medallions will no longer be prohibited. Pending further review, the restrictions on banks in selling gold coins and medallions are not being removed.

**[RBI/2014-15/474 A.P. (DIR Series) Circular No.79 February 18, 2015]**

**CBEC Notified Exchange Rate for Conversion of Foreign Currency w. e. f.  
6th March 2015 [Notification No.28/2015-Customs (N.T) Dated 5th March-2015]**

**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	49.45	48.05
2.	Bahrain Dinar	170.05	160.75
3.	Canadian Dollar	50.65	49.55
4.	Danish Kroner	9.40	9.10
5.	EURO	69.90	68.15
6.	Hong Kong Dollar	8.10	7.95
7.	Kuwait Dinar	215.95	203.65
8.	New Zealand Dollar	47.75	46.35
9.	Norwegian Kroner	8.10	7.90
10.	Pound Sterling	96.10	93.95
11.	Singapore Dollar	46.00	45.05
12.	South African Rand	5.45	5.15
13.	Saudi Arabian Riyal	17.10	16.15
14.	Swedish Kroner	7.55	7.40
15.	Swiss Franc	65.25	63.70
16.	UAE Dirham	17.45	16.50
17.	US Dollar	62.80	61.80

**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	52.60	51.40
2.	Kenya Shilling	70.40	66.25



# Beyond the Obvious

## Central Excise

- ❖ **Reversal of credit and remission of duty:** Assessee's finished goods destroyed due to industrial violence leading to destruction of factory by fire notwithstanding police protection granted by High Court. Assessee has done everything to prevent loss to the factory and property. No negligence on the part of the Assessee. Notwithstanding huge loss to Assessee, Cenvat credit of inputs used in destroyed goods reversed and sought remission under Rule 21. Assessee has made out prima-facie case. **[2015-TIOL-391-CESTAT-BANG]**
- ❖ **Whether the amount of sales tax collected by Assessee from customers and retained with them is includible in assessable value or not:** Assessee during period of dispute were collecting full amount of sales tax from customers and were paying only 50% of the same to State Government and were retaining 50% of tax as per the State Government's Scheme in lieu of capital subsidy. Point of dispute is as to whether the amount of sales tax collected by Assessee from customers and retained with them is includible in assessable value or not. In the present case, the reasoning given by Commissioner in impugned order for confirming the demand is confusing. Assessee states that out of total duty demand of Rs. 72,23,683/-, the duty demand of about Rs. 32 Lakhs is within time. Hence, Assessee is directed to deposit an amount of 32 Lakhs. **[2015-TIOL-386-CESTAT-DEL]**
- ❖ **Cenvat credit on Clearing and Forwarding Services:** Assessee availed input services credit on Clearing and Forwarding Services and Courier Services which was denied in adjudication. Further demands confirmed and upheld by Commissioner (Appeals) and agitated

before CESTAT. Hon'ble Bench considering the fact that the assessee availed input credit on the C&F services, which is meant for export of goods and also considering the small amount involved on courier services, as well as the Tribunal rulings relied upon, waived pre-deposit of dues. **[2015-TIOL-384-CESTAT-MAD]**

- ❖ **CENVAT credit in respect of input services becomes available on or after the date on which payment is made for the value of the input service:** Assessee has availed input service credit in respect of technical know-how (research and development) and travel agent service which was disallowed in adjudication and by Commissioner (Appeals) and later on agitated before CESTAT. In this matter Commissioner (Appeals) has clearly conceded that technical know-how has actually been acquired by the assessee for producing the products namely Candisartan and Irbesartan. Manufacture of pharmaceutical products is a complex process and can take long. Commissioner (Appeals) has also not doubted the purpose for which the technical knowhow has been obtained in as much he has practically allowed the assessee to take such credit when they start utilizing the technical knowhow to manufacture the final product. Technical knowhow once obtained begins to be utilized for the purpose of manufacture of products for which it was obtained as such technical knowhow is relevant/required right from the point of setting up the necessary wherewithals required for manufacturing the product. Under Rule 4(7) of Cenvat Credit Rules, 2004, CENVAT credit in respect of input services becomes available on or after the date on which payment is made for the value of the input service. Cenvat Rules do not provide that the credit of input services can be taken only when the final products get manufactured. - Ratio of

the CESTAT judgement in the case of Cadila Healthcare Ltd. clearly supportive of the Assessee's claim. No reasons for denial of the cenvat credits. **[2015-TIOL-372-CESTAT-DEL]**

- ❖ **Intention to evade duty not attributable more so when cenvat credit reversed as pointed out:** Assessee carrying on manufacturing activity in two units due to space constraint which constituted as one factory. Common accounting and balance sheets prepared for both the units as one. Availment of entire CENVAT credit in one unit instead of availing proportionate credit in both the units is totally a revenue neutral situation in as much as the manufacturer is entitled to Cenvat credit. No specific allegations of willful misstatement or suppression of facts. Intention to evade duty not attributable more so when credit was reversed as pointed out. Hence Order confirming imposition of penalty and interest by invoking extended limitation period has been set aside. **[CESTAT 2015-TIOL-367-CESTAT-BANG]**
- ❖ **New grounds and documents cannot be placed at the time of Modification of stay order:** On the dispute related to valuation of related party clearances, stay order dated 03.07.2014 was passed and Assessee prays for modification of stay order. Issue involved in this case is undervaluation of the goods in so far as the Assessee sold the goods to their two dealers, who are related persons, much lower than the price of the unrelated persons on the same day. In the present case, documents placed by the Assessee are new evidences, which were not placed before the Commissioner during the adjudication proceedings at any point of time. Such evidences cannot be accepted in the Application for Modification of the stay order. There is no merit in the application filed by the Assessee however, considering the financial hardship and the submissions by both sides, the period of compliance is extended for further six weeks. **[2015-TIOL-365-CESTAT-MAD]**
- ❖ **Place of removal :** Assessee paid freight and supplied the goods at the premises of customers on 'FOR destination' and MRP basis. In this case

Place of removal is buyer's premises. Merely that invoice was prepared at assessee's factory is irrelevant and after following precedents on issue in question, pre-deposit has been waived by the Hon'ble CESTAT. **[2015-TIOL-437-CESTAT-BANG]**

- ❖ **HC condones delay in filing appeal due to vacancy in manager position on a bonafide ground :** Hon'ble High Court grants relief to Maharashtra State Electricity Distribution Co. and allows condonation of delay of 579 days in filing statutory appeal, on ground of vacancy in position of Manager (Accounts & Finance). Accepting assessee's contention that there was bonafide ground for delay, states, Finance and Accounts Manager is a crucial post and its vacancy a vital element and factor. HC Observes, "It is not as if the reason was found to be false or the appellant was totally negligent and callous or has ignored the legal proceedings completely". Discretion could have been exercised in favour of a statutory entity and authority like assessee, therefore, Tribunal in error refusing to condone delay and has not exercised its discretion fairly and reasonably, which itself is a substantial question of law, and merits admission of appeal by this Court. HC directs Tribunal to restore appeal subject to deposit of specified sum by assessee. **[TS-54-HC-2015(BOM)-EXC]**

## Customs:

- ❖ **Amendment of IGM:** Original importer's name was indicated in IGM as M/s Jai Durga Trading Co. Said importer did not clear goods nor did he pay duty within thirty days from date of unloading of goods as stipulated under Section 48 of Customs Act, 1962. This clearly shows that Assessee was not interested in clearance of goods and had abandoned their claim of goods. Amendment of IGM sought by shipping agent for substituting the name of importer with M/s. BGH Exim Ltd. cannot be faulted at all. Appeal dismissed. **[2015-TIOL-371-CESTAT-MUM]**
- ❖ **HC Laments CESTAT for non-application of mind; CESTAT must consider germane tests for pre-deposits:** Hon'ble HC partly allows

assessee's appeal, laments CESTAT for ordering pre-deposit without application of mind, reduces amount from Rs 1 Crore to Rs 30 lakhs. Hon'ble HC held that CESTAT ought to consider relevant and germane tests, particularly whether a prima facie and arguable case has been made out and financial hardship sufficiently proved, stresses that rights of parties & their equities have to be balanced. Such balance must be struck by exercising discretion judiciously, not arbitrarily and whimsically as CESTAT is not expected to pass virtually final order at an interlocutory stage, observes HC. CESTAT must ensure that it gets adequate time to take up appeals for final disposal, so that parties and lower authorities are guided in terms of interpretation and exposition of law by CESTAT's final orders and application to given facts and circumstances, which is CESTAT's duty as last fact finding authority. HC hold that Assessee correct in arguing that undue weightage on one document should not be given, and overall and broad view has to be taken, case involving serious fraud may be brought before it, but CESTAT has to independently appraise and appreciate factual material during appeal hearing, uninfluenced by Adjudicating Authority's observations. **[TS-60-HC-2015(BOM)-CUST]**

## Service Tax:

- ❖ **Consideration received for levy of supply of goods will not cover under Section 67:** Section 67 of the Finance Act, 1994 mandates levy of Service Tax on a value or consideration received for rendering the services. Any consideration received for supply of goods is not covered within its scope - Handling charges incurred in connection with the procurement of the parts for repairing or servicing of vehicles are not includible for payment of Service Tax as sales tax/VAT liability is discharged on the value inclusive of handling charges. Appeal filed by the Assessee is allowed. **[2015-TIOL-390-CESTAT-MUM]**
- ❖ **Telecommunication service:** Assessee has procured Web Conferencing services from overseas vendor and provided to clients in India. The said service will cover under

Telecommunication service and not taxable under Business Support Services. Merely such Foreign Service provider has not obtained license under Indian Telegraph Act, cannot held it is irrelevant. Hon'ble Bench has granted unconditional stay in this matter. **[2015-TIOL-389-CESTAT-BANG]**

- ❖ **Applicability of service tax on reimbursement of expenses incurred by subsidiary company for advertisement, marketing, sale and promotion etc. of the holding company's products:** Assessee is a subsidiary of M/s. Canon Singapore (P) Ltd., Singapore, the holding company, which provides computer systems support to several subsidiary companies across the world including in India. Revenue viewed that the assessee received certain amounts towards subsidy / reimbursement of expenses incurred by it for advertisement, marketing, sale and promotion etc. of the holding company's products imported from Canon Singapore and this consideration is taxable under BAS defined under section 65 (19) read with section 65 (105) (zzb) of the Finance Act, 1994 and that lease transactions fell within the ambit of section 65 (12) read with Section 65 (105) (zm). Further demands adjudicated and agitated before CESTAT. After considering all facts Hon'ble Bench has held that BAS provided by the assessee prima-facie falls within the ambit of export of service in view of the Larger Bench decision in Paul Merchant case. In view of the analysis by the Larger bench of Apex Court in the case of the Association of Leasing and Financial Services Companies and the Tribunal ruling in the Lufthansa Technik Services case, the equipment leasing transactions between the assessee and its customers falls outside the ambit of financial leasing as defined in section 65 (12) read with Section 65 (105) (zm) of the Act. Hon'ble Bench has granted unconditional stay without any pre-deposit. **[2015-TIOL-379-CESTAT-DEL]**
- ❖ **Credit restriction inapplicable where exemption notification benefit not opted:** Hon'ble CESTAT allows Assessee's appeal and held that there is no prohibition under service

tax law on service providers to pay tax where Notification provides exemption and holds that 20% credit avallment restriction under Rule 6 of CENVAT Credit Rules (CCR) inapplicable as assessee not providing exempted and taxable service. Service tax rightly paid on services provided to SEZ unit, exemption Notification No. 4/2004, a conditional one requiring assessee to ensure that service receiver (ie SEZ) maintains proper records, therefore, Rule 6 restriction under CCR inapplicable. Further, assessee rightly paid service tax w.r.t. representing client before a statutory authority without availing benefit under Notification No. 25/2006, where single invoice raised towards composite services taxed as 'Chartered Accountant service'. Hon'ble Bench has accepted assessee's claim that no exempted service rendered during disputed period and receipts towards exempted services depicted in returns pertained to services rendered during pre- March 2006 period, when notification no. 59/1998-ST, exempted all services provided by Chartered Accountants. Further, CENVAT credit not deniable for mere procedural infraction that invoices addressed to assessee's other unit when use of input service for rendering output service undisputed. **[TS-49-Tribunal-2015-ST]**

## **CST**

❖ **HC Quashes penalty proceedings as imposition absent assigning reasons and reflects non-application of mind :** Hon'ble HC allows writ and quashes penalty proceedings initiated u/s 90 of Assam VAT Act, 2003 alleging wilful evasion of tax, absent any reasons assigned thereof. Consequently, bakijai proceedings under Bengal Public Demands Recovery Act, 1913 for penalty recovery also fail. Sec 90 stipulating that before imposition of penalty, affected person should be given a reasonable opportunity of being heard, indicates legislative intent that imposition of penalty not automatic and discretion vested in authority to impose penalty. Discretionary power to impose penalty must be exercised in a reasonable and rational manner, which requires application of

mind to all relevant factors including response of affected person, thereby allowing higher authorities to examine reasons assigned for penalty imposition, in event of appeal / revision. Order reflects non-application of mind w.r.t. justification for penalty and quantum thereof, observes, "Imposition of penalty is a coercive measure and, therefore, the order of penalty should be a speaking order". As regards inadvertent error by Revenue in referring to Sec 75(12)(b)(v) in notice / order when demand was infact intended u/s 90, HC opines that misquoting of section will not vitiate proceedings or invalidate action which can otherwise be traced to a valid source. **[TS-679-HC-2014(GAUH)-VAT]**

❖ **HC applies dominant intention test; annual Reports printing a 'works contract' and not a 'sale':** HC allows appeal and held that printing of Annual Reports constitutes a works contract, no sales tax payable under Tamil Nadu General Sales Tax Act on printing materials used therein. Predominant intention of assessee is printing as per specifications of particular customer and such printed material has no commercial value, incapable of being sold in open market. Applies SC ratio in Anandam Viswanathan that in every case, nature of contract and transaction must be gone into to determine whether the same is works contract or sale and it is possible only when intention of parties is found out. Hon'ble HC observes, mere fact that in execution of contract for work, paper owned by assessee stands transferred to contractee incidentally cannot lead to inference that transaction only a sale and not works contract. HC sets aside Joint Commissioner order, thereby allowing assessee's claim u/s 3(B) of the Act. **[TS-56-HC-2015(MAD)-VAT]**

❖ **Taxpayer challenges rule disallowing inputs tax credit based on seller's actual payment:** Delhi HC-Division Bench issues notice to Revenue in writ petition filed by assessee challenging the constitutional vires of Sec 9(2)(g) of DVAT Act 2004. Said Section disallows input tax credit unless tax paid by purchasing dealer has actually been deposited by selling dealer with Govt. or has lawfully been adjusted against output

tax liability and correctly reflected in the return filed for respective tax period. According to assessee, conditions imposed vide such provision virtually permit assessment of selling dealer in the hands of buyer dealer vis-à-vis legislations including Central Excise Act which only obligate buyer to receive goods against tax paid invoices and allow credit availment once tax is reimbursed to seller. Hon'ble HC lists the matter for final hearing on May 7, 2015 and bars Revenue from taking coercive action. **[Arise India Ltd vs. Commissioner of Trade & Taxes, Delhi & Ors.]**

- ❖ **Onus on Revenue to prove wilful neglect and in absent of evidences, penalty not imposable:** Hon'ble HC upholds Tribunal order deleting penalty imposed u/s 36(2)(c) r/w Explanation-I of Bombay Sales Tax Act, 1959 (BST Act), absent gross or wilful neglect on part of assessee. Tribunal rightly relied on Indoswe

Engineers (P) Ltd. ruling, where Division Bench of HC held that, as per Sec 36(2)(c) of BST Act, onus is on Revenue to prove that assessee has concealed particulars of any transaction / knowingly furnished inaccurate particulars. In that case, Division Bench had further observed that, if assessee discharges tax burden under Explanations to Sec(2)(c), onus of proof would shift onto Revenue to produce further evidence and material to prove ingredients of Sec 36(2)(c) and if it fails, penalty u/s 36(2)(c) would not be imposable. HC notes that in present case, assessee had filed books of accounts, which were accepted by Revenue without any objections. Further, HC has sets aside penalty demand accepting assessee's contention that short payment of tax was on account of financial losses suffered by it. **[TS-59-HC-2015(BOM)-VAT]**





- ❖ CCEA approves Rs 12,646 Cr for National Highways
- ❖ Net direct taxes grow by 6.88% but TDS slows down to 7.49% in 11 months
- ❖ Exports registers 2.44% growth in 10 months
- ❖ Industrial Growth registers 2.1% rate in 9 months
- ❖ Govt identifies 50 circuits across India for development of tourism
- ❖ Chit funds and lottery to come under Service Tax
- ❖ Finance Bill cleans up provisions relating to Indirect Transfers under Section 9 of I-T Act
- ❖ Expert Panel to be set up to do away with prior-approval for starting business
- ❖ FM allows tax-free bond option for road, rail and irrigation
- ❖ NBFCs with Rs 500 Cr turnover to be construed as Financial Institution
- ❖ FM reiterates commitment to GST; hopeful of implementing it from April 1, 2016
- ❖ Mudra Bank with corpus of Rs 20,000 Crore to be set up to provide credit to 5.77 crore SMEs Sector
- ❖ Govt to set up two New Ports at Sagar in West Bengal and Dugarajapatnam in Nellore District in AP



- ❖ CBI arrests five Customs officials at Trichy Airport; raids places in many States & seizes cash
- ❖ Shillong Customs seizes 819 kg cannabis from oil tanker; arrests two persons
- ❖ Guwahati Customs seizes 7.6 feet full grown panther skin, bone and skull worth Rs 58 lakh; Two poachers arrested
- ❖ IGI Airport Customs seizes gold worth Rs 23 lakh from pax coming from Riyadh
- ❖ CBI arrests CX Superintendent & recovers Rs. 35 lacs during searches in delhi
- ❖ IGI Airport Customs seizes gold worth Rs 24.68 lakh







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<b>Behede Joshi &amp; Associates, Chartered Accountant</b>	Practicing Chartered Accountants, Statutory Audit & Tax Audit, VAT Audit, Transfer Pricing.
<b>R. Venkitachalam, Company Secretary</b>	Practicing Company Secretary.
<b>Nawal &amp; Sonaje Associates, Cost Accountants</b>	Practicing Cost accountants, Cost Audit
<b>Bizsol Projects &amp; Infrastructure Solutions LLP</b>	Infrastructure Consultancy, Project Management Services in respect of Real Estate solution for Industrial, Residential, Trade & Commerce & Consultancy related to Finance & Investments

**Seminar on Budget organized by Bizsolindia on 2nd March, 2015**



CMA Ashok Nawal, MD, Bizsolindia expressing his views on Budget 2015-16, adjudication and on proposed GST



CA Manoj Behede, Jt. MD, Bizsolindia, addressing on changes in Income Tax.



CA Monica Joshi , CEO, Bizsolindia, addressing on changes in Service Tax.



CA Manoj Malpani, GM Strategy, addressing on changes in Customs Act.



CMA Nanda Barde, Assistant Manager Audit & Taxation, addressing on changes in Central Excise



Participants in Budget Seminar organized by Bizsol in Pune.

**Bizsolindia Services Pvt. Ltd.**

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