

# Pre-Budget

*Memorandum 2014*

## Indirect Taxes



**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

(Set up by an Act of Parliament)

# **PRE-BUDGET MEMORANDUM 2014**

## **Indirect Taxes**



**THE INSTITUTE OF CHARTERED ACCOUNTANT OF INDIA**  
NEW DELHI



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## I. INTRODUCTION

The Institute of Chartered Accountants of India (ICAI) considers it a privilege to submit the Pre-Budget Memorandum, 2014 on Indirect Taxes to the Government of India.

The Memorandum contains suggestions on issues relating to Service Tax, CENVAT Credit Rules, 2004, Excise Duty, Customs Duty and Central Sales Tax for the consideration of the Government while formulating the tax proposals for the year 2014-15. We believe that addressing the said issues would make tax laws simple, fair and transparent and avoid litigation.



## II. EXECUTIVE SUMMARY

### A. SERVICE TAX

S. No.	Topic(s)	Suggestion(s)
<b>Substantive Law</b>		
1.	Tax Audit Report in service tax	<i>It is suggested that the provision of service tax audit by Chartered Accountant be introduced, similar to the Tax Audit Under Income Tax Act 1961 and VAT audit under various states. The Preliminary draft of audit report under service tax is enclosed as Annexure-I.</i>
2.	Definitions and coverage- Suggestions to harmonize definition	
(a)	Service	<ul style="list-style-type: none"><li>➤ <i>The scope of service be restricted to a transaction of supply of service in the course of business, trade, commerce or profession or industry or furtherance of business, trade, commerce or profession or industry in line with international practice.</i></li><li>➤ <i>The word 'activity' used in the definition of service be defined in the Finance Act, 1994 as common understanding of the term activity may differ from the legislative view. It is a term with very wide connotation, which may create unnecessary litigation or demand.</i></li><li>➤ <i>The exclusion for services rendered by employee to employer be extended to services provided by employer to employee as well. This would reduce the</i></li></ul>



S. No.	Topic(s)	Suggestion(s)
		<i>hardship caused in determining the taxable value and reduce the administrative hassle in collecting the same. Further, the amount of tax sought to be collected on such transactions may not be substantial.</i>
(b)	Agricultural Produce	➤ <i>The old definition of agriculture as provided in Notification No. 13/2003 ST dated 20.06.2003 be incorporated in the Finance Act, 1994 in place of new definition of agriculture.</i>
(c)	Intellectual Property Right	➤ <i>It is suggested that the term "Intellectual Property Right" be defined by borrowing the meaning assigned to in erstwhile Section 65(55a) of the Finance Act, 1994.</i>
3.	Job work by SEZ units for exports- <i>Need Review</i>	➤ <i>The definition of 'process amounting to manufacture or production of goods', as presently given in Section 65B (40) of the Act, be modified to cover all processes that amount to manufacture as defined in Section 2(f) of the CE Act.</i>
4.	Outbound transaction provided by Branch to overseas Head Office and <i>vice-versa- Mismatch in Export and Import of Services Provisions</i>	➤ <i>No service tax be levied on outbound transaction provided by an office located in taxable territory to another office located in non-taxable territory of the same legal entity.  Alternatively, export status be accorded to services rendered by Head Office / Branch to overseas Branch /Head Office so as to treat them at par with import of service.</i>



S. No.	Topic(s)	Suggestion(s)
5.	Trading of goods - Not a service still it is in Negative list of Services	➤ Appropriate amendment be made to rectify the anomaly which has crept in by placing trading of goods in negative list when the same has been specifically excluded from the definition of service.
6.	Declared service - Need to clarify clause ( e )	➤ Clause (e) of section 66E viz., "Agreeing to the obligation to refrain from an Act or tolerate an Act or a situation to do an Act" be suitably modified to exclude personal, social and religious activities.
<i>Valuation of Taxable Service</i>		
7.	Sharing of expenses between two companies/ sister concerns - Clarification Required to adhere with Legal aspect	➤ It is suggested that an appropriate clarification be issued with a view to provide clarity on service tax for 'sharing of expenses' between two associated companies/ sister concerns where there is no margin.
<i>Exemptions/Abatements/Rebates</i>		
8.	Basic exemption limit for small service providers	➤ Small service providers exemption limit be raised to Rs.25, 00,000.
9.	Exemption for Goods Transport Agency (GTA)	➤ Considering the increase in cost of transportation since 2004, it is suggested that the exemption limit be enhanced to Rs. 4,000/- for single carriage and Rs. 2,000/- for a single consignee.
10.	Clarification on auxiliary educational	➤ It is suggested that the list of services received by an educational institution may be provided which are exempt



S. No.	Topic(s)	Suggestion(s)
	services- Need exact list of service to fall in exemption.	<i>under Clause 9 of Notification No.25/2012-ST dated 20.06.2012.</i>
11.	Clause 25 of Mega Exemption Notification - Services provided to Government, a local authority or a governmental authority	➤ <i>It is suggested that all functions entrusted to a municipality under Article 243W of the Constitution be covered in clause 25 of the mega exemption notification.</i>
12.	Served From India Scheme (SFIS)- May be applied on Services Export	➤ <i>It is suggested that Scrip obtained through SFIS be made freely tradable in line with FMS, MLFPS etc., so that Service Exporter who cannot use the Scrip for imports, can be benefitted by selling the Scrip in the market to the potential Importers.</i> ➤ <i>It is also suggested that Scrip be allowed to be used for payment of service tax towards locally procured services, including Reverse Charge payment for Import of Services as it is allowed to be used for payment of Excise duty on domestic procurements.</i>
<b>Procedural Law</b>		
13.	E-filing of document for registration under service tax-will improve ITES	➤ <i>It is suggested that a facility of sending the documents as scanned copy be introduced instead of the present requirement to submit the documents manually. A Chartered Accountant may</i>



S. No.	Topic(s)	Suggestion(s)
		<p>be allowed to certify the form with his digital signature, if required.</p> <p>➤ It is suggested that the Registration no. in ST-2 so allotted be made available online with digitally certified by the appropriate authority.</p>
<b>14.</b>	<b>Payment of service tax- Need changes in system and formats</b>	
(i)	Service tax collection based on accounting codes notification	<p>➤ The Circular No. 165/16/2012 ST dated 20.11.2012 be withdrawn and different methodologies be explored to determine the service tax collections in the respective sectors rather than requiring individual assessee to provide this information.</p>
(ii)	Amendment in GAR-7 Challan acknowledgement	<p>➤ It is suggested that period for tax payment be mentioned in the acknowledgment of tax payment.</p>
<b>15.</b>	<b>Filing of Return- need procedural and format changes</b>	
(i)	Confirmation / Acknowledgment of E-Return filing at ACES	<p>➤ It is suggested that acknowledgement of return/ confirmation be provided instantly as it is provided in the case of Income Tax Returns.</p> <p>➤ It is also suggested that in these cases the late fee should not be levied.</p> <p>➤ It is further suggested that late fee in case of NIL return be removed.</p>
(ii)	Additional information, if any in the return	<p>➤ It is suggested that appropriate space be made available in the return form so that assessee may give additional information to the department in relation to the return, if any.</p>



S. No.	Topic(s)	Suggestion(s)
		<ul style="list-style-type: none"> <li>➤ <i>It is suggested that appropriate space be made available to claim the 50% credit by banking industry.</i></li> </ul>
(iii)	Revision of Return of Service Tax	<ul style="list-style-type: none"> <li>➤ <i>It is suggested to clarify that whether revised return may again be revised.</i></li> <li>➤ <i>It is also suggested that time limit for revision of return be increased to 180 days considering the closing of financial accounts of the assessee and audit of the same by 30<sup>th</sup> September of the next financial year.</i></li> </ul>
(iv)	Return of Service Tax for prior periods	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that the facility to file an online return for prior periods be made available.</i></li> </ul>
16.	Time limit for adjudication need to introduce like in other central and state taxes	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that a time limit of 3 year for completion of adjudication be prescribed in the provisions of section 73.</i></li> <li>➤ <i>Further, the adjudication be not handled by the Officer who has issued the Show Cause Notice as at times it appears to be an empty formality.</i></li> </ul>
17.	Penalty in case of failure to take registration	<ul style="list-style-type: none"> <li>➤ <i>In order to avoid ambiguity and arbitrary use of discretionary powers by the Revenue, a measurable penalty in terms of the number of days of delay be imposed. For instance, a penalty which is lower of Rs.10,000 or Rs.200 per day of the default could be levied.</i></li> </ul>





S. No.	Topic(s)	Suggestion(s)
18.	Recording of statement – Alternative options	<ul style="list-style-type: none"> <li>➤ <i>As far as possible, recording of statements be avoided and assesses be asked to submit specific responses to the specific questions of the Department.</i></li> <li>➤ <i>In case, the statement is required to be recorded, a copy of the same, duly signed by both the tax payer and the Officer recording the statement be provided to the tax payer immediately after recording the statement.</i></li> <li>➤ <i>Very often, the statements are written in hand and then typed. The use of computer systems can speed up the process. The statement recorded can be immediately printed, signed and handed over to the assessee.</i></li> </ul>
19.	Search of premises - need change to incorporate reasons	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that in order to avoid vexatious searches, the reasons for conducting the search may be recorded in writing. This will also be in line with income-tax provisions.</i></li> </ul>
20.	Prosecution	<ul style="list-style-type: none"> <li>➤ <i>Prosecution provisions ought to apply only in exceptional cases and must include mens rea. Further, in the cases of interpretational issues such provisions should not be applied.</i></li> </ul>
21.	Applicability of Advance Rulings- Problem of non-availability of clarification on interpretational issues by large number of assessee	
(a)	Meaning of term 'substantial interest'	<ul style="list-style-type: none"> <li>➤ <i>It is suggested to define the term "Substantial Interest".</i></li> </ul>



S. No.	Topic(s)	Suggestion(s)
(b)	Advance Rulings for all assessee	➤ <i>It is suggested that either a separate mechanism for every assessee should be in-place, else advance ruling may be permitted for all assessee.</i>
22.	Multiple inquiries / Audits / investigations- Need to streamline the system	➤ <i>It is suggested that a Certificate be issued by the wing who has conducted investigation/audit to the assessee and/ or necessary provision be made to avoid duplication of audit so that assessee can be saved from unnecessarily harassment.</i>
23.	Reverse charge and Joint charge mechanism	➤ <i>Appropriate mechanism be developed whereby the benefit of basic exemption limit of Rs.10 Lacs available to the small service providers is also available to the service recipient paying service tax under reverse charge/joint charge.</i>
<b>Place of Provision of Services Rules, 2012</b>		
24.	Intermediary Services under Place of provision of Service Rules- Clarification will assist better compliances	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that the general rule of location of recipient of service be applied to intermediaries also and the exception be done away with.</i></li> <li>➤ <i>It is suggested that the location of recipient of service in international trade be treated as the place of provision of service.</i></li> <li>➤ <i>Clarification be issued to provide that the recipient of the service would be the person making payment for the service when the agent/broker brings together two parties of different taxable territories.</i></li> </ul>



S. No.	Topic(s)	Suggestion(s)
25.	Certification under Place of Provision Rules, 2012 in line with income tax – overseas payments	<p>➤ <i>It is suggested that a declaration and certification by a Chartered Accountant with respect to liability of service tax on payment made outside India be prescribed in service tax law in line with income-tax provisions. This could be verified by the bankers while effecting payment to overseas service provider.</i></p> <p><i>The introduction of such a mechanism will safeguard the interest of revenue as also would simplify the procedural compliance for the assessee with regard to Place of Provision Rules, 2012 which is generally quite complex and may be missed out of ignorance or oversight.</i></p>



## B. CENVAT CREDIT RULES, 2004

S. No.	Topic(s)	Suggestion(s)
1.	Definition of input service - Need overview to remove anomalies	<p>➤ <i>With the introduction of the new service tax regime based on the concept of a negative list, service tax is leviable on the broad spectrum of all the services except those specified in the negative list. When the taxation of services has become universal, the credit for input services should also follow the same principle and be made available across the board.</i></p> <p><i>It is suggested that definition of 'input services' be redrafted as "all services procured by assessee which is obtained and used wholly and exclusively for the purposes of the business of such provider of taxable services or manufacturer of excisable goods" including the Credit on Input Services used for capital structures.</i></p>
2.	Definition of input	
	CENVAT credit on capital structures	<p>➤ <i>It is suggested that definition of input be amended to provide CENVAT credit on capital structures etc.</i></p>
3.	Definition of capital goods	
(a)	CENVAT credit on motor vehicles	<p>➤ <i>It is suggested that the definition of "capital goods" may include all kinds of motor vehicles, railway coaches/ wagons which are essential for providing services with certain negative list of</i></p>



S. No.	Topic(s)	Suggestion(s)
		<i>services to which motor vehicles can be ineligible.</i>
(b)	CENVAT credit on the pipes and fittings installed outside the factory premises	➤ <i>The pipes and fittings which are inter connected with the factory premises &amp; used for the procurement &amp; transport of the utilities from outside sources like pumping station, scaffolding etc. be also classified as capital goods in line with the pipes &amp; fittings installed within the factory.</i>
4.	Definition of exempted service	➤ <i>Definition of exempted service under Rule 2(e) unintentionally includes manufacturing activities, interest on deposit, loans or advances, which result in reversal of CENVAT credit as per Rule 6. It is suggested that this anomaly be corrected beforehand by making an appropriate amendment to avoid litigation.</i>
5.	Definition of exempted goods	➤ <i>The definition of “exempted goods” in rule 2(d) be amended to clarify that goods produced or manufactured on job work basis where the principal manufacturer is under the obligation to pay duty on such goods will not be construed as ‘exempted goods’. This would avoid multiple incidence of duty on the same goods and avoid unnecessary litigation. Recently, the Karnataka High Court in the case of CCE v. Bharat Fritz Werner Limited, 2007 (218) ELT 177 (Kar.) upheld the above contention.</i>



<b>S. No.</b>	<b>Topic(s)</b>	<b>Suggestion(s)</b>
		<p>➤ <i>On the same lines, definition of “exempted service” be amended to provide for exclusion of job-work provided to principal manufacturer exempted vide Sl. No. 30(c) of Notification No. 25/2012 ST dated 20.6.2012 which would be in line with job-work manufactured goods supra.</i></p>
6.	Credit of Education Cess (EC) and Secondary and Higher Education Cess (SHEC) on CVD/ Customs	<p>➤ <i>It is suggested that a clarification be issued to confirm that proportionate credit of EC and SHEC to the extent charged on the CVD amount will be available.</i></p>
7.	Capital goods cleared as waste and scrap	<p>➤ <i>It is suggested to amend clause (b) sub-rule (5A) of Rule 3 CENVAT Credit Rules, so as to bring an output service provider also on par with a manufacturer, by allowing the output service provider also to pay an amount equal to the duty leviable on transaction value on removal of capital good as waste and scrap. The amount to be paid on clearing capital goods (on which CENVAT credit has been availed) as waste and scrap may continue to be the amount equivalent to the duty liable on transaction value. This is logical as a normal commercial person would scrap any plant and machinery only after fully utilizing the asset. It means that the cost of asset has been fully built in the assessable value of the final product.</i></p>



S. No.	Topic(s)	Suggestion(s)
8.	Inputs/capital goods procured from EOU/EHTP/STP not paying duty in terms of Sl No. 2 of the Notification No.23/2003 CE dated 31.3.2003	➤ Rule 3(7) be amended to clarify that CENVAT credit will also be available in respect of clearances made by an EOU/EHTP/STP paying excise duty in terms of proviso to section 3(1) of the Central Excise Act, 1944. This will be in line with the overall objective of Foreign Trade Policy.
9.	Availment of CENVAT credit on capital goods	➤ 100% CENVAT credit on capital goods in the year of purchase itself be allowed.
10.	Partial payment of service tax in respect of an input service under reverse charge	➤ An appropriate clarification be issued with regard to availability of CENVAT credit when the payment of the invoice is made in installments and service tax is paid under reverse charge.
11.	Realization of invoice within three months for availment of credit	➤ The time limit of three months for realization of invoice for availing the credit be commenced from the date of CENVAT credit taken rather than from the date of invoice.
12.	Certification of refund by statutory or any other auditor	➤ Refund be allowed to be certified by a practicing Chartered Accountant (not only Statutory Auditor or any other auditor).
13.	Service Exporters - computation of time limit for filing refund claims	➤ Exporter of Service is required to claim refund of service tax within the time limit prescribed under the law. However, the term, 'relevant date' for exporter of service is not defined (though, it is defined for the exporter of goods). This causes difficulties to the



S. No.	Topic(s)	Suggestion(s)
		<p>service exporters. Further, with the introduction of 'Point of Taxation of Service Rules', disparities between dates have arisen. Hence, it is suggested that Notification 27/2012 CE (NT) dated 18.06.2012 be amended to prescribe the time limit for claiming refund:</p> <ul style="list-style-type: none"> <li>• For goods – as prescribed under 11B of the Central Excise Act, 1994</li> <li>• For Service - as one year from the date of receipt of export proceeds or completion of service whichever is later in alignment with the definition of 'export turnover of service' as provided under Rule 5 of the CCR</li> </ul>
14.	Scope of rule 6(6)	<p>➤ It is suggested that the provisions of rule 6(6) be amended to include clearances of goods without payment of duty to defense, public research institutions, water, power and infrastructural projects.</p>
15.	Distribution of input service credit by Input Service Distributor to the Units to which it relates	<p>➤ It is suggested to amend Rule 7(d) to restore distribution of credit to the Units to which it relates. Instead of taking turnover of last financial year of all the said Units, turnover of the last financial year of only those Units needs to be taken, to which the Input service relates.</p>
16.	CENVAT credit on self certified bill of entry in case of import of goods through courier	<p>➤ As duty has been paid, an appropriate provision be inserted in the CENVAT Credit Rules to avail the CENVAT credit based on certified copies of such</p>





S. No.	Topic(s)	Suggestion(s)
	agency	<p><i>Bill of Entry.</i></p> <p><i>Alternatively, a mechanism of casual registration be introduced in the excise law so that the courier agent may register as first stage dealer and get entitled to pass on the credit.</i></p>
17.	Customs endorsement of bill of entry for availment of CENVAT credit	<p>➤ <i>The procedure of Customs endorsement of the Bill of Entry (EDI copy) for availment of CENVAT credit by the end user unit be restored.</i></p> <p><i>Alternatively, a provision be made in the Bill of Entry format for indicating the details of the consignee (end user receiver) of the goods in addition to the details of the importer as is being done in the case of excise invoices where the invoice is made on the buyer with the consignee indicated as the end user.</i></p>
18.	Exemption and reversal of CENVAT	<p>➤ <i>Instead of granting full exemption, excise duty at reduced rate (say 4%) be levied on goods for operational convenience.</i></p> <p><i>Alternatively, CENVAT credit on inputs/ services used in these supplies be allowed for utilization towards other domestic clearances.</i></p>



### C. CENTRAL EXCISE DUTY

S. No.	Topic(s)	Suggestion(s)
1.	Exemption to certain class of persons from obtaining registration under the Central Excise Rules, 2002	<p>➤ <i>Job workers paying duty under rule 4(3) of Central Excise Rules, 2002 are exempt from obtaining registration vide Notification No.36/2001-CE(NT) dated 26.6.2001.</i></p> <p><i>However, provisions of rule 4(3) have been deleted vide Notification No. 24/2003-CE(NT) dated 25.3.2003. Therefore, Notification No. 36/2001-CE(NT) dated 26.6.2001 be amended to remove the exemption granted to such job workers which has become redundant.</i></p>
2.	Powers of the Commissioner (Appeals) under the Central Excise Act and the Customs Act to condone the delay in filing the appeal	<p>➤ <i>The Commissioner (Appeals) be empowered to increase the condonable period appropriately (from present 30 days) subject to assessee showing sufficient cause.</i></p>
3.	Power Powers under section 14 of the Central Excise Act, 1944	<p>➤ <i>There should be a proper procedure under section 14 which need to be followed while invoking Section 14 backed with rules.</i></p>
4.	Revision application for matters relating to baggage, drawback, rebate of duty on export of goods etc.	<p>➤ <i>It is suggested to allow filing of appeals before CESTAT against the orders passed by the Commissioner (Appeals) in relation to the matters covered under proviso to section 35B(1) of the Central Excise Act, 1944 and proviso to section 129A of Customs Act, 1962 as well i.e.,</i></p>



S. No.	Topic(s)	Suggestion(s)
		<i>orders relating to loss of goods where the loss occurs in transit from a factory to a warehouse, etc. or rebate of excise duty on export of goods or goods exported without payment of duty, baggage, drawback.</i>
5.	Stay by CESTAT in case of excise and customs duty	➤ <i>The limitation period of 180 days for grant of stay be removed from central excise and customs provisions.</i>
6.	Memorandum of Cross-objections before the Commissioner (Appeals) – No prescribed format	➤ <i>The Central Excise (Appeals) Rules, 2001 and Customs (Appeals) Rules, 1982 be amended to provide for a prescribed format of memorandum of cross-objections to be filed before the Commissioner (Appeals).</i>
7.	Revision orders passed under section 35EE of the Central Excise Act, 1944 or section 129DD of the Customs Act, 1962	➤ <i>Provisions be made for appeal against the orders passed by the Revisionary Authority under section 35EE of the CE Act or section 129DD of the Customs Act, directly to the High Court by amending the provisions of section 35G of the Central Excise Act, 1944 and section 130 of the Customs Act, 1962 respectively.</i>
8.	Benefit of Excise Notification Nos.29/2012 to 33/2012 relating to FMS, FPS Licences	➤ <i>An amendment be made in Rule 6(6) of the CENVAT Credit Rules to provide that Rule 6 will not apply for excisable goods cleared without payment of duty against duty credit scrips. Similar provision already exists for cases like goods cleared for export under bond without payment of duty.</i>



<b>S. No.</b>	<b>Topic(s)</b>	<b>Suggestion(s)</b>
9.	Audit Issues	<p>➤ It is suggested that a copy of audit report even a clean one (having nil points) of the assessee under Excise Audit 2000 scheme be provided:</p> <ul style="list-style-type: none"><li>• To facilitate the assessee to take corrective actions;</li><li>• To ensure/prove that audit is done up to a particular period.</li></ul> <p>As in absence of the audit report with the assessee he is unable to prove that his accounts are audited till a particular period and is sometimes subjected to re-audit as there is no mechanism in the department to ensure the same.</p>



## D. CUSTOMS DUTY

S. No.	Topic(s)	Suggestion(s)
1.	Relinquishment of imported/warehoused goods	➤ It is suggested to amend the proviso of section 23(2) and proviso of section 68 to clarify as to when an offence appears to have been committed. Probably, the expression could read as "in respect of which a show cause notice has been issued".
2.	Interest free warehousing period for imported goods	➤ Warehoused goods be allowed to be kept in-bond for a period of at least 6 months without payment of interest.
3.	Relevant date for determination of rate of duty and value of goods in case of improper removal of warehoused goods	➤ Provisions of section 15 be amended to provide for relevant date in the case of improper removal of warehoused goods as envisaged in section 72 of the Act.
4.	Return under Rule 7(c) of the Customs Rules, 1996	➤ It is suggested that necessary amendment on the web portal of the Central Board of Excise and Customs (CBEC) be made and the facility of e-filing of quarterly return, instead of monthly return, be made available to the concerned assessee's under the Customs (Import of goods at concessional rate of duty for manufacture of excisable goods) Rules, 1996.
5.	Exemption of Additional duty of customs (ADC) under section 3(5) of the Customs Tariff Act,	➤ Since, the process of obtaining refunds is time-consuming (both for the department as well as the assessee), goods imported for resale, which anyway are chargeable to VAT, be



	1975 on goods imported for further resale	<i>exempted from additional duty of customs.</i>
6.	Clearing House Agent	➤ <i>It is suggested to add a column of freight forwarder in B/E and S/B through CHA and freight forwarders be given PAN based registration. This will help to make accountable lot of freight forwarders who are lying loose as their income can be assessed in a right manner also resulting into higher service tax (indirect tax).</i>
7.	Interest Payment on assessed Bill of Entry	➤ <i>There is a need for restoring five days (excluding holidays) time for levy of interest on account of delay in duty payment sub-section (2) to Section 47.</i>
8.	Unit Quantity Code (UQC) to be mentioned in Bill of Entry	➤ <i>Customs Tariff Act, 1975 may be suitably amended so as to harmonize UQCs with trade practice. The suggested list of UQC has been enclosed as <b>Annexure-II</b>.</i>
9.	Double taxation on Services and intangible rights related payments by importers of goods, to the foreign entities	➤ <i>While Custom Authorities relates all direct or indirect payments related to Services &amp; intangible rights like royalty, license fee etc. to supply of goods and hold them liable to Customs duty, the Service Tax Authorities treat such payments as consideration for services and hold Indian Companies liable to pay Service Tax under reverse charge mechanism. Thus, Indian Companies are exposed to the burden of double taxation of customs duty as well as service tax.  <i>Thus, there is an immediate need to issue appropriate clarification so that payments related to services and intangible rights are not doubly taxed to customs duty as well as service tax.</i></i>



## E. CENTRAL SALES TAX

S. No.	Topic(s)	Suggestion(s)
1.	Facility to submit Form C, E etc. online	<p>➤ With a considerable development in technology, all the relevant forms under Central Sales Tax Act like Form C, E, F etc. be allowed to be filed online. This will not only expedite the process of submitting the forms but also will save the time and streamline the process.</p> <p>➤ Form E-1 is issued by the seller of goods in case of first sales made. At the time of subsequent sale form E-II is required to be issued by the seller. It is suggested that Form E-I be allowed to be used as self declaration form by intermediate sellers in order to avoid exchange of various forms in the process.</p>
2.	Amendment in Form B (Certificate of Registration) and Form C (Form of Declaration)	<p>➤ It is suggested clause (f) reading as under, be inserted in Form B after clause (e) appearing at Para 3 of the said Form B:</p> <p>“The class(es) of goods specified for the purpose of sub-sections (1) and (3) of section 8 of the said Act is /are as follows and the sales of these goods in the course of inter-State trade to the dealer shall be taxable at the rate specified in that sub-section subject to the provisions of sub-section (4) of the said section:-</p> <ul style="list-style-type: none"> <li>• for re-sale.....</li> <li>• for use in manufacture or processing</li> </ul>



S. No.	Topic(s)	Suggestion(s)
		<p>of goods for sale.....</p> <ul style="list-style-type: none"> <li>• for use in mining.....</li> <li>• for use in the generation or distribution of electricity or any other form of power.....</li> <li>• for use in the packing of goods for sale/resale.....</li> <li>• for use in telecommunication network .....</li> </ul> <p>➤ Similarly, it is suggested Form C be amended by inserting the description “use in telecommunication network....” after the description “Packing of goods for sale/resale.....” in the declaration provided by the dealer to the seller in Form C as below:</p> <p>“Certified that the goods</p> <p>**Ordered for in our purchase Order No.....dated..... and supplied as per Bill/ Cash Memo/Challan No..... .dated..... as stated below* are for</p> <p>**resale.....</p> <p>use in manufacture/processing of goods for sale.....</p> <p>use in mining .....</p> <p>use in generation/distribution of power.....</p> <p>Packing of goods for sale/resale.....</p> <p><b>used in telecommunication network..... and are covered by my/our registration certificate No ...</b></p>





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<b>S. No.</b>	<b>Topic(s)</b>	<b>Suggestion(s)</b>
		<i>dated ...issued under the Central Sales Tax Act, 1956. It is further certified that I/We am/are not registered under section 7 of the said Act in the State of .....in which the goods Covered by this Form are/will be delivered."</i>



## F. OTHERS

S. No.	Topic(s)	Suggestion(s)
3.	Disparity between interest payable by assessee and Department under central excise, service tax and customs	<ul style="list-style-type: none"> <li>➤ <i>The interest rates for both the demand of the duty/tax and the refund of the duty/tax be made uniform. There is need for fairness and equity in the rates at which interest is paid by the department and that is charged from tax payer.</i></li> <li>➤ <i>Further, uniformity be also ensured in respect of date of charging of interest on duty/tax demands vis-à-vis date of paying interest on refund of duty/tax. Interest on delayed refunds be paid by the Department from the date on which duty was actually paid.</i></li> </ul>
4.	Personal Penalty	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that the provisions relating to personal penalty under Rule 26 (earlier rule 209A) be removed from the statute.</i></li> </ul>
5.	Exemption from payment of duty by way of refund mechanism	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that the present system of granting exemption through refund route be reviewed and be made simple to comply.</i></li> </ul>
6.	Use of Digital Signature on various Excise and Service tax related documents viz. Invoice, ARE-1, ARE-3 etc.	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that suitable amendment in the Central Excise Rules, Service Tax Rules and Cenvat Credit Rules be made or issue appropriate clarification prescribing the manner in which Digital Signature can be used on various Excise and Service tax related documents viz. Invoice, ARE-1, ARE-3 etc. It will facilitate the assessee to comply with the provisions.</i></li> </ul>



S. No.	Topic(s)	Suggestion(s)
7.	Suggestions for Reduction of Litigation	
(a)	Streamlining of Circulars/Trade Notices	<ul style="list-style-type: none"> <li>➤ <i>It is suggested that a practice of issuing a Master Circular on 1st April every year in Excise/Custom/Service tax compiling all related circulars issued during the year be adopted on an annual basis. This would ensure better compliance as assessee's will be aware of necessary procedural steps and exemptions as available. A comprehensive circular makes easy to review all updates in an indexed manner.</i></li> <li>➤ <i>Further, it is suggested that issue of circulars be examined and if at all they need to be issued, the Board should issue circulars by exercising utmost caution and design the circular meticulously to avoid any interpretational issues by the industry or the field formations at the lower level.</i></li> </ul>
(b)	Training of Departmental Personnel	<ul style="list-style-type: none"> <li>➤ <i>A comprehensive training covering all the substantive, procedural aspects of the law and understanding of financial statements be scheduled for the officers at all levels.</i></li> </ul>
(c)	Accountability of tax collectors	<ul style="list-style-type: none"> <li>➤ <i>In order to project a sense of even-handedness in dealing with tax payers, provisions relating to accountability be introduced and not be formulated independently. The Tribunal or Commissionerate (Appeal) may impose</i></li> </ul>



S. No.	Topic(s)	Suggestion(s)
		<p><i>reasonable cost for the same.</i></p> <p>➤ <i>If there are rewards awarded to the departmental officers for anti-evasion cases then there ought to be penalty also for frivolous litigations.</i></p>
(d)	Timely information and guidance	<p>➤ <i>It is suggested that all the orders passed by CESTAT and Adjudicating Authority/ Commissioner (Appeals) be made available on websites for ready reference of the industry. The CBEC may play a proactive role and issue clarifications on problems / issues of industry which are similar in nature to avoid such problems resulting in litigation at a later stage.</i></p>
(e)	Vacancies in Tribunal	<p>➤ <i>The vacancies in Tribunal be filled and additional benches in metro and new benches in non-metro cities be constituted to expedite the disposal of long pending cases. A fast track system of disposal of cases be introduced to deal with high revenue cases and settled issues.</i></p>
(f)	E-filing	<p>➤ <i>E-filing of appeals be introduced to encourage paperless society as an environment friendly measure.</i></p>
(g)	Members of CESTAT	<p>➤ <i>Practicing Chartered Accountants be made eligible for being appointed as Members of the CESTAT as in case of ITAT.</i></p>



### III. SUGGESTIONS IN DETAIL

#### A. SERVICE TAX

##### Substantive Law

#### 1. Tax Audit Report in service tax

A comprehensive and compulsory audit in service tax by Chartered Accountants is the need of the hour due to the following reasons:

##### Aim to reduce litigation

Since, the same will be an annual exercise where Chartered Accountants will review the entire activities of an assessee, whatever the omissions or interpretational issues were there will get resolved to great extent and lead to less pressure on litigation process.

##### Introduction of Taxation of services based on Negative list

The implementation of taxation of services based on negative list in the year 2012 poses various challenges as services are intangible and are provided by organized as well as unorganized sectors that are scattered across the country. Also, frequent amendments seen in service tax law are another cause of concern.

Therefore, a robust system of audit by professionals possessing strong accounting and auditing acumen would be required to tap the full potential of the new widened tax base.

##### Single registration with various located commissionerate vs consolidated financial statement of assessee

Service tax liability cannot be calculated readily from the final accounts of the service providers as service tax is paid in each commissionerate while Consolidated Balance Sheet is prepared by the Assessee. Therefore, adjustment and reconciliations are required to comply with



the provisions of service tax law and there is need to verify the same by independent expert.

Capping of revenue leakages

Service sector, as you are well aware, contributes more than 60% to the gross domestic product of the country. However, the tax revenue from this sector - albeit increasing gradually during the past decade - has not been in commensuration with the steady growth exhibited by this sector. For bridging this gap between the estimated revenue targets and the actual collection, a comprehensive and independent audit is required which will not only plug the revenue leakages but also ensure better tax compliance and eventually lead to increase in tax revenue.

Coverage of case(s) non-covered in scrutiny

It may be considered to make the audit under Service Tax Law compulsory for those assesses whose turnover in a year exceeds a certain amount as prescribed or notified. This measure will assist the department as it is difficult for the department to take up each and every case for full scrutiny. Tax audit would ensure that the financial statements and the accounts, on the basis of which return is prepared, are prepared in accordance with the applicable accounting principles and they are duly scrutinized by a person specially trained for that purpose and who is also subjected to strict disciplinary mechanism.

Reference of Income Tax Audit under Section 44AB

The Chartered Accountant has the knowledge of accounting principles and the intricacies involved in the maintenance of books of account and preparation of Balance Sheet and Profit and Loss Account. Due to this fact, all audits and even certification under the Income-tax Act has been assigned to the Chartered Accountants only. The report provided by Chartered Accountant in the Form 3CA/ 3CB along with Form 3CD provides a bird eye view of compliances by the assessee.



### Reference of VAT Audit

We may like to draw your kind attention that considering the knowledge of accounting principles, the intricacies involved in maintenance of books of account and audit function of the Chartered Accountants, majority of the State Governments have also made provision of audit to be performed by the Chartered Accountants.

### Suggestion

*It is suggested that the provision of service tax audit by Chartered Accountant be introduced, similar to the Tax Audit under Income Tax Act 1961 and VAT Audit under various States. The Preliminary draft of audit report under service tax is enclosed as **Annexure-I**.*

## **2. Definitions and coverage- Suggestions to harmonize definition**

### **(a) Service**

The definition of term 'service' as provided under section 65B (44) of Finance Act, 1994, is very wide in its scope because of the absence of the words 'industry', 'commerce', 'business' or 'profession'.

The term 'activity' has not been defined in the Act, which has a significant meaning in the definition of 'service'. The term may cover activities which are of personal nature. The intention of the legislature should be confined to tax activities in relation to business. This is also in consonance with international practice such as the UK VAT law.

As per the Draft Circular issued (though not finalized yet) by the Department on levibility of service tax on staff benefits and employment related transactions, services rendered by the employer to employee will be liable to service tax. It is felt that this would be too harsh a provision for salaried class employees as the employer would ultimately recover such taxes from the employee.



### **Suggestions**

- *The scope of service be restricted to a transaction of supply of service in the course of business, trade, commerce or profession or industry or furtherance of business, trade, commerce or profession or industry in line with international practice.*
- *The word 'activity' used in the definition of service be defined in the Finance Act, 1994 as common understanding of the term activity may differ from the legislative view. It is a term with very wide connotation, which may create unnecessary litigation or demand.*
- *The exclusion for services rendered by employee to employer be extended to services provided by employer to employee as well. This would reduce the hardship caused in determining the taxable value and reduce the administrative hassle in collecting the same. Further, the amount of tax sought to be collected on such transactions may not be substantial.*

### **(b) Agricultural Produce**

The old definition of agriculture as provided in the *Notification No. 13/2003 ST dated 20.06.2003* defined it as “any produce resulting from cultivation or plantation, on which either no further processing is done or such processing is done by the cultivator like tending, pruning, cutting, harvesting, drying which does not alter its essential characteristics but make it only marketable and includes all cereals, pulses, fruits, nuts and vegetables, spices, copra, sugar cane, jaggery, raw vegetable fibres such as cotton, flax, jute, etc., indigo, unmanufactured tobacco, betel leaves, tendu leaves, rice, coffee and tea but does not include manufactured products such as sugar, edible oils, processed food, processed tobacco.”

Many items in the old definition like, cereals, pulses, copra, jaggery etc. do not fit into the new definition of agricultural produce, whereas those goods are all considered as so, in common parlance as well as under State Laws. Further, these goods are essential commodities for common public including people below poverty line as well. With the





amendment, the cost of these goods would go up resulting in increase in cost of these essential commodities.

### **Suggestion**

*The old definition of agriculture as provided in Notification No. 13/2003 ST dated 20.06.2003 be incorporated in the Finance Act, 1994 in place of new definition of agriculture.*

### **(c) Intellectual Property Right**

#### **Suggestion**

*It is suggested that the term "Intellectual Property Right" be defined by borrowing the meaning assigned to in erstwhile Section 65(55a) of the Finance Act, 1994.*

### **3. Job work by SEZ units for exports- Need Review**

The 'Negative List of Service' in Section 66D of the Finance Act, 1994 interalia covers 'any process amounting to manufacture or production of goods'. The said expression has been defined in Section 65B (40) of the Act as to process on which duties of excise is leviable under Section 3 of the Central Excise Act, 1994 (CE Act).

Prior to introduction of Negative list, similar exclusion was contained under the taxable service category of 'Business Auxiliary Service' (BAS) which covered services relating to 'production or processing of goods', but excluded 'any activity that amounts to manufacture of excisable goods'. The Explanation to said definition of BAS provided that the term 'manufacture' has the meaning assigned to it in Section 2(f) of the CE Act.

While prior to introduction of 'negative list', the criteria to judge whether the activity amounts to 'manufacture' or not was with reference to definition of the said term as given in Section 2(f) of the CE Act, post introduction of Negative list, the reference is to Central



Excise law provision, i.e. process on which duty of excise is payable under Section 3 of CE Act. Activities carried out in SEZ are outside the scope of Section 3 of CE Act and accordingly, do not fall in the exclusion list and, thus, do not get covered under the negative list.

Thus, a SEZ unit carrying out job-work activity would be liable to service tax, even though the process carried out by it amounts to 'manufacture', if seen from common parlance or in terms of definition as given in Section 2(f) of the CE Act.

### **Suggestion**

*The definition of 'process amounting to manufacture or production of goods', as presently given in Section 65B (40) of the Act, be modified to cover all processes that amount to manufacture as defined in Section 2(f) of the CE Act.*

#### **4. Outbound transaction provided by Branch to overseas Head Office and vice-versa- Mismatch in Export and Import of Services Provisions**

As per Explanation 3(b) to section 65B (44) of the Finance Act, 1944, an establishment of a person in the taxable territory and any of his other establishment in a non-taxable territory shall be treated as establishments of distinct persons.

In a scenario where an offshore entity enters into a contract for setting up an infrastructure project with a customer in India but the actual work is performed through the Branch office located in taxable territory, the transaction would lead to duplicity of taxes on the same turnover, without any credit eligibility i.e.,

- Branch office would be held liable to service tax on the money received from the Head Office for execution of the work.
- Branch office would also be held liable to service tax on the contract between Head Office and the India customer, since the Indian office (i.e. Branch Office) of the service provider (i.e. offshore entity) is directly concerned with provision of services.



Hence, on the same transaction the Branch Office would be held liable to pay service tax twice.

However, a different approach is adopted in case of services rendered by the Head Office/Branch to overseas Branch /Head Office whereby export status is denied vide rule 6A of the Service Tax Rules, 1994.

### **Suggestions**

*No service tax be levied on outbound transaction provided by an office located in taxable territory to another office located in non-taxable territory of the same legal entity.*

*Alternatively, export status be accorded to services rendered by Head Office/Branch to overseas Branch /Head Office so as to treat them at par with import of service.*

### **5. Trading of goods- Not a service still is there in Negative list of Services**

It is interesting to note that section 66D starts with the words, namely, 'The negative list 'shall comprise of the following **services...**'. Thus, negative list pre-supposes that all activities covered therein are services. However, the same are not charged to service tax by virtue of their specific exclusion in the charging section 66B.

The definition of service as provided under clause (44) of section 65B excludes *inter alia* 'an activity which constitutes merely a transfer of title of title in goods or immovable property, by way of sale, gift or in any other manner'. Thus, by virtue of the said exclusion pure sale of goods and immovable property gets excluded from the very definition of service and cannot be termed as service.

However, trading of goods is covered under clause (e) of negative list of services though the same is not service at all. This could lead to interpretational issues in future.



**Suggestion**

*Appropriate amendment be made to rectify the said anomaly.*

**6. Declared services- Need to clarify clause (e)**

As per Section 66E, the following shall constitute declared services:

.....

“Agreeing to the obligation to refrain from an Act or to tolerate an Act or a situation or to do an Act.”

.....

If the clause is given its literal meaning, then it will cover very wide number of transactions [including many personal and social transactions] which may not be intention of the law-makers. The purpose of this clause is to tax non-compete fee.

**Suggestion**

*It is suggested that this clause be suitably modified. The entry should exclude personal, social and religious activities.*

*Valuation of Taxable Service*

**7. Sharing of expenses between two companies/ sister concerns- Clarification Required to adhere with Legal aspect**

**Suggestion**

*It is suggested that an appropriate clarification be issued with a view to provide clarity on service tax for ‘sharing of expenses’ between two associated companies/ sister concerns where there is no margin.*



### *Exemptions/ Abatements/ Rebates*

#### **8. Basic Exemption Limit for Small Service Providers**

The service tax exemption limit for small service providers in terms of *Notification No. 33/2012 ST dated 20.06.2012* is currently limited to Rs.10,00,000/-. It is proposed to extend the exemption limit due to the following reasons:

- (i) Small service providers are poor, uneducated and mainly in the unorganized sector.
- (ii) Limit was not enhanced since 1st April, 2008
- (iii) After 1.7.2012 post Negative list era, more services are under the ambit of service tax, which earlier was not includible in the exemption limit.

#### **Suggestion**

*It is suggested to extend the exemption limit to Rs.25,00,000/-.*

#### **9. Exemption for Goods Transport Agency (GTA)**

Clause 21 (b) & (c) of *Notification No. 25/2012 dated 20.06.2012* exempts taxable services provided by a goods transport agency to a customer, in relation to transport of goods by road in a goods carriage, from the whole of service tax leviable thereon where:

- the gross amount charged for the transport of goods on consignments transported in a goods in a single carriage does not exceed Rs. 1500/- ; or
- the gross amount charged for the transportation of all such goods for a single consignee does not exceed Rs. 750/-.



### **Suggestion**

*Considering the increase in cost of transportation since 2004, it is suggested that the exemption limit be enhanced to Rs. 4,000/- for single carriage and Rs. 2,000/- for a single consignee.*

### **10. Clarification on auxiliary educational services- Need exact list of service to fall in exemption**

Clause 9 of Notification No.25/2012-ST dated 20.06.2012, exempt "Services provided to an educational institution in respect of education exempted from service tax, by way of,-

- a) auxiliary educational services; or
- b) renting of immovable property;"

*As defined in the said notification, "auxiliary educational services" means any services relating to imparting any skill, knowledge, education or development of course content or any other knowledge-enhancement activity, whether for the students or the faculty, or any other services which educational institutions ordinarily carry out themselves but may obtain as outsourced services from any other person, including services relating to admission to such institution, conduct of examination, catering for the students under any mid-day meals scheme sponsored by Government, or transportation of students, faculty or staff of such institution.*

Further, Circular No.172/7/2013 – ST dated 19<sup>th</sup> September, 2013 has clarified with the help of examples the services covered under auxiliary services.

### **Suggestion**

*Based on circular there is large number of queries from members to check taxability of one or another service rendered to education institutions, It is suggested that the list of services received by an educational institution may be provided which are exempt under above clause.*



**11. Clause 25 of Mega Exemption Notification - Services provided to Government, a local authority or a governmental authority**

Clause 25 of *Notification No. 25/2012 dated 20.06.2012* exempts Services provided to Government, a local authority or a governmental authority by way of –

- c) carrying out any activity in relation to any function ordinarily entrusted to a municipality in relation to water supply, public health, sanitation conservancy, solid waste management or slum improvement and upgradation; or
- d) repair or maintenance of a vessel;

**Suggestion**

*It is suggested that all functions entrusted to a municipality under Article 243W of the Constitution be covered in clause 25 of the mega exemption notification.*

**12. Served From India Scheme (SFIS)- May be applied on Services Export**

SFIS scheme provides for issue of Duty Credit Scrip for 10% of Net Foreign Exchange earned by a Service Exporter during the Financial Year for export of the specified services. As per Para 3.12.7 of Foreign Trade Policy (FTP) 2009-14, the said Scheme has the following restrictions for usage of Scrip:

- (i) Scrip can be used only by the Service Exporter and is not transferable, except to Group companies.
- (ii) Scrip can also be used by the Manufacturing unit of the same Service provider.
- (iii) Scrip can be used for payment of Excise Duty on domestic procurement, and not allowed for payment of Service Tax for procurement of Domestic services.



- (iv) Scrips are not freely transferrable, unlike other Scrip such as Focus Market Scrip, Market Linked Focus Product Scheme (MLFPS), etc.

Even though many of the Service providers are eligible for obtaining the Duty Credit Scrip under SFIS, they are actually not benefitted by the SFIS Scheme, mainly because of the following reasons:

- (a) Service providers normally spend substantial amount on import of Capital Goods at the time of start up of the business, and there would be comparatively lesser spending on future imports. However, Scrip under the SFIS can be obtained only after Exports are made, and Foreign Exchange is realized. Thus, there is very less scope for the existing service providers to use the Scrip, for the purpose of specified.
- (b) Even if the service providers obtain the Scrip, many of them may not be having Group companies or Manufacturing set up, to transfer the benefits.
- (c) Service exporters mainly procure services in India on a continuous basis, and Scrip is not allowed to make payment of service tax.
- (d) Scrip is not freely tradable, so that service exporter can sell and encash the Scrip and to use the money realized in their business.

### **Suggestion**

- *It is suggested that Scrip obtained through SFIS be made freely tradable in line with FMS, MLFPS etc., so that Service Exporter who cannot use the Scrip for imports, can be benefitted by selling the Scrip in the market to the potential Importers.*
- *It is also suggested that Scrip be allowed to be used for payment of service tax towards locally procured services, including Reverse Charge payment for Import of Services as it is allowed to be used for payment of Excise duty on domestic procurements.*





## Procedural Law

### 13. E-filing of document for registration under service tax- *will improve ITES*

Section 69 of Finance Act, 1994 states that every person liable to pay the service tax under this Chapter or the rules made there under shall, within such time and in such manner and in such form as may be prescribed, make an application for registration to the Superintendent of Central Excise. The Form ST-1 duly filled along with copy of PAN card, proof of residence and constitution of the applicant etc. are required to be submitted to the jurisdictional Central Excise office.

#### **Suggestion**

- *It is suggested that a facility of sending the documents as scanned copy be introduced instead of the present requirement to submit the documents manually. A Chartered Accountant may be allowed to certify the form with his digital signature, if required.*
- *It is suggested that the Registration no. in ST-2 so allotted be made available online with digitally certified by the appropriate authority.*

### 14. Payment of service tax- *Need changes in system and formats*

#### **(i) Service tax collection based on accounting codes notification**

*Circular No. 165/16/2012 ST dated 20.11.2012 read with Notification No. 48/2012 ST dated 30.11.2012 providing for payment of service tax in the erstwhile accounting codes has created hardship to the assessee in determining the classification, particularly in the absence of the relevant definitions in the new regime. As per the objective of introduction of the negative list, the classification created disputes. This may also lead to avoidable litigation and cause possible confusion in the minds of the assessee/ administrator with additional burden of compliance.*



### **Suggestion**

*The Circular be withdrawn and different methodologies be explored to determine the service tax collections in the respective sectors rather than requiring individual assessee to provide this information.*

### **(ii) Amendment in GAR-7 Challan acknowledgement**

Form GAR-7 is used for making service tax payments, the acknowledgement so received of challan payment do not contain the period for tax payment.

### **Suggestion**

*It is suggested that period for tax payment be mentioned in the acknowledgment of tax payment.*

## **15. Filing of Return- need procedural and format changes**

### **(i) Confirmation / Acknowledgment of E-Return filing at ACES**

The acknowledgement / confirmation of uploading of Return on the ACES Website are not given instantly, it is generally provided after a day or two days time. Due to this, there are number of instances where the assessee uploads the return on 25th April/ October and the return is rejected due to some technical error.

The assessee may file the return after the corrections on or after 25th April / October, which attract late fee under Rule 7C of Service Tax Rules, though the assessee wish to have bonafide compliance and it is only due to the technical error the return has been delayed.

### **Suggestions**

- *It is suggested that acknowledgement of return/ confirmation be provided instantly as it is provided in the case of Income Tax Returns.*



- *It is also suggested that in these cases the late fee should not be levied.*
- *It is further suggested that late fee in case of NIL return be removed.*

**(ii) Additional information, if any in the return**

Some assessee wish to submit certain details like excess service tax paid, adjustment of service tax, change in method, old dues etc. in the Service Tax Return. However, there is no such space available in the return form.

Further in the present Service Tax Return form, provision to claim 50% Credit by banking Industry is not available.

**Suggestions**

- *It is suggested that appropriate space be made available in the return form so that assessee may give additional information to the department in relation to the return, if any.*
- *It is suggested that appropriate space be made available to claim the 50% credit by banking industry.*

**(iii) Revision of Return of Service Tax**

As per Rule 7B, an assessee may submit a revised return in Form ST-3 within a period of 90 days from the date of submission of the return under Rule 7.

**Suggestions**

- *It is suggested to clarify that whether revised return may again be revised.*
- *It is also suggested that time limit for revision of return be increased to 180 days considering the closing of financial accounts of the assessee and audit of the same by 30<sup>th</sup> September of the next financial year.*



**(iv) Return of Service Tax for prior periods**

Presently, the system do not provide option for online filing of return for prior period and it is only using the excel utility; one can upload previous returns, which also, will not be visible for future use on login of assessee.

**Suggestion**

*It is suggested that the facility to file an online return for prior periods be made available.*

**16. Time limit for adjudication need to introduce like in other central and state taxes**

Under Section 73(2) of the Act, the Central Excise Officer shall after considering the representation, if any, made by a person on whom a show cause notice is served for recovery of service tax not levied / paid or short levied / paid or erroneously refunded determine the amount of service tax due from such person and thereupon the person shall pay the amount so determined. It is to note here that the sub-section does not categorically provide for passing of an order nor does it provide for time limit within which such determination of the amount to be recovered from the notice is to be made. The same procedure is there in Income Tax, VAT at State level.

**Suggestions**

- *It is suggested that a time limit of 3 year for completion of adjudication be prescribed in the provisions of section 73.*
- *Further, the adjudication be not handled by the Officer who has issued the Show Cause Notice as at times it appears to be an empty formality.*



### **17. Penalty in case of failure to take registration – avoid ambiguity**

The section 77(1)(a) provides that any person who is liable to pay service tax, or required to take registration, fails to take registration in accordance with the provisions of section 69 or rules made under this Chapter shall be liable to pay a penalty which may extend to [ten thousand rupees] or two hundred rupees for every day during which such failure continues, whichever is higher, starting with the first day after the due date, till the date of actual compliance.

Section 77(1)(a) is proposed to be amended to provide that any person who is liable to pay service tax or required to take registration, fails to take registration in accordance with the provisions of section 69 or rules made under this Chapter shall be liable to a penalty which may extend to ten thousand rupees.”

#### **Issue**

The word “may” in the proposed section leads to uncertainty. There are fair chances of the discretionary powers of the Adjudicating Officer being misused in the sense that maximum penalty could be levied even if the delay is only of few days.

#### **Suggestion**

In order to avoid ambiguity and arbitrary use of discretionary powers by the Revenue, a measurable penalty in terms of the number of days of delay be imposed. For instance, a penalty which is lower of Rs.10,000 or Rs.200 per day of the default could be levied.

### **18. Recording of statement – *Alternative options***

It has been practically experienced that whenever the Officers record statements, a copy of the same is not provided to the person whose statement is recorded. Further, very often, statements are recorded in respect of routine matters for which a declaration or even a signed statement could be provided by the concerned person.



### **Suggestions**

- *As far as possible, recording of statements be avoided and assessee's be asked to submit specific responses to the specific questions of the Department.*
- *In case, the statement is required to be recorded, a copy of the same, duly signed by both the tax payer and the Officer recording the statement, be provided to the tax payer immediately after recording the statement.*
- *Very often, the statements are written in hand and then typed. The use of computer systems can speed up the process. The statement recorded can be immediately printed, signed and handed over to the assessee. This will simplify the processes and will bring about greater discipline and reduce the anxiety of all concerned.*

### **19. Search of premises- *need change to incorporate reasons***

Section 82 provides that the Joint Commissioner of Central Excise may, if he has reason to believe that any documents or books or things which in his opinion will be useful for or relevant to any proceeding under the Act, are secreted in any place, may authorize superintendent of Central Excise to search for and seize or himself search for and seize such documents or books or things.

### **Suggestion**

*It is suggested that in order to avoid vexatious searches, the reasons for conducting the search may be recorded in writing. This will also be in line with income-tax provisions. The suggestion seeks to bring about greater transparency in the processes and will enable the tax payer to effectively respond to the queries of the tax department. It will also bring about discipline within the department.*



## 20. Prosecution- Need to incorporate mens rea

Joint Commissioner is empowered to issue search warrant under section 82 and the same is executed by the Superintendent. Provisions relating to prosecution contained in section 89 have been re-introduced by the Finance Act, 2011 and further amended by Finance Act, 2012 to apply in the following situations:

- (i) Knowingly evades the payment of service tax;
- (ii) Availment and utilization of CENVAT credit without actual receipt of inputs or input services;
- (iii) Maintaining false books of accounts or failure to supply any information or submitting false information;
- (iv) Non-payment of amount collected as service tax for a period of more than six months.

Further, section 89(1) inter alia provides that whoever avails and utilizes credit of taxes or duty without actual receipt of taxable service either fully or partially in, shall be liable for punishment as provided therein.

This implies that assessee cannot avail and utilize CENVAT credit till the time, services are actually received. However, rule 4(7) of the CENVAT Credit Rules allows "CENVAT credit in respect of input service on or after the day on which the invoice, bill or, as the case may be, Challan referred to in rule 9 is received.

### Suggestions

- *Prosecution provisions ought to apply only in exceptional cases and must include mens rea. Further, in the cases of interpretational issues such provisions should not be applied.*



**21. Applicability of Advance Rulings- Problem of non-availability of clarification on interpretational issues by large number of assessee**

**(a) Meaning of term 'substantial interest'**

In the eligibility of applicant who can apply for advance ruling, it is mentioned that "Any joint venture with the non-resident who has got a substantial interest" may apply. However, the term substantial interest has not been defined in chapter VA.

**Suggestion**

*It is suggested to define the term "Substantial Interest".*

**(b) Advance Rulings for all assessee**

Indian residents unless they are limited company are not permitted to apply for advance ruling. Since provisions under service tax are of self-assessment by assessee and in most of the cases, assessee transactions are of recurring nature. Now, if the assessee wishes to get clarification, whether his particular activity is subject to service tax or not, there is no mechanism available for him. In case, assessee filing the query before department, no clarification is being issued for number of years.

**Suggestion**

*It is suggested that either a separate mechanism for every assessee should be in-place, else advance ruling may be permitted for all assessee.*

**22. Multiple inquiries / Audits / investigations- Need to streamline the system**

Due to lack of coordination and clarity available, there is large number of instances when the assessee financial statements are being scrutinized by different wings of departments. The present structure or authorities available for this scrutiny are:-

- Director General of Investigation





- Audit wings in Commissionerate
- Anti Evasion Wing of Commissionerate
- Range Official of Commissionerate

It is usually seen that one wing has already conducted the investigation/ audit and other wing also issue notice. Even simultaneous inquiries are being made from the assessee by different wing. All these lead to inconvenient situation to the assessee in conducting their usual business.

#### **Suggestion**

*It is suggested that a Certificate be issued by the wing who has conducted investigation/audit to the assessee and/ or necessary provision be made to avoid duplication of audit so that assessee can be saved from unnecessarily harassment.*

### **23. Reverse charge and Joint charge mechanism**

There are various categories where service tax is payable by the recipient of service. However, considering the fact that many of the service providers would be below the threshold, the incidence of service tax inadvertently becomes applicable to them as the benefit of threshold is not available when service tax is computed by the recipient, which may not be the intention of the law maker.

#### **Suggestions**

*Appropriate mechanism be developed whereby the benefit of basic exemption limit of Rs.10 Lacs available to the small service providers is also available to the service recipient paying service tax under reverse charge/joint charge.*



## Place of Provision of Services Rules, 2012

### 24. Intermediary Services under Place of provision of Service Rules- *Clarification will assist better compliances*

The term 'Intermediary' is defined to mean a broker, an agent or any other person, by whatever name called, who arranges or facilitates a provision of service between two or more persons, but doesn't include a person who provides the main service on his account.

Generally, an intermediary is involved with the two supplies at any one time:

- The supply between the principal and the third party; and
- The supply of his own service (agency service) to his principal for which a fee or commission is usually charged.

An intermediary in respect of goods (such as commission agent i.e. buying or selling agent or a stock holder) is excluded by definition. The term "arranges or facilitates a provision of service between two or more persons" presupposes the existence of two or more willing parties and the agent (broker or by any other name called) facilitates the intended transaction. Therefore the ambit of this 'intermediary services' is limited to the services provided by such agent like a booking agent or a facilitation agent who merely facilitates provision of service between two or more intending parties. However, in practice, it is very difficult to determine as to what the main service is and what the intermediary service is. Very often, the parties who are engaged in promotion or marketing service or providing after sale support and like services, though strictly, not covered are regarded by the field officers as intermediary service providers and covered under the definition.

Also, in case of international trade in services (as opposed to goods), services of agents get taxed in India since the place of provision of



service of intermediary is that of the location of provider of service. It is therefore, also necessary to define the term “client”, “customer” etc. to bring out the fact that the person who makes the payment for the service is the recipient of the service.

Non clarity as to what is main service and what is intermediary service, who the client is and applying the exception to the general rule for determining place of provision of service has caused enormous difficulties and could lead to significant litigation. This has, in international trade, led to tax in India on services which, would normally be regarded as provided outside India and also where an intermediary brings together two parties located outside India.

### **Suggestions**

- (i) It is suggested that the general rule of location of recipient of service be applied to intermediaries also and the exception be done away with.*
- (ii) It is suggested that the location of recipient of service in international trade be treated as the place of provision of service.*
- (iii) Clarification be issued to provide that the recipient of the service would be the person making payment for the service when the agent/broker brings together two parties of different taxable territories.*

### **25. Certification under Place of Provision Rules, 2012 in line with income tax – overseas payments**

For the purpose of Income-tax Act, 1961, every payment made outside India requires declaration and CA certification in Form 15CA and 15CB respectively. This is done to ensure that tax has been deducted at source in the applicable cases. In case of import of services, the service receiver is liable to pay service tax but the service tax law does not provide any mechanism to verify that applicable service tax has been paid on transactions when payment is made for services provided from outside India.



### **Suggestion**

*It is suggested that a declaration and certification by a Chartered Accountant with respect to liability of service tax on payment made outside India be prescribed in service tax law in line with income-tax provisions. This could be verified by the bankers while effecting payment to overseas service provider.*

*The introduction of such a mechanism will safeguard the interest of revenue as also would simplify the procedural compliance for the assessee with regard to Place of Provision Rules, 2012 which is generally quite complex and may be missed out of ignorance or oversight.*



## B. CENVAT CREDIT RULES, 2004

### 1. Definition of input service - *Need overview to remove anomalies.*

Rule 2(l) defines input service to mean any service:

“(i)....

*(ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products upto the place of removal,*

*and includes services used in relation to modernisation.....and inward transportation of inputs or capital goods and outward transportation upto the place of removal but excludes .....are used primarily for personal use or consumption of any employee.”*

It will be practically very difficult to prove that each input service has been used in or in relation to manufacture of final products and clearance of final products upto place of removal more so by the Department.

In the Budget of year 2011, various important services which are necessary for any manufacturing activity or rendering of taxable service have been excluded from the definition of input service. The services which have been excluded include services like setting up of a factory, etc. The exclusion of services relating to setting up of new factory run contrary to the Government’s objective of boosting manufacture in the country.

Further, the definition of input services restricts availment of CENVAT credit on certain services which *inter-alia* includes:

- Services related to civil construction
- Services related to motor vehicle i.e. cab services
- Services which are used for consumption of any employee



These restrictions cause multiple problems in practical situations. In case of composite contracts which includes mechanical, civil & other various works where majority portion is of mechanical works say 85% mechanical works & 15% civil works (which is not separable), it becomes difficult to avail CENVAT credit as it is not clear that whether 100% credit is available or only 85% related to mechanical works would be the eligible credit.

Service tax credit on expenditure incurred for workers / staff colony and other expenditure in connection with employees including mediclaim, canteen expenditure is not eligible for input credit. As long as the facilities and perks are allowed under the Income-tax Act, service tax credit on the same may be allowed. It is practically impossible to manufacture and subsequently sell the goods without providing canteen to the employees (“common to several employees”) or incurring costs for employees such as health insurance etc.

### **Suggestion**

*With the introduction of the new service tax regime based on the concept of a negative list, service tax is leviable on the broad spectrum of all the services except those specified in the negative list. When the taxation of services has become universal, the credit for input services should also follow the same principle and be made available across the board.*

*It is suggested that definition of ‘input services’ be redrafted as “all services procured by assessee which is obtained and used wholly and exclusively for the purposes of the business of such provider of taxable services or manufacturer of excisable goods” including the Credit on Input Services used for capital structures.*



## 2. Definition of input

### **CENVAT credit on capital structures**

Definition of “input” specifically excludes any goods used *inter alia* for laying of foundation or making of structures for support of capital goods, except for the provision of service portion in the execution of a works contract or construction service as listed under clause (b) of section 66E of the Finance Act, 1994.

Companies setting up new factories are thus not permitted to avail CENVAT credit on cement, iron, steel, plates etc either as part of civil structure or supporting capital goods (machines etc). It results in increased cost of construction. This provision goes against the very spirit of CENVAT.

### **Suggestion**

*It is suggested that definition of input be amended to provide CENVAT credit on capital structures etc.*

## 3. Definition of capital goods

### **(a) CENVAT credit on motor vehicles**

Effective from 1.7.2012, rule 2(a)(A)(viii), motor vehicles other than those falling under 8702, 8703, 8704, 8711 and their chassis are eligible ‘capital goods’ for both manufacturer and output service provider. Hence, in effect only tractors, dumpers and tippers are generally eligible for credit in case of both manufacturer and output service provider though rule 2(a)(B) and rule 2(a)(C) do allow credit on certain motor vehicles designed for either transportation of goods or to carry passengers in case of certain specified output service providers. However, considering the very wide definition of “service” provided under section 65B (44), definition of “capital goods” vis-à-vis motor vehicles is quite restrictive.



### **Suggestion**

*Hence, it is suggested that the definition of “capital goods” may include all kinds of motor vehicles railway, coaches/ wagons which are essential for providing services with certain negative list of services to which motor vehicles can be ineligible.*

### **(b) CENVAT credit on the pipes and fittings installed outside the factory premises**

The CENVAT credit on pipes and fittings thereof are allowed when these are installed within the factory premises only. There are pipes and fittings laid outside the factory premises also in order to procure & transport the utilities like water, gas etc. from the pumping station / other sources to the factory premises. The Rules do not permit CENVAT credit on these capital goods since they are located outside factory. However, a similar benefit is granted for capital goods used outside the factory of the manufacturer for generation of electricity for captive use within the factory.

### **Suggestion**

*The pipes and fittings which are inter connected with the factory premises & used for the procurement & transport of the utilities from outside sources like pumping station, scaffolding etc. be also classified as capital goods in line with the pipes & fittings installed within the factory.*

## **4. Definition of exempted service**

Rule 2(e) defines exempted service to mean a

- (1) taxable service which is exempt from the whole of service tax leviable thereon; or
- (2) service, on which no service tax is leviable under section 66B of the Finance Act; or





- (3) taxable service whose part of value is exempted on the condition that no credit of inputs and input services, used for providing such taxable service, shall be taken;

but shall not include a service which is exported in terms of rule 6A of the Service Tax Rules, 1994.

By virtue of the said definition, exempted service unintentionally includes 'any process amounting to manufacture or production of goods', which results in reversal of CENVAT credit on exempted service as per Rule 6. Similarly, services by way of interest or discount on deposits, loan or advances also get covered under the definition of exempted service resulting in reversal of credit under rule 6.

Above activities inadvertently get covered under the definition of exempted service, which may not be the intention of the law maker.

### **Suggestion**

*It is suggested that this anomaly be corrected beforehand by making an appropriate amendment to avoid litigation.*

## **5. Definition of exempted goods**

Goods manufactured by a job worker are exempt from payment of whole of the duty of excise under *Notification No. 214/86 CE* subject to the condition that the Principal Manufacturer (supplier of raw materials or semi-finished goods) uses the job worked goods in or in relation to the manufacture of the final products in his factory or removes from his factory without payment of duty in specified cases. Under these circumstances, it is obvious that the appropriate duty of excise on such job worked goods gets discharged at the end of the principal manufacturer. Accordingly, the job worker should not be liable to pay any amount under Rule 6(3) of CENVAT Credit Rules, 2004. However, because such job worked can be treated as exempted goods under the definition of 'exempted goods' as given in rule 2(d) of CENVAT Credit Rules, 2004 (CCR), there are instances of department



demanding payment of duty or amount under rule 6(3) of CCR which is unwarranted.

There are series of Tribunal and High Court decisions namely *CCE v. Bharat Fritz Werner* 2007 (218) ELT 177 (Kar.) and *CCE v. Sterlite Industries Ltd.* 2009 (244) ELT A89 (BBY HCJ) holding that such goods are not to be treated as 'exempted goods' in the hands of a job worker as the duty liability, if any, ultimately gets discharged by the principal manufacturer including the value of job worked goods.

### **Suggestions**

- *It is suggested that the definition of "exempted goods" in rule 2(d) be amended to clarify that goods produced or manufactured on job work basis where the principal manufacturer is under the obligation to pay duty on such goods will not be construed as 'exempted goods'. This would avoid multiple incidence of duty on the same goods and avoid unnecessary litigation. Recently, the Karnataka High Court in the case of CCE v. Bharat Fritz Werner Limited, 2007 (218) ELT 177 (Kar.) upheld the above contention.*
- *On the same lines, definition of "exempted service" be amended to provide for exclusion of job-work provided to principal manufacturer exempted vide Sl. No. 30(c) of Notification No. 25/2012 ST dated 20.6.2012 which would be in line with job-work manufactured goods supra.*

### **6. Credit of Education Cess (EC) and Secondary and Higher Education Cess (SHEC) on CVD/ Customs**

Prior to the 2012 budget amendment, EC and SHEC were first charged on CVD portion of customs duty and thereafter on the aggregate of customs duties (excluding SAD). This resulted in charging of EC and SHEC twice on the CVD portion. To remove this anomaly, EC and SHEC on CVD has been exempted. However, customs EC and SHEC continues to be levied on aggregate of Basic Customs Duty plus CVD.



After the amendment, EC and SHEC is being charged on total Customs Duty (aggregate of basic and CVD). However, Rule 3(1) of CENVAT Credit Rules, 2004 allows credit on CVD and related EC and SHEC.

### **Suggestion**

*It is suggested that a clarification be issued to confirm that proportionate credit of EC and SHEC to the extent charged on the CVD amount will be available.*

## **7. Capital goods cleared as waste and scrap**

Sub-rule (5A) of Rule 3 CENVAT Credit Rules was substituted vide Notification No 12/2013-CE-(NT) dated 27.09.2013 by the following:-

"(5A) (a) If the capital goods, on which CENVAT credit has been taken, are removed after being used, the manufacturer or provider of output services shall pay an amount equal to the CENVAT Credit taken on the said capital goods reduced by the percentage points calculated by straight line method as specified below for each quarter of a year or part thereof from the date of taking the CENVAT Credit, namely:-

(i) for computers and computer peripherals:

for each quarter in the first year @ 10%
for each quarter in the second year @ 8%
for each quarter in the third year @ 5%
for each quarter in the fourth and fifth year @ 1%

(ii) for capital goods, other than computers and computer peripherals @ 2.5% for each quarter:

*Provided that if the amount so calculated is less than the amount equal to the duty leviable on transaction value, the amount to be paid shall be equal to the duty leviable on transaction value.*



(b) If the capital goods are cleared as waste and scrap, the manufacturer shall pay an amount equal to the duty leviable on transaction value.”

The said amendment provides that in case the Capital Goods are cleared as waste and scrap by a manufacturer, then the amount to be reversed by him should be equal to the duty leviable on the transaction value. However, the Rule is silent in respect of similar clearance by an output service provider.

Prior to the amendment, both the manufacturer as well as output service provider were required to reverse an amount equal to the higher of **the duty leviable on the transaction value** or credit of the duty availed, reduced by the percentage specified for each quarter i.e. 2.5%.

### **Suggestion**

*It is suggested to amend clause (b), so as to bring an output service provider also on par with a manufacturer, by allowing the output service provider also to pay an amount equal to the duty leviable on transaction value on removal of capital good as waste and scrap. The amount to be paid on clearing capital goods (on which CENVAT credit has been availed) as waste and scrap may continue to be the amount equivalent to the duty liable on transaction value. This is logical as a normal commercial person would scrap any plant and machinery only after fully utilizing the asset. It means that the cost of asset has been fully built in the assessable value of the final product.*

### **8. Inputs/capital goods procured from EOU/EHTP/STP not paying duty in terms of Sl No. 2 of the Notification No.23/2003 CE dated 31.3.2003**

In terms of rule 3(7)(a), the manufacturer or service provider is allowed the benefit of taking CENVAT credit of duty paid on inputs or capital goods if the same are manufactured by an EOU/EHTP/STP in case the said unit pays excise duty under section 3 of the Central Excise Act, 1944 read with Sl.No.2 of the Notification No. 23/2003 CE



*dated 31.3.2003.* This credit is given on the basis of aggregation as specified in 2<sup>nd</sup> proviso to rule 3(7)(a) which is effective from 7.9.2009.

An EOU/EHTP/STP is liable to pay duty of excise in terms of proviso to section 3(1) of the Central Excise Act, 1944. However, the said unit is entitled to claim concessional duty or exemption from payment of duty in terms of *Notification No. 23/2003-CE dated 31.3.2003* issued under section 5A of the Act. The said concession/exemption is conditional and is available on fulfillment of certain prescribed conditions. Therefore, if a unit does not satisfy or fulfill the conditions, it is not entitled to pay concessional duty under the above notification. Alternatively, since the above notification is conditional, there is an option to EOU units not to avail the benefit of above notification.

In both the above situations, an EOU pays duty of excise in accordance with proviso to section 3(1). In such a case, the procurer of inputs or capital goods which are in-turn manufactured by EOU/EHTP/STP, which do not pay duty as per *Notification No. 23/03* but in terms of proviso to section 3(1), face difficulties in availment of credit.

This is a serious lacuna in the CENVAT Credit Rules, 2004 and there is a possibility of the department denying the CENVAT credit since the provisions of rule 3(7)(a) of the CENVAT Credit Rules, 2004 may not be applicable in this case.

### **Suggestion**

*It is suggested that rule 3(7) be amended to clarify that CENVAT credit will also be available in respect of clearances made by an EOU/EHTP/STP paying excise duty in terms of proviso to section 3(1) of the Central Excise Act, 1944. This will be in line with the overall objective of Foreign Trade Policy.*

## **9. Availment of CENVAT credit on capital goods**

As per Rule 4(2), only 50% CENVAT credit is allowed on capital goods in year of purchase and balance 50% in subsequent years. This results in cash flow problems. Moreover, elaborate accounts need to be



maintained to keep track of the credit availed. In case of manufacturing industries, investment planning is a regular feature & purchase of capital goods is made on an ongoing basis. The postponement of CENVAT beyond the first year does not give any real benefit to the Government as well.

**Suggestion**

*CENVAT Credit Rules be amended to allow 100% CENVAT credit on capital goods in the year of purchase itself.*

**10. Partial payment of service tax in respect of an input service under reverse charge**

According to first proviso to rule 4(7) where the service tax is paid on reverse charge by the recipient of the service, the CENVAT credit in respect of such input service will 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 the invoice, bill or as the case may be, challan referred to in Rule 9.

In many practical situations, payment of input service is made in installments. In such a situation, following two alternative views may be taken:

- (i) CENVAT credit may be allowed to service recipient only after making payment of the entire amount of value of input service and service tax thereon.
- (ii) CENVAT credit may be allowed on proportionate basis.

**Suggestion**

*It is suggested that an appropriate clarification be issued with regard to availability of CENVAT credit when the payment of the invoice is made in installments and service tax is paid under reverse charge.*



### **11. Realization of invoice within three months for availment of credit**

As per 2nd proviso to rule 4(7), in order to avail the credit of service tax, the payment for the services and service tax thereon has to be made within three months from the date of invoice. However, it is a very difficult position as in normal trade practice the invoices for services provided are received / passed after one or two months.

#### **Suggestion**

*Therefore, it is suggested that the time limit of three months be commenced from the date of CENVAT credit taken rather than from the date of invoice.*

### **12. Certification of refund by statutory auditor or any other auditor**

Notification No. 27/ 2012 CE (NT) provides that refund of CENVAT credit will be allowed subject to the procedure, safeguards, conditions and limitations as provided in the said notification. As per Para 3(e) of the said Notification, the refund claim has to be accompanied by a certificate in Annexure A-I, duly signed by the auditor (statutory or any other) certifying the correctness of refund claimed in respect of export of services.

#### **Suggestion**

*It is suggested that the refund be allowed to be certified by a practicing Chartered Accountant (not only Statutory Auditor or any other auditor).*

### **13. Service Exporters - computation of time limit for filing refund claims**

Rule 5 of the CCR provides for refund of CENVAT Credit. Notification No 27/2012 CE (NT) dated 18.06.2012 has been issued to give effect to provisions of Rule 5 of CCR. The said notification provides for time limit for filing refund claim as provided under Section 11B of the Central Excise Act, 1944.

Section 11B of Central Excise Act considers 'relevant date' for the purpose of determining the time limit for filing of refund claim.





‘Relevant date’ in case of export of goods has been defined under Section 11B of the Central Excise Act, 1944. However relevant date in case of export of services is not specifically defined and the same is generally construed as date of export of service. There is no clear provision for defining relevant date for export of service under Section 11B of the Central Excise Act, 1944.

In terms of Rule 3 of Point of Taxation of Service Rules, 2011, the date of invoice is the ‘point of taxation’ for services rendered provided the invoice is raised within 30 days from the date of completion of provision of service. However, if any advance is received prior to completion of service then the ‘point of taxation’ for such service would be the date of receipt of advance. Further, in terms of second proviso to Rule 3 of Point of Taxation Rules, 2011 for continuous supply of service the point of taxation is on completion of an event as per terms of contract. Accordingly, in cases of continuous supply of service, the service provider generally raises a periodic invoice which becomes the point of taxation.

However, in terms of Rule 5 (1)(D) of the CENVAT Credit Rules, 2004, export turnover is determined as an aggregate of export realization for the services completed either during the same quarter or in the preceding quarters and any proceed towards a service which is yet to be completed i.e. proceed received in advance is excluded from the export turnover.

From the above, it can be seen that there is disparity in the ‘date of export’ as considered under Rule 3 of Point of Taxation Rules, 2011 viz –a - viz in Rule 5 of the CCR. While Rule 3 of Point of Taxation Rules, 2011 considers invoice date or receipt date whichever is earlier as date of export, whereas the, Rule 5 of CCR considers export realization of completed services as ‘date of export’.

### **Suggestion**

*Exporter of Service is required to claim refund of service tax within the time limit prescribed under the law. However, the term, ‘relevant date’ for exporter of service is not defined (though, it is defined for the exporter of*





goods). This causes difficulties to the service exporters. Further, with the introduction of 'Point of Taxation of Service Rules', disparities between dates have arisen. Hence, it is suggested that Notification 27/2012 CE (NT) dated 18.06.2012 be amended to prescribe the time limit for claiming refund:

- For goods – as prescribed under 11B of the Central Excise Act, 1994
- For Service - as one year from the date of receipt of export proceeds or completion of service whichever is later in alignment with the definition of 'export turnover of service' as provided under Rule 5 of the CCR

#### **14. Scope of rule 6(6)**

Under sub-clauses (i) to (viii) of rule 6(6) are enlisted certain clearances of excisable goods removed without payment of duty in respect of which mischief of rule 6(1) to rule 6(4) is not attracted and the manufacturer is allowed to take CENVAT credit on inputs or input services, as the case may be.

Under the Central Excise Act, 1944, by virtue of section 5A of the said Act there are exemptions given from the whole of duty to goods cleared to defense purposes, public research institutions, infrastructural projects such as Metro railway, etc. However, the same are not covered under rule 6(6). This is creating lot of problems and the public interest is being seriously impaired enhancing the cost of goods, which is not the intention.

#### **Suggestion**

*It is suggested that the provisions of rule 6(6) be amended to include clearances of goods without payment of duty to defense, public research institutions, water, power and infrastructural projects.*

#### **15. Distribution of input service credit by Input Service Distributor to the Units to which it relates**

Rule 7 was amended vide Notification No 5/2014 – CE (NT) dated 24.02.2014 and the same is reproduced below:



*“7. Manner of distribution of credit by input service distributor. — The input service distributor may distribute the CENVAT credit in respect of the service tax paid on the input service to its manufacturing units or units providing output service, subject to the following conditions, namely :—*

- a) the credit distributed against a document referred to in rule 9 does not exceed the amount of service tax paid thereon;*
- b) credit of service tax attributable to service used by one or more units exclusively engaged in manufacture of exempted goods or providing of exempted services shall not be distributed;*
- c) credit of service tax attributable to service used wholly by a unit shall be distributed only to that unit; and*
- d) credit of service tax attributable to service used by more than one unit shall be distributed pro rata on the basis of the turnover of such units during the relevant period to the total turnover of all its units, which are operational in the current year, during the said relevant period.*

*Explanation 1. - For the purposes of this rule, “unit” includes the premises of a provider of output service and the premises of a manufacturer including the factory, whether registered or otherwise.*

*Explanation 2. - For the purposes of this rule, the total turnover shall be determined in the same manner as determined under rule 5.*

*Explanation 3. - For the purposes of this rule, the ‘relevant period’ shall be,-*

- (a) If the assessee has turnover in the ‘financial year’ preceding to the year during which credit is to be distributed for month or quarter, as the case may be, the said financial year; or*
- (b) If the assessee does not have turnover for some or all the units in the preceding financial year, the last quarter for which details of turnover of all the units are available, previous to the month or quarter for which credit is to be distributed.”*



The said amendment has created certain anomalies which may result in heavy financial loss to the Industry. The anomaly which has been created by the amendment is explained below:

As per the amendment to Sub-clause (d) of Rule 7 of the CCR, an effort has been made to get rid of determining cumbersome monthly turnover ratio used for distributing Input service Tax Credit by the Input Service Tax Distributor.

To achieve this, as per the amended Rule, if a service is common to more than one Units (but not common to all the Units of the assessee) credit shall be distributed pro-rata to the Units to which the service relates.

However, the distributable credit shall be determined on the basis of turnover of the Units to which the credit relates to the total turnover of all the Units of the assessee. The use of the expression, “total turnover of all the Units of the assessee” will result in an unfair situation / unintended losses to the Industry due to non-distribution of some portion of credit. This is explained through the following example:

Assume, an assessee has four Units, say A, B, C and D. It is receiving advertisement service for a product which is manufactured only in A and C Units. Suppose credit on Advertisement service is Rs. 10,000/-.

	A	B	C	D	
Turnover in FY 2013-14 (in Rs. Crores)	150	250	400	200	
Total Turnover of A, B, C & D					1000

$\text{Unit A} = \frac{10,000 \times 150}{1,000} = \text{Rs. } 1,500$ $\text{Unit C} = \frac{10,000 \times 400}{1,000} = \text{Rs. } 4,000$
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Thus, out of the total credit of Rs. 10,000 attributable wholly to dutiable goods, Cenvat credit of Rs. 5,500 can only be distributed and Cenvat Credit of Rs. 4,500 would be left unutilized.

### **Suggestion**

*In view of the above, it is suggested to amend Rule 7(d) to restore distribution of credit to the Units to which it relates. Instead of taking turnover of last financial year of all the said Units, turnover of the last financial year of only those Units needs to be taken, to which the Input service relates.*

### **16. CENVAT credit on self certified bill of entry in case of import of goods through courier agency**

At present there is no specific provision for availing CENVAT credit based on courier receipts or package receipts though countervailing duty is paid on such imports through a common Bill of Entry prepared for all imports by Courier Agency. The courier agent forwards a photocopy of such Bill of Entry to each importer. However, CENVAT is not allowed to be taken on such copy.

### **Suggestion**

*As duty has been paid, an appropriate provision be inserted in the CENVAT Credit Rules to avail the CENVAT credit based on certified copies of such Bill of Entry.*

*Alternatively, a mechanism of casual registration be introduced in the excise law so that the courier agent may register as first stage dealer and get entitled to pass on the credit.*

*This will address the difficulty of obtaining registrations and surrendering it time and again/filing Nil returns and face penal consequences even though there is no liability to tax. This will also reduce cost of doing business and will not lead to leakage of credit due to non-availability of the appropriate procedure for the same.*



## 17. Customs endorsement of bill of entry for availment of CENVAT credit

The erstwhile procedure of customs endorsement of Bill of Entry for availment of CENVAT credit by the end user unit has been dispensed with vide *Customs Public Notice No. 16/2006 dated 22-03-2006*. This is causing hardships to the manufacturers since they are unable to avail CENVAT credit on the imported [free issue] material received by them from their customers.

### Suggestion

*The procedure of Customs endorsement of the Bill of Entry (EDI copy) for availment of CENVAT credit by the end user unit be restored.*

*Alternatively, a provision be made in the Bill of Entry format for indicating the details of the consignee (end user receiver) of the goods in addition to the details of the importer as is being done in the case of excise invoices where the invoice is made on the buyer with the consignee indicated as the end user.*

## 18. Exemption and reversal of CENVAT

A number of exemption notifications mandate that the manufacturer supplying goods without payment of duty have to reverse actual CENVAT or pay an amount of 6% of price in lieu of CENVAT claimed in terms of CENVAT Credit Rule 6. The procedure for reversal of actual CENVAT is cumbersome. Further, this amount is not recoverable from customer as duty. This results in increased cost of products and negates the objective of giving exemption.

### Suggestion

*Instead of granting full exemption, excise duty at reduced rate (say 4%) be levied on such goods for operational convenience.*

*Alternatively, CENVAT credit on inputs/ services used in these supplies be allowed for utilization towards other domestic clearances.*



## C. CENTRAL EXCISE DUTY

### 1. Exemption to certain class of persons from obtaining registration under the Central Excise Rules, 2002

In terms of rule 9(2) of the Central Excise Rules, 2002, (CER) the Board has exempted certain categories of persons or class of persons vide *Notification No.36/2001-CE (NT) dated 26.06.2001* from obtaining registration. In terms of paragraph-1(vi), every job worker who undertakes job work in respect of final products falling under Chapter 61 & 62 on behalf of any other person who shall pay duty on the said goods under rule 4(3) of the CER is a person exempted from obtaining registration. It may be noted that the provisions of rule 4(3) of the Central Excise Rules, 2002 have since been deleted vide *Notification No.24/2003-CE (NT) dated 25.03.2003*.

#### **Suggestion**

*In the light of the above deletion, the provisions of paragraph-1(vi) of Notification No. 36/2001-CE (NT) dated 26.06.2001 have become redundant and need to be deleted/omitted.*

### 2. Powers of the Commissioner (Appeals) under the Central Excise Act and the Customs Act to condone the delay in filing the appeal

Under section 35 of the Central Excise Act, 1944 or section 128 of the Customs Act, 1962, an appeal before the Commissioner (Appeals) is required to be filed within 60 days from the date of receipt of the order of the lower authorities. The Commissioner (Appeals) is empowered to condone the delay upto 30 days beyond 60 days provided sufficient cause is shown. It has been observed that the said condonable period of 30 days is very short and requires to be increased to either 60 days or 90 days. Further, there are many instances where meritorious cases cannot be pursued because of the above technicality. The Courts have held that an appeal filed beyond the condonable period cannot be



admitted contrary to the statutory provisions, since the Commissioner (Appeals) has no power to condone beyond 30 days.

**Suggestion**

*It is, therefore, suggested that Commissioner (Appeals) be empowered to increase the condonable period appropriately (from present 30 days) subject to assessee showing sufficient cause.*

**3. Powers under section 14 of the Central Excise Act, 1944**

Section 14 of the Central Excise Act is applicable in case of service tax matters also. According to this section powers have been given to Central Excise Officers to issue summons to the assessee to give evidence and produce documents in enquiries conducted under the Act. These provisions are often misused as under:

- (i) Notices are issued to Managing Director/ Director/ Chairman despite the fact that they are not concerned with routine functioning of business.
- (ii) Notices are issued even for seeking that information what can be obtained by ordinary letters.
- (iii) The time mentioned in the notice is not rigidly followed. As a result, plenty of precious time of the assessee is wasted.
- (iv) Copy of the recorded statement is not provided immediately to the concerned assessee.
- (v) Summons issued even in those cases where question of law is involved.

**Suggestion**

*There should be a proper procedure under section 14 which need to be followed while invoking Section 14 backed with rules.*





**4. Revision application for matters relating to baggage, drawback, rebate of duty on export of goods etc.**

As per proviso to section 35B(1) of the Central Excise Act, 1944 no appeal shall lie to the Appellate Tribunal if the order passed by the Commissioner (Appeals) relates to loss of goods where the loss occurs in transit from a factory to a warehouse, etc. or rebate of duty on export of goods or goods exported without payment of duty. In such cases, there is a provision to file revision application under section 35EE of the Central Excise Act, 1944 before the Central Government. Similarly, as per section 129A of the Customs Act, 1962 appeal shall not lie to the CESTAT if the order passed by the Commissioner (Appeals) relates to baggage etc and revision application will have to be filed. This causes undue hardship to the assessee as approaching Revisionary Authority at New Delhi results in substantial increase in the litigation cost of the assessee.

**Suggestion**

*It is suggested to allow filing of appeals before CESTAT against the orders passed by the Commissioner (Appeals) in relation to the matters covered under proviso to section 35B(1) of the Central Excise Act, 1944 and proviso to section 129A of the Customs Act, 1962 as well i.e., orders relating to loss of goods where the loss occurs in transit from a factory to a warehouse, etc. or rebate of excise duty on export of goods or goods exported without payment of duty, baggage, drawback.*

**5. Stay by CESTAT in case of excise and customs duty**

In terms of 2<sup>nd</sup> Proviso to section 35C(2A) of the CEA, 1944 or section 129B(2A) of the Customs Act, 1962, if the Tribunal does not dispose of the appeal within a period 180 days as envisaged in first proviso to the said sections, the stay order shall stand vacated on the expiry of 180 days. The Supreme Court in the case of *CCE v. Kumar Cotton Mills*, 2005 (180) ELT 434 (SC) held that Tribunal can extend stay when there is good cause and there is fault of Tribunal in not deciding the appeal within 180 days and not attributable to the assessee. Also the Gujarat





High Court in *Poly Fill Sacks v. UOI*, 2005 (183) ELT 344 (Guj.) held that there is no requirement to pass any order extending stay of recovery already ordered and that stay order passed shall remain valid till final disposal of the appeal. Recently, the Karnataka High Court in *CCE v. Indian Oil Corporation*, 2010 (258) ELT 504 (Kar.) observed that the Tribunal is empowered to grant extension of stay after the expiry of 180 days but the same is not automatic and extension of stay requires application by assessee.

Such provisions need to be removed for more than one reason. Firstly, the CESTAT is flooded with innumerable number of appeals and also stay applications and invariably the CESTAT is unable to decide the appeals within the prescribed period of 180 days for various reasons which are beyond the control of both the assessee and the CESTAT. Hence, prescribing a mandate on the CESTAT to dispose of the appeals within the prescribed period of 180 days is unworkable. In the light of Karnataka High Court decision if the assesseees are required to file applications seeking extension of stay order, then it would result in innumerable applications, listing, hearing and passing orders on the said applications and various other added administration work on the Registry of the CESTAT. Also, there is no such parallel provision under the Finance Act, 1994 and hence the above contingency arises only under the Central Excise and Customs provisions which does not serve any effective purpose but on the contrary results in wastage of time of the Tribunal and High Courts.

### **Suggestion**

*It is, therefore, suggested that the limitation period of 180 days for grant of stay be removed from central excise and customs provisions.*

## **6. Memorandum of Cross-objections before the Commissioner (Appeals) – No prescribed format**

In terms of section 35E(4) of the Central Excise Act, 1944 and section 129D(4) of the Customs Act, 1962, if the Department files an appeal/application pursuant to review of adjudication order before the



Commissioner (Appeals), such application/appeal filed by the Department shall be heard by the Commissioner (Appeals) as if it is an appeal against the adjudication order and the provisions of filing cross-objections by the other party as envisaged in section 35B(4) of CEA, 1944 or section 129A(4) of the Customs Act, 1962 respectively shall apply. However, under the Central Excise (Appeals) Rules, 2001 and Customs (Appeals) Rules, 1982, there is no prescribed format in which the assessee is required to file memorandum of cross-objections before the Commissioner (Appeals).

### **Suggestion**

*It is suggested that the Central Excise (Appeals) Rules, 2001 and Customs (Appeals) Rules, 1982 be amended to provide for a prescribed format of memorandum of cross-objections to be filed before the Commissioner (Appeals).*

### **7. Revision orders passed under section 35EE of the Central Excise Act, 1944 or section 129DD of the Customs Act, 1962**

Under the provisions of the Central Excise Act, 1944 or the Customs Act, 1962, certain orders passed by the Commissioner (Appeals) are appealable before the Revisionary Authority viz., the Central Government under section 35EE or section 129DD. However, against the orders passed by the Revisionary Authority under the above provisions there is no specific appellate remedy provided. Presently, the persons are required to approach the High Court for writ remedy under Article 226 or 227 or approach the Supreme Court under Article 136 of the Constitution. This creates inconvenience to the assessee as well as to the Revenue. Further the jurisdiction of the Supreme Court and/or High Courts under Articles 136 or 226 or 227 are extra-ordinary jurisdiction and is discretionary. Hence, the above remedy is not an effective remedy apart from being time consuming and expensive.



### **Suggestion**

*It is, therefore, suggested to provide for appeal against the orders passed by the Revisionary Authority under section 35EE of the CE Act or section 129DD of the Customs Act, directly to the High Court by amending the provisions of section 35G of the Central Excise Act, 1944 and section 130 of the Customs Act, 1962 respectively.*

#### **8. Benefit of Excise Notification Nos. 29/2012 to 33/2012 relating to FMS, FPS Licences**

In the recent Annual Supplement to the Foreign Trade Policy 2009-14 released on 5<sup>th</sup> June, 2012, the duty credit scrips like Focus Market Scheme, Focus Product Scheme, etc. were allowed to be utilized for payment of excise duty on domestic procurement of permissible items.

To give effect to same, Excise Notification Nos. 29/2012 to 33/2012 dated 09.07.2012 were issued. These notifications exempted the goods from whole of the excise duty when cleared against a duty credit scrip issued to an exporter.

All these excise notifications also provide that the holder of the scrip, to whom the goods were cleared, shall be entitled to avail CENVAT credit of the excise duty against the amount debited in the said scrip.

However, no corresponding amendment has been made in Rule 6 of the CENVAT Credit Rules which require a manufacturer to pay 6% of the value of exempted goods or reverse proportionate CENVAT credit. The goods cleared against duty credit scrip are exempted goods and thus will involve a cost of 6% due to this rule.

The intention of the Government appears to treat the goods cleared against duty credit scrip as equivalent to duty paid goods in as much as the Government has allowed CENVAT credit to the receiver of goods on the basis of excise duty debited in his duty credit scrip. With this benefit being allowed, the intention of the Government does not appear to demand 6% of value of goods or reversal of credit.



### **Suggestion**

*It is suggested that a suitable amendment be made in Rule 6(6) of the CENVAT Credit Rules to provide that Rule 6 will not apply for excisable goods cleared without payment of duty against duty credit scrips. Similar provision already exists for cases like goods cleared for export under bond without payment of duty.*

## **9. Audit Issues**

EA 2000 is a modern, transparent and interactive method of audit wherein the auditor proceeds with audit fully conversant with the business of the assessee. At the end of the process of verification, the auditor prepares Audit Report which incorporates all the audit objections/audit paras. An audit report provides (issue or para wise) the issue in brief, the reply or the explanation of the assessee, the reason for the auditor not being satisfied with the reply, the amount of short payment (if tabulated) and the recoveries of the same.

### **Suggestion**

*It is suggested that a copy of audit report even a clean one (having nil points) of the assessee under Excise Audit 2000 scheme be provided:*

- *To facilitate the assessee to take corrective actions*
- *To ensure/prove that audit is done up to a particular period.*

*As in absence of the audit report with the assessee he is unable to prove that his accounts are audited till a particular period and is sometimes subjected to re-audit as there is no mechanism in the department to ensure the same.*



## D. CUSTOMS DUTY

### 1. Relinquishment of imported/warehoused goods

Section 23(2) provides that the imported goods can be abandoned before the proper officer has ordered clearance of goods for home consumption under section 47 or before an order for warehousing is made under section 60 of the Act. Similarly, section 68 provides that the warehoused goods can be abandoned before an order for clearance for home consumption has been made in respect of such goods. However, the provisos to both these sections lay down that the owner of any imported goods/warehoused goods shall not be allowed to relinquish his title to such goods regarding which an offence appears to have been committed under this Act or any other law for the time being in force.”

The expression “an offence appears to have been committed” employed in the above provisos is not clear and would lead to interpretational issues and litigation.

#### **Suggestion**

*It is suggested to suitably amend the above provisos to clarify as to when an offence appears to have been committed. Probably, the expression could read as “in respect of which a show cause notice has been issued”.*

### 2. Interest free warehousing period for imported goods

The Customs Act, 1962 provides for warehoused goods to be kept in-bond for a period of one year. However, interest on customs duty is chargeable on warehoused goods if the same are not ex-bonded within 3 months.

#### **Suggestion**

*It is suggested that warehoused goods be allowed to be kept in-bond for a period of at least 6 months without payment of interest.*



### **3. Relevant date for determination of rate of duty and value of goods in case of improper removal of warehoused goods**

Under section 72(1)(b), the warehoused goods which remain in the warehouse beyond the period specified in section 61(1) of the Customs Act are deemed to have been improperly removed and the proper officer is entitled to demand duty on such improperly removed warehoused goods. This section has been examined by the Supreme Court in the case of *Kesoram Rayon v. CC*, 1996 (86) ELT 464 (SC) wherein it has been held that in case of improper removal of warehoused goods in terms of section 72(1)(b), the warehoused goods are deemed to have been improperly removed on the expiry of warehousing period and the relevant date for determining the rate of duty and value of such goods shall be date of expiry of warehousing period. The above decision of the Supreme Court seems to be *per incuriam* since the same is contrary to specific provisions of section 15 of the Act. Hence, the same needs immediate rectification.

#### **Suggestion**

*Since, the above decision is not in accordance with the specific provisions of section 15 of the Customs Act, it is suggested to amend the provisions of section 15 to provide for relevant date in the case of improper removal of warehoused goods as envisaged in section 72 of the Act.*

### **4. Return under Rule 7(c) of the Customs Rules, 1996**

As per Notification No.22/2012- Customs (N.T.) dated 17.03.2012, the concerned assessee is required to submit the return under Rule 7(c) of the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 on quarterly basis (instead of monthly basis as was prior to 17.03.2012) with the Central Excise Authorities. However, on the web portal of the Central Board of Excise and Customs (CBEC), still there is facility of e-filing of said return on monthly basis instead of quarterly basis.



### **Suggestion**

*It is suggested that necessary amendment on the web portal of the Central Board of Excise and Customs (CBEC) be made and the facility of e-filing of quarterly return, instead of monthly return, be made available to the concerned assessee's under the Customs (Import of goods at concessional rate of duty for manufacture of excisable goods) Rules, 1996.*

### **5. Exemption of Additional duty of customs (ADC) under section 3(5) of the Customs Tariff Act, 1975 on goods imported for further resale**

With effect from 14<sup>th</sup> September, 2007, refund of ADC (charged @ 4% in lieu of local sales tax) is allowed to a person who imports goods into India for the purpose of subsequent sale subject to the conditions that the sale invoice issued by the importer clearly mentions that no credit of ADC is admissible on such goods, and applicable sales tax / VAT is paid on sale of such goods.

### **Suggestion**

*Since, the process of obtaining refunds is time-consuming (both for the department as well as the assessee), it is suggested that goods imported for resale, which anyway are chargeable to VAT, be exempted from ADC.*

### **6. Clearing House Agent**

Nowadays the Importer and Exporter are not opting to clear the goods through CHA but they are clearing it through Freight Forwarders, hence CHA cannot opt to have KYC of the actual importers and exporters.

### **Suggestion**

*It is, therefore, suggested to add a column of freight forwarder in B/E and S/B through CHA and freight forwarders be given PAN based registration. This will help to make accountable lot of freight forwarders who are lying loose as their*





*income can be assessed in a right manner also resulting into higher service tax (indirect tax).*

## 7. Interest Payment on assessed Bill of Entry

The provision for clearance of goods for home consumption is provided in Section 47 of the Customs Act, 1962. As per the said section, where the proper officer is satisfied that any goods entered for home consumption are not prohibited goods and the importer has paid the import duty, if any, assessed thereon and any charges payable under this Act in respect of the same, the proper officer may make an order permitting clearance of the goods for home consumption.

Till December, 1991, there was no provision to levy interest on duty if the duty payment on assessed Bill of Entry is delayed.

For the first time, the Government of India introduced sub-section (2) to Section 47 to levy interest if the importer fails to pay the import duty under sub-section (1) to Section 47 within **seven days** from the date on which the bill of entry is returned to him for payment of duty. This provision came into effect from 23.12.1991.

The above period of Seven days was reduced to five days by Section 105 of the Finance Act, 1999.

Now, with effect from 10.05.2013 the Government has further reduced the above period to two days vide Finance Act, 2013. Further, the Government vide *Notification No. 28/2002-Cus (NT)*, dated 13.05.2002 has fixed the rate of interest at 15% pa for the purpose of Section 47 of the Customs Act, 1962. With the above legal provisions, importer is required to pay interest @15% pa if the duty on assessed bill of entry is not paid within two days (excluding holidays).

While CBEC has taken various steps to strengthen the transaction related infrastructure & system like improvise the EDI system, introduction of self assessment, robust RMS & e-payment of customs duty, the trade in general feels that the period of two days is still very





short period. There are still various bottlenecks to cause hardship in ensuring payment within two days. Consequently, many importers have to pay interest on duty without any delay or fault on their part. Some of the reasons are enumerated below:

- a) When the assessment is done after office hours, importer loses one day straight and then he left only with one working day to arrange duty payment.
- b) Customs server remains closed during 7 pm to 12 midnight for account reconciliation & therefore it is not possible to make payment after 7 pm & get it recognised & acknowledged by the customs on the same day.
- c) Many a times when there is problem with bank server or customs server, either payment is delayed or it gets reflected late (next day).
- d) Customs server is not recognising Holidays declared in the middle of the year on account of force majeure and other reasons. For example, holiday declared on Id-ul-Fitr (09.08.2013) was not recognised by Customs Server.
- e) Bill of Entry assessed in advance is not getting reflected after IGM finalisation. In other words, though the Bill of Entry is duly assessed, importer is not intimated about the same.

### **Suggestion**

*There is therefore, a need for restoring five days (excluding holidays) time for levy of interest on account of delay in duty payment.*

### **8. Unit Quantity Code (UQC) to be mentioned in Bill of Entry**

A revised 8 digit Commodity Classification (HS) for imports was made effective from February, 2003, which was to be followed by CBEC, DGFT and DGCI&S. It was also mandated that Customs will ensure that the measurements of goods in Bill of Entry and Shipping Bill are



indicated by importers/exporters in the unit of measurement/Unit Quantity Code (UQC) as given in the 8 digit Tariff Schedule.

In this regard, though CBEC had issued a *Circular No. 51/2003 dated 18.06.2003*, practically Customs was allowing importers/exporters to mention units as per commercial terms.

Recently, CBEC has issued a *Circular No. 26/2013-Cus dated 19.07.2013* stating that the Customs Tariff Act, 1975 prescribes only a single Unit Quantity Code (UQC) against each Tariff Item, and it is the requirement of the law that the same is properly declared by importers/exporters/Customs Brokers in the Bills of Entry/Shipping Bills. Accordingly, CBEC has directed that Customs field formations should ensure that only the correct and prescribed Standard UQC as per the Customs Tariff Act, 1975 is mentioned in Bills of Entry/Shipping Bills.

Consequent to above, all Customs Houses have issued Public Notices and have started insisting for filing of Bills of Entry/Shipping Bills with standard UQC only.

For many commodities, the UQC given in Customs Tariff Act, 1975 are totally different than trade practice. For example, electrical relays are traded in "numbers" throughout the globe, however, as per Customs Tariff Act, 1975, UQC for relay against tariff item 8536 41 00 is "Kgs". This is creating hurdles in Customs Clearance process as Customs insists to declare weight of the relay as the unit of measurement even though supplier might have supplied relays on per unit/number basis.

Some commodities have been identified, the UQC of which in the Customs Tariff Act, 1975 are not as per normal trade practice. It is felt that such UQC of such items in the Customs Tariff are first amended before making it compulsory to declare in the Bill of Entry/Shipping Bill.



### **Suggestion**

*Customs Tariff Act, 1975 may be suitably amended so as to harmonize UQCs with trade practice. The suggested list of UQC has been enclosed as **Annexure-II**.*

#### **9. Double taxation on Services and intangible rights related payments by importers of goods, to the foreign entities**

As per Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 the Value of Services and intangible rights is required to be added to the transaction value of imported goods for the purpose of levy of Customs duty at the same time such payments (consideration) for Services and intangible rights are also liable to Service Tax. Thus, there is an issue of double taxation.

As per Rule 10 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007, the following is required to be added to the price actually paid or payable for the imported goods while determining the transaction value:

(a).....

(c) Royalties and licence fees related to the imported goods that the buyer is required to pay, directly or indirectly, as a condition of the sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable.

.....

(e) All other payments actually made or to be made as a condition of sale of the imported goods, by the buyer to the seller or by the buyer to a third party to satisfy an obligation of the seller to the extent that such payments are not included in the price actually paid or payable.

Explanation:- Where the royalty, licence fee or any other payment for a process, whether patented or otherwise, is includible referred to in



clauses (c) and (e) of Rule 10, such charges shall be added to the price actually paid or payable for the imported goods, notwithstanding the fact that such goods may be subjected to the said process after importation of such goods.

The issue pertains to Indian Companies entering into business arrangement with foreign entities. Such arrangements are mainly done to use brand/reputation, Intellectual Property Rights, product & business expertise etc. of foreign entities and sell products supplied/approved by them in Indian market. Such arrangements are made in different legal forms like Joint Venture, Franchise, License, Distributor etc.

Under the above arrangements, Indian Companies are obliged to maintain prescribed standards of business, pay for value of goods being imported and are also required to make payments to foreign partner for services and intangible rights which are identified by various names like Franchise/License Fee, Marketing/Advertising Fee, Agents Fee/Commission, Renewal Fee, Reimbursements of Travel etc.

While Custom Authorities relates all above direct or indirect payments related to Services & intangible rights like royalty, license fee etc. to supply of goods and hold them liable to Customs duty, Service Tax Authorities treat such payments as consideration for services and hold Indian Companies liable to pay Service Tax under reverse charge mechanism.

Thus, Indian Companies are exposed to the burden of double taxation of customs duty as well as service tax.

When Transfer of Right to use imported/locally procured packaged software or canned software is passed on to the buyer, Government has exempted CVD/Central Excise duty on consideration for such transfer of right to use, provided Service Tax is paid on the same (Ref: *Notification No. 25/2011-Cus., dated 01.03.2011 and 14/2011-CE., dated 24.03.2011*). Conversely, Service Tax was exempted when CVD/Excise duty was paid (Ref: *Notification No. 34/2012 – ST., dated 20.06.2012*).



Government had exempted IPR service providers from service tax equivalent to amount of cess payable on the transfer of technology under the provisions of the R & D Cess Act, 1986 so as to avoid double taxation of both Service Tax & R & D Cess (Ref Notification No. 17/2004-ST., dated 10.09.2004).

**Suggestion**

*Thus, there is an immediate need to issue appropriate clarification so that payments related to services and intangible rights are not doubly taxed to customs duty as well as service tax.*



## E. CENTRAL SALES TAX

### 1. Facility to submit Form C, E etc. online

Section 6 is charging Section. As per Section 6(2) subsequent inter-state sale transaction taking place by transfer of documents of title to goods, when the goods are in course of movement, are exempt. For this purpose the claimant dealer has to obtain Form E-1 from his vendor (if such vendor is first seller otherwise, E-II) and Form 'C' from the buyer. One 'C' form can be issued for one quarter of a financial year. Similarly EI/EII can also be issued on quarterly basis. Under Section 6A, branch/consignment transfer is allowed only if Form 'F' is produced, else it will be deemed to be a sale. Form 'F' is required to be obtained from transferee branch/agent. One Form 'F' can cover transfers affected in one calendar month.

Central Government has also substituted sub rule (7) to rule 12 with effect from 1st October, 2005. Form C or certificate in Form E-I or E-II will have to be submitted to sales tax department within three months from the end of the quarter in which sale is affected. In case of Form F, it is to be obtained on monthly basis and it is to be submitted to the sales tax department within three months from the end of the month in which goods are transferred to the interstate branch or agent.

#### Suggestion

- *With a considerable development in technology, all the relevant forms under Central Sales Tax Act like Form C, E, F etc. be allowed to be filed online. This will not only expedite the process of submitting the forms but also will save the time and streamline the process.*
- *Form E-1 is issued by the seller of goods in case of first sales made. At the time of subsequent sale form E-II is required to be issued by the seller. It is suggested that Form E-I be allowed to be used as self declaration form by intermediate sellers in order to avoid exchange of various forms in the process.*



## 2. Amendment in Form B (Certificate of Registration) and Form C (Form of Declaration)

Rule 13 of Central Sales Tax (Registration and Turnover) Rules, 1957 was amended vide *Notification No. 183(E) No. 01/2010-CSTF. No. S. 29012/3/2010-SO(ST) dated the 11th March, 2010*, to include goods “used in telecommunication network” to be eligible for concessional rate of purchases.

Consequently, Section 8(3)(b) of the CST Act, 1956 was amended to allow goods used in telecommunication network to be purchased at concessional rate of tax against issue of C Form.

However, the corresponding changes, giving effect to the above amendments were not made in Form B (Certificate of Registration) and Form C (Form of Declaration) prescribed under section 8(3)(b) of CST Act, 1956.

### Suggestion

- It is suggested clause (f) reading as under, be inserted in Form B after clause (e) appearing at Para 3 of the said Form B:

*“The class(es) of goods specified for the purpose of sub-sections (1) and (3) of section 8 of the said Act is /are as follows and the sales of these goods in the course of inter-State trade to the dealer shall be taxable at the rate specified in that sub-section subject to the provisions of sub-section (4) of the said section:-*

(a)	<i>for re-sale.....</i>
(b)	<i>for use in manufacture or processing of goods for sale.....</i>
(c)	<i>for use in mining.....</i>
(d)	<i>for use in the generation or distribution of electricity or any other form of power.....</i>
(e)	<i>for use in the packing of goods for sale/resale.....</i>
(f)	<i>for use in telecommunication network .....”</i>



- Similarly, it is suggested Form C be amended by inserting the description “use in telecommunication network....” after the description “Packing of goods for sale/resale.....” in the declaration provided by the dealer to the seller in Form C as below:

“Certified that the goods

\*\*Ordered for in our purchase Order No.....dated..... and supplied as per Bill/ Cash Memo/Challan No..... .dated..... as stated below\*

are for

\*\*resale.....

use in manufacture/processing of goods for sale.....

use in mining .....

use in generation/distribution of power.....

Packing of goods for sale/resale.....

**used in telecommunication network..... and are covered by my/our registration certificate No ... dated ...issued under the Central Sales Tax Act, 1956. It is further certified that I/We am/are not registered under section 7 of the said Act in the State of .....in which the goods Covered by this Form are/will be delivered.”**





## F. OTHERS

### 1. Disparity between interest payable by assessee and Department under central excise, service tax and customs

At present, interest @ 18% is payable by the assessee when duty is short levied /short paid or not levied /not paid. However, in case of delayed refunds, the Department is liable to pay interest @ 6%. Thus, there is a significant gap, between the rate of interest payable by the assessee and the Department. In fact, the disparity has become more than 50% after the interest on delayed payment of tax/duty was increased from 13% to 18% last year.

Further, interest for duty/tax demands is charged from the date on which duty becomes due, whereas interest on delayed refunds is paid from the date after expiry of three months from the date of receipt of refund application. Presently, assessee has to apply for interest on delayed refund.

#### Suggestion

- *The interest rates for both the demand of the duty/tax and the refund of the duty/tax be made uniform. There is need for fairness and equity in the rates at which interest is paid by the department and that is charged from tax payer.*
- *Further, uniformity be also ensured in respect of date of charging interest on duty/tax demands vis-à-vis date of paying interest on refund of duty/tax. Interest on delayed refunds be also paid by the Department from the date on which duty was actually paid.*

### 2. Personal Penalty

It is observed that Central Excise Department sometimes issues notices for personal penalty to junior and middle level officers of the Corporates under Rule 26 (earlier rule 209A). These type of notices are mostly issued wherever allegation or suppressions are leveled.



Though sales tax is also an indirect tax like excise duty, there is no practice of levying personal penalty under Sales Tax Law.

The employees in large Corporates are salaried employees and are professionals. Their jobs are transferable. However, issuance of personal penalty notices create unnecessary obstacles. The work is done for and on behalf of Corporates (assesseees). Excise Department should deal with the Corporates and not with individual employees.

### **Suggestion**

*Therefore, it is suggested that the provisions relating to personal penalty be removed from the statute.*

### **3. Exemption from payment of duty by way of refund mechanism**

Section 5A of the Central Excise Act, 1944 or section 25 of the Customs Act, 1962 or section 93 of the Finance Act, 1994 empowers the Central Government to exempt from payment of excise duty/customs duty/service tax. However, off late, few exemption notifications have been issued under the above statutory provisions which are in effect a refund mechanism subject to fulfillment of conditions. For instance, *Notification No.102/2007 Cus dated 14.9.07* as amended which provides for refund of special additional duty of 4% leviable under section 3(5) of the Customs Tariff Act, 1975 or *Notification No. 40/2012 ST dated 20.06.12* which provides refund of service tax to SEZ developer/unit.

The above notifications have lot of conditions and procedures. Many a times the assesseees face great difficulties in claiming the said exemption. The administration of these notifications is resulting in harassment of the assessee besides breeding heavy litigations.

### **Suggestion**

*It is suggested that the present system of granting exemption through refund route be reviewed and be made simple to comply.*



**4. Use of Digital Signature on various Excise and Service tax related documents viz. Invoice, ARE-1, ARE-3 etc.**

Rule 11 of Central Excise Rules, 2002 provides for issuance of Invoice for removal of excisable goods from factory duly signed by the owner of the factory or his authorized agent and Rule 4A of Service Tax Rules, 1994 provides for issuance of invoice by a service provider duly signed by the service provider or his authorized person.

Although the Digital Signature is being used in various e-commerce transactions where the digitally signed documents are transmitted electronically, but the electronic transmission of digitally signed Invoices issued under rule 11 of Central Excise Rules or issued under Rule 4A of Service Tax Rules to the buyer / customer may not be allowed.

Further, sub-rule (3) of the said rule 11 provides for preparation of Invoices duly marked as under:

- ORIGINAL FOR BUYER
- DUPLICATE FOR TRANSPORTER
- TRIPLICATE FOR ASSESSEE

The DUPLICATE FOR TRANSPORTER copy duly signed by the authorized person is used as a Transport document which accompany the “carrier” carrying dutiable goods which is required to be produced for verification when demanded by authorities en-route during transit so as to prove duty paid character of goods in transit.

Under Income Tax regime, specific provisions are made in the Act/Rules and procedures have been prescribed issuing for issue of Form-16 with Digital signatures. Further, recently, the Sales Tax Department, Maharashtra has allowed some companies for use of Digital Signatures on sales invoices. Similar permission is also granted by the Gujarat State Sales Tax authorities.



### **Suggestion**

*It is suggested that suitable amendment in the Central Excise Rules, Service Tax Rules and Cenvat Credit Rules be made or issue appropriate clarification prescribing the manner in which Digital Signature can be used on various Excise and Service tax related documents viz. Invoice, ARE-1, ARE-3 etc . It will facilitate the assessee to comply with the provisions.*

## **5. Suggestions for Reduction of Litigation**

### **(a) Streamlining of Circulars/Trade Notices**

CBEC, as practice regularly issues notifications and circulars to make changes in the rules and procedures and to clarify the Department's stand in relation to a particular issue or provision. However, there is no system of issuing a comprehensive circular at the end of the year which will incorporate all the circulars issued during the year. It may be noted that RBI issues master circulars every year, replacing individual circulars issued during the year.

### **Suggestion**

*It is suggested that a practice of issuing a Master Circular on 1st April every year in Excise/Custom/Service tax compiling all related circulars issued during the year be adopted on an annual basis. This would ensure better compliance as assessee's will be aware of necessary procedural steps and exemptions as available. A comprehensive circular makes easy to review all updates in an indexed manner.*

*Further, it is suggested that issue of circulars be examined and if at all they need to be issued, the Board should issue circulars by exercising utmost caution and design the circular meticulously to avoid any interpretational issues by the industry or the field formations at the lower level.*

### **(b) Training of Departmental Personnel**

It has been observed that the understanding of this central law across the country is not the same. Different Commissionerates have



different views on variety of issues particularly in case of real estate sector. Further, it is an admitted fact that administering authorities are not trained in accounting and thus, find it difficult to interpret and analyze the financial statements. This causes difficulties for both the assessee and the Department.

Departmental officers undergo training but there is need for more comprehensive and interactive sessions where they can discuss and debate issues with their peers duly facilitated by experienced professionals. This will go a long way in enhancing quality of services of the Department.

**Suggestion**

*A comprehensive training covering all the substantive, procedural aspects of the law and understanding of financial statements be scheduled for the officers at all levels.*

**(c) Accountability of tax collectors**

In the present tax laws, there is no accountability on the part of tax collectors. This leads to the misuse of powers vested in them vide the respective legislations. For proper discharge of responsibilities, accountability is a necessary counter-balance and is very essential for effective discharge of the authority vested in a person

**Suggestion**

*In order to project a sense of even-handedness in dealing with tax payers, provisions relating to accountability be introduced and not formulated independently. The Tribunal or Commissionerate (Appeal) may impose reasonable cost for the same.*

*If there are rewards awarded to the departmental officers for anti-evasion cases then there ought to be penalty also for frivolous litigations.*



**(d) Timely information and guidance**

It has been observed that the order passed by CESTAT and Adjudicating Authority/ Commissioner (Appeals) does not reach to the industry timely, resulting non compliance or non timely compliance.

Further, it is felt that the time lag for the issuance of the clarifications on common problems/ issues of pertaining to industry.

**Suggestion**

*It is suggested that all the orders passed by CESTAT and Adjudicating Authority/ Commissioner (Appeals) be made available on websites for ready reference of the industry. The CBEC may play a proactive role and issue clarifications on problems / issues of industry which are similar in nature to avoid such problems resulting in litigation at a later stage.*

**(e) Vacancies in Tribunal**

**Suggestion**

*The vacancies in Tribunal be filled and additional benches in metro and new benches in non-metro cities be constituted to expedite the disposal of long pending cases. A fast track system of disposal of cases be introduced to deal with high revenue cases and settled issues.*

**(f) E-filing**

**Suggestion**

*E-filing of appeals be introduced to encourage paperless society as an environment friendly measure.*

**(g) Members of CESTAT**

**Suggestion**

*Practicing Chartered Accountants be made eligible for being appointed as Members of the CESTAT as in case of ITAT.*



## **G. MEASURES TO AUGMENT REVENUE OF CENTRAL INDIRECT TAXES**

### **General Measures**

1. Information in respect of assesseees be shared between the Central Government and the State Governments on a reciprocal basis. This will facilitate reconciliation of returns and indicate areas / sectors of revenue leakage or areas requiring further investigation.
2. Excise/Service Tax Audit in line with the Income-Tax Audit be introduced for traders/ manufacturers/ service providers having a turnover of goods/services of more than 1 crores. The Tax-audit under section 44AB of the Income-tax Act, 1961 is a very powerful tool to unearth frauds, ensuring compliance and checking revenue leakage. A similar audit in the area of indirect taxes would capture a major portion of the businesses and check significant revenue leakage.
3. Attempt must be made to reduce the litigation time as pending and frivolous litigation reduces the confidence of the tax payer and increases the costs of doing business. Steps that can be taken in this direction include increasing the number of benches of CESTAT, examining the issues litigated often and issuing the clarifications early instead of issuing the same after the court verdict and introducing the system of obtaining advance rulings by resident assesseees as prevalent in many State VAT in the form of Determination of Disputed Questions (DDQs).
4. Due to Service tax a new levy, the knowledge of the law [which is fast changing] among the majority of officers is very limited. Specialised training of the Government Officials, particularly the officers posted in the Audit wing, in the indirect tax laws as also in reading and interpreting Financial Statements would lead to better results in enhancing the revenue. It will be a matter of privilege for the ICAI to offer its support in conducting such training sessions.



5. Considering that indirect tax laws are very dynamic and are continually exposed to frequent changes, apprising the assesseees with the latest law is equally important to ensure better compliance leading to increased tax revenue. Board can achieve this by organising series of public awareness programmes on various aspects of indirect taxes at Tier II or III cities – in comparison to metros, assesseees of these cities are less aware- with focus on specific needs of the city. ICAI will be happy to partner this initiative of the Board.





## ANNEXURE I

FORM .....  
(See rule .....)

### Audit Report

INDEPENDENT AUDITOR'S REPORT ON PARTICULARS  
CONTAINED IN PART-2, FORM NO. .... PURSUANT TO  
SECTION.... OF THE FINANCE ACT, 1994

*Addressee ....Name and address of the Assessee*

We have verified the enclosed Particulars for the period .....  
(specify the period) as given in Section C, D, E, F and G in the enclosed  
Form No. .... of M/s ..... (name of the assessee) bearing  
Service Tax Registration No. .... having registered premises  
at ..... (address) and falling under  
.....Commissionerate.

### Assessee's Responsibility

Assessee is responsible for the maintenance of proper books of accounts, and such other service tax related records and preparation of financial statements as prescribed in the applicable laws, wherefrom the particulars for Form No. 2 have been extracted. This responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant to the preparation of these books of account and records and the particulars given in Form No. 2, that are free from material misstatements. The assessee is also responsible for complying with the requirements of Service Tax Law.

### Auditor's Responsibility

Our responsibility is to verify the sections C, D, E, F and G of the Form no. 2. Accordingly, the verification done by us of the related books of account and records has been conducted for the limited purpose of reporting on Sections C, D, E, F and G of the Form No. 2 and did not cover any other aspect. Our examination was carried out in accordance with the Guidance



Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India.

The report given by us is based on the request received from the Assessee with reference to ..... (name of Rule, etc) dated ....., issued by (name of the issuing authority) and is to be used solely for the purpose of assisting the Assessee in connection therewith and is not intended to be and should not be used for any other purpose.

We report that the Particulars contained in Sections C, D, E, F & G<sup>1</sup> in Form No. 2 have been prepared in all material respects in accordance with the applicable service tax laws except the following<sup>2</sup>:

S. No.	Particulars	Amount as per Service tax return (Rs.)	Amount as Per Auditor (Rs.)	Difference, if any (Rs.)
1	Service tax payable			
2	CENVAT Credit			
3	Any other (Please specify)			

The details of individual differences are indicated in the enclosed Form No. 2.

### Report on Other Legal or Regulatory Requirements

- (i) In my / our view the books of accounts and other service tax related records and registers as prescribed by the relevant laws have been maintained by the assessee.
- (ii) The value of taxable services on which service tax has been shown as payable is in accordance with the books of accounts, invoices/bills/challans raised on service receivers, and other records maintained in the normal course of the business of the Assessee

<sup>1</sup> As may be applicable.

<sup>2</sup> To be given only if such difference exists.



- (iii) Computation of CENVAT credit admissible in respect of inputs, input services and capital goods is supported by the invoices/ bills/ challans / bill of entries or other documents as prescribed under rule 9 of the CENVAT Credit Rules, 2004

Place:

Date :

For XYZ & Co.  
Chartered Accountants  
Firm Registration No.

.....

Signature  
(Name of the Member signing the Report)  
(Designation)

Membership No.

.....

Encl :

Form No. 2 as mentioned above.



**FORM NO. ....**

[See rule .....]

**Particulars/information for the period.....**

**Note:**

1. Points for information are indicative and are not exhaustive. Additional information, if any, may please be given in the comments / remarks column.
2. No column of the report is to be left blank. If the information asked for is not relevant, please state 'Not Applicable'.
3. Hard copy of the report prepared on computer would be acceptable, provided the report is in the prescribed format.

<b>SECTION A: General Information (to be certified by the assessee)</b>			
1	Name of the Service Provider/Service Receiver	:	
2	PAN of Assessee		
3	Service Tax Registration Number, Date of registration and Service categories specified in the registration certificate.		
4	Nature of Registration		Single/Centralised/Input Service Distributor
5	Registered Address		
6	List of Branches Registered covered under ISD	:	
	a)	:	
	b)	:	
7	Details of other registrations under Service Tax	:	



	S. No.	Registration Number	Type of Registration	Address
8	Details of branches/offices not registered under Service Tax			
	S. No.	Address	Type of Activities carried on	Reason for non-registration
<b>SECTION B: BUSINESS RELATED INFORMATION (TO BE CERTIFIED BY THE ASSESSEE)</b>				
1	List of principal activities (Manufacturing/ Trading/Services / Others)			
	1.1	Is there any change in the activities Stated above during the year as compared to immediately preceding year?	:	
	1.2	If answer to 1.1 above is Yes, then provide broad description of such change.	:	
2	Business Activity, in brief			
3	3.1	Nature of Services Provided		
	3.2	Nature of Services Received		
4	Whether Registered with Central Excise? If so, give		:	



	registration no. (s) with address(es) of places registered.					
5	Whether Registered with Sales Tax Authorities? If so, give registration no.(s) with address(es) of places registered.			:		
6	Constitution of Assessee					
	6.1	Status [Individual, HUF, Partnership Firm, LLP, Company , AOP etc.]		:		
	6.2	Is there any change in the status of the Assessee during the year?				
	6.3	If yes, give particulars of such change with the effective date				
7	Detail of Associated Enterprises			:		
	7.1	Does the assessee have an Associated Enterprise as defined in Section 65B (13) of Chapter V of the Finance Act, 1994?				
	7.2	If yes, then provide details				
	S. No.	Name	PAN	Address	Type of relationshi	Nature of Transaction,



					p	if any
8	Principal books of account/ records maintained.	:				
9	(a) Method of accounting employed during the year (Cash OR Accrual)	:				
	(b) Whether there has been any change in the method of accounting employed <i>vis-a-vis</i> the method employed in the immediately preceding year	:				
10	a) Is list of records maintained filed with the department in terms of Rule 5(2) of the Service Tax Rules 1994? If Yes, mention the date of filing.					
	b) Is there any intimation filed under Rule 6(3) of CENVAT Credit rules, 2004? If Yes, mention the date of filing..					
11	IEC Code					
12	Whether Registered with STPI? If so, give registration no.(s) with address(es) of places registered.					
13	Whether any litigation is pending between the assessee and the department? If Yes, provide the details.					



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14	Status of the Pending Demand at the time of the audit.		
15	Whether any show cause was issued by department to the assessee? If yes provide the details.		
16	Particulars of Bank Account(s)		
	<b>Name of the bank</b>	<b>Branch</b>	<b>Account No.</b>

**Date**

**Signed By:**

**Place**

**(Assessee)**





<b>SECTION C (1) : NON TAXABLE/EXEMPTION AVAILED / SERVICES UNDER NEGATIVE LIST AS PER FINANCE ACT 1994</b>				
	<b>Particulars</b>	<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
1.	Value of services provided in non taxable territory.			
2.	Value of services considered as export as per Rule 6A of Service Tax Rules, 1994			
3.	Value of exempted services provided, if any, along with Notification No. and amount involved. (Add separate row for every exemption notification claimed)			
4.	Value of services, which are covered under Negative List (including trading and manufacturing of goods) (Add separate row for every entry in Negative List)			



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5.	Value of services which are not covered under definition of service and treated as income with amount involved			
6.	Value of services provided to other branch in taxable territory and amount involved			



<b>SECTION C (2) Consolidation of Returns (Reconciliation with revenue as per Trial Balance (TB)/Profit &amp; Loss A/c (P/L a/c) / Income &amp; Expenditure Account</b>					
	<b>Particulars</b>		<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
A	Value of service provided on which service tax charged				
B	Add: Value Export of Service				
C	Add: Value of Services provided in Non Taxable Territory				
D	Add: Value of exempted services provided				
E	Add: Value of Services covered under negative list				
F	Add: Value of services which are not covered under definition of service and treated as income				
G	Add: Value of Inter Branch-HO services-claimed as non-taxable				
H	Add: Value of				



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	services on which Service tax not charged due to reverse charge mechanism			
Total (x) (A to H)				
Gross Revenue (y) ( as per P&L/ I&E A/c)				
Difference, if any (y-x)				
Reasons of difference				



<b>SECTION D (1) : COMPLIANCE RELATED TO REVERSE CHARGE MECHANISM IN RELEVANCE TO SECTION 68 READ WITH RULE 2(1)(D) OF ST RULES, 1994</b>					
<b>Sl. No.</b>	<b>Nature of Service Received</b>	<b>Percentage for taxable value for service tax payable by Service Receiver</b>	<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
1.	Insurance Agent	100%			
2.	Renting or hiring of Motor Vehicle (CENVAT Credit not availed by Service Provider)	40%			
2A.	Renting or hiring of Motor Vehicle (CENVAT Credit availed by Service Provider)	40%			
3.	Supply of Manpower for any Purpose	75%			
3A.	Security Services	75%			
4.	Support Services Provided by Government or Local Authority	100%			
5.	Works Contract Services (original works contract -40%	50%			



	value)				
5A	Works Contract Services (works contract related to moveable property - 70% value)	50%			
5B	Works Contract Services (residuary works contract -60% value)	50%			
5C	Works Contract Services (under Rule 2A(i) of Service Tax (Determination of Value) Rules, 2006)	50%			
6.	Services of Insurance Agent	100%			
7.	Services of GTA in respect of transportation of goods by road (CENVAT Credit not availed by Service Provider)	100%			
7A	Services of GTA in respect of transportation of goods by road (CENVAT Credit availed by Service Provider)	100%			
8.	Sponsorship services by way of	100%			



	sponsorship				
9.	Legal Services of Advocate or Firm of Advocate	<b>100%</b>			
10.	Services of Directors	<b>100%</b>			
11.	Import of Taxable service (Specify the description of Service) (add rows, if required)	<b>100%</b>			



<b>SECTION D (2) : Compliance of Service Tax in case of services having Special Service Tax Rates- Services falling under Rule 6(7) of the Service Tax Rules</b>					
<b>Sl . N o.</b>	<b>Particulars</b>		<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Differenc e, if any (Amount in Rs.)</b>
1.		Air Travel Agent Services			
	1.1	Basic Fare for Domestic Journey			
	1.2	Basic Fare for International Journey			
	1.3	Whether the same option is being followed for whole year			
2.		Life Insurance Services			
	2.1	Premium charged from policy holder in the first year			
	2.2	Premium charged from policy holder in the subsequent years			
3.		Money Exchange Services			
	3.1	Total number of units for special rate			
		Rs.30			
		Rs. 120			
		Rs. 660			
	3.2	Value for ad valorem rate			
		Rate of tax @ .12%			
		Rate of tax @ .06%			
		Rate of tax @ .012%			
	3.3	Whether the same option is			





		being followed for whole year			
4.		Service of promotion, marketing, organising or in any other manner assisting in organising lottery			
	4.1	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%.			
	4.2	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%.			
	4.3	Whether the same option is being followed for whole year			



<b>SECTION E : COMPLIANCE OF SERVICE TAX (DETERMINATION OF VALUE) RULES 2006</b>				
		<b>Yes</b>	<b>No</b>	<b>Not applicable</b>
1	(a) Is there any sale of goods involved in the course of providing service or otherwise?			
	(b) Is sales tax or VAT paid on value of goods so sold?			
	(c) Is the value of goods sold as mentioned in Point (a) and (b) above included in the gross amount charged as declared in ST-3?			
2	“Gross Amount Charged” includes reimbursements billed for the purpose of determining tax liability?			
	Value of reimbursements on which service tax is not charged			
3	Prescribe the nature and value of service on which tax has been paid under works contract service/restaurant service (special value as prescribed under Rule 2A of Determination of value Rules 2006)			
4	(a) If abatement is claimed under Notification No. 26/2012-S.T. dated 20.06.2012 whether CENVAT Credit is claimed			
	(b) If yes whether permissible under Notification No. 26/2012?			
	(c) if answer (b) is negative, then specify nature of default of amount involved.			



<b>SECTION F : COMPLIANCE OF CENVAT CREDIT RULES 2004</b>				
<b>F1</b>	<b>General Information with regard to CENVAT Credit</b>			
	<b>Particulars</b>	<b>As per Service Tax Return</b>	<b>As per Auditor</b>	<b>Comments, if any</b>
1	Whether CENVAT credit has been availed / utilized (Yes / No)			
2	Whether providing any exempted service or non-taxable service ('Yes'/'No')			
3	Whether manufacturing any exempted excisable goods ('Yes'/'No')			
4	If reply to anyone of the above is 'Yes', whether maintaining separate account for receipt or consumption of input service and input goods [refer to Rule 6(2) of CENVAT Credit Rules, 2004] ('Yes'/'No')			
5	Whether paying an amount equal to 6% of the value of exempted goods and exempted services [refer to Rule 6(3)(i) of CENVAT Credit Rules, 2004] ('Yes'/'No'); or			
7	Whether paying an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of			



	exempted goods or provision of exempted services [refer to Rule 6(3)(ii) of CENVAT Credit Rules, 2004] ('Yes'/'No'); or			
8	Whether maintaining separate account for receipt or consumption of input goods, taking CENVAT credit only on inputs (used in or in relation to the manufacture of dutiable final products excluding exempted goods and for the provision of output services excluding exempted services) and paying an amount equivalent to CENVAT Credit attributable to input services used in or in relation to manufacture of exempted goods or provision of exempted services [refer to Rule 6(3)(iii) of CENVAT Credit Rules, 2004] ('Yes'/'No')			



F2 DETAILS OF CENVAT CREDIT AVAILED								
		Type of CENVAT Credit Availed and amount of credit as per Return.					As per the Auditor (Amount in Rs.)	Difference, if any (Amount in Rs.)
1.		Type	Basic Excise Duty / Service Tax (Rs.)	Additional Duty u/s 3(5) of CTA	Education Cess + S.H. E Cess	Total		
	(a)	Capital Goods						
	(b)	Inputs						
	(c)	Input Services						
		<b>Total</b>						
<b>Breakup of Input Services Credit Availed During the year</b>								
		Type	Service Tax (Rs.)	Education Cess + S.H. E Cess	Total			
	(a)	Credit of service tax paid,						



		directly, under reverse charge method [Section 68(2)]					
	(b)	Credit of service tax paid by the provider of input services, procured directly					
	(c)	Credit of service tax as distributed under the provisions of Input service distributor					
	(d)	Credit transferred from one unit to another in LTU					
		<b>Total</b>					



<b>F3 : DETAILS OF CENVAT CREDIT REVERSED/AMOUNT PAID UNDER RULE 3 &amp; 4 OF CENVAT CREDIT RULES, 2004</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
1	Removal of Inputs as such [Rule 3(5) of CENVAT Credit Rules, 2004]			
2	Removal of Capital Goods as such [Rule 3(5) of CENVAT Credit Rules, 2004]			
3	Removal of Capital Goods are use at depreciated rate [Rule 3(5A) of CENVAT			
4	Removal of Capital Goods as waste and scrap after use [Rule 3(5A) of CENVAT Credit Rules, 2004]			
5	Written off of inputs fully or partially [Rule 3(5B) of CENVAT Credit Rules, 2004]			
6	Written off of Capital goods fully or partially [Rule 3(5B) of CENVAT Credit Rules, 2004]			
7	Non return of Inputs / capital goods sent to Job Worker within 180 days [Rule 4(5) of CENVAT Credit Rules, 2004]			



<b>F4 : DETAILS OF CENVAT CREDIT REVERSED/ AMOUNT PAID UNDER RULE 6(3) OF CENVAT CREDIT RULES, 2004</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
1	Value of exempted goods cleared			
2	Value of exempted services provided			
3	Amount paid under Rule 6(3) of CENVAT Credit Rules, 2004, by debiting CENVAT Credit account			
4	Amount paid under Rule 6(3) of CENVAT Credit Rules, 2004, by cash			
5	Total amount paid under Rule 6(3) of CENVAT Credit Rules, 2004 [(c) + (d)]			





<b>F5: DETAILS OF CENVAT CREDIT UTILIZED</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As per Service Tax Return (Amount in Rs.)</b>	<b>As per the Auditor (Amount in Rs.)</b>	<b>Difference, if any (Amount in Rs.)</b>
1	for payment of Service Tax			
2	for payment of Education Cess on taxable services			
3	for payment of Secondary and Higher Education Cess on taxable services			
4	towards clearance of input goods and capital goods removed as such or after use			
5	towards inter unit transfer to LTU			
6	for Payment of an amount under Rule 6(3) of the CENVAT Credit Rules, 2004			
7	for any other payments/ adjustments/ reversal (please specify)			
8	TOTAL CREDIT UTILISED [(a) + (b) + (c) + (d) + (e) + (f) + (g) + (g)]			



<b>SECTION G : DISTRIBUTION OF INPUT SERVICE CREDIT</b>				
<b>S. No.</b>	<b>Particulars</b>	<b>As per Service Tax Return  (Amount in Rs.)</b>	<b>As per the Auditor  (Amount in Rs.)</b>	<b>Difference, if any  (Amount in Rs.)</b>
1	Amount of CENVAT Credit availed during the year			
2.	Amount of CENVAT Credit distributed (branch wise)			
	Branch1			
	Branch2 (add rows for different branches)			

**Place :**

**Signature:**

**Date:**

**Name:**

**Membership No:**



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
1	2009		FRUIT JUICES (INCLUDING GRAPE MUST) AND VEGETABLE JUICES, UNFERMENTED AND NOT CONTAINING ADDED SPIRIT, WHETHER OR NOT CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER	KG	LTR
2	2105 00 00		ICE CREAM AND OTHER EDIBLE ICE, WHETHER OR NOT CONTAINING COCOA	KG	LTR
3	2106 90 11	----	SHARBAT	KG	LTR
4	2710 12 11	----	Special boiling point spirits (other than benzene, toluol) with nominal boiling point range 55-1150C	KG	LTR
5	2710 12 12	----	Special boiling point spirits (other than benzene, benzol, toluene and toluol) with nominal boiling point range 63-700C	KG	LTR
6	2710 12 90	---	Other	KG	LTR
7	2710 19 10	---	Superior kerosine oil (SKO)	KG	LTR
8	2710 19 20	---	Aviation turbine fuel (ATF)	KG	LTR
9	2710 19 30	---	High speed diesel (HSD)	KG	LTR
10	2710 19 90	---	Other -	KG	LTR
11	2711 11 00	--	Natural gas (Liquefied)	KG	MMBTU
12	2711 21 00	--	Natural gas (Gaseous)	KG	MMBTU
13	3303		PERFUMES AND TOILET WATERS	KG	LTR
14	3303 00 10	---	Eau-de-cologne	KG	LTR
15	3303 00 20	---	Rose water	KG	LTR
16	3303 00 30	---	Keora water	KG	LTR
17	3303 00 40	---	Perfumes and perfumery compounds not containing spirit (excluding aqueous distillates)	KG	LTR
18	3303 00 50	---	Perfumes containing spirit	KG	LTR
19	3303 00 60	---	Spirituous toilet preparations not elsewhere specified or included	KG	LTR
20	3305 10 10	---	Containing spirit (Shampoos)	KG	LTR
21	3305 10 90	---	Other	KG	LTR



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22	3305 20 00	-	Preparations for permanent waving or straightening	KG	LTR
23	3305 30 00	-	Hair lacquers	KG	LTR
24	3305 90 11	----	Perfumed - (Hair Oil)	KG	LTR
25	3305 90 19	----	Other	KG	LTR
26	3305 90 20	---	Brilliantines (spirituous)	KG	LTR
27	3307 30 10	---	Bath oil (thailam)	KG	LTR
28	3307 90 20	---	Sterile contact lens care solution	KG	LTR
29	3922 10 00	-	Baths, shower-baths, sinks and wash basins	KG	NOS
30	3922 20 00	-	Lavatory seats and covers	KG	NOS
31	3922 90 00	-	Other	KG	NOS
32	3923 10	-	Boxes, cases, crates and similar articles:	KG	NOS
33	3923 10 10	---	Plastic containers for audio or video cassettes, cassette tapes, floppy disk and similar articles	KG	NOS
34	3923 10 20	---	Watch-box, jewellery box and similar containers of plastics	KG	NOS
35	3923 10 30	---	Insulated ware	KG	NOS
36	3923 10 40	---	Packing for accommodating connectors	KG	NOS
37	3923 10 90	---	Other	KG	NOS
38	3923 30 10	---	Insulated ware	KG	NOS
39	3923 30 90	---	Other	KG	NOS
40	3923 40 00	-	Spools, cops, bobbins and similar supports	KG	NOS
41	3923 50 10	---	Caps and closures for bottles	KG	NOS
42	3923 50 90	---	Other	KG	NOS
43	3923 90 10	---	Insulated ware	KG	NOS
44	3923 90 20	---	Aseptic bags	KG	NOS
45	3923 90 90	---	Other	KG	NOS
46	3924 10 10	---	Insulated ware	KG	NOS
47	3924 10 90	---	Other	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
48	3924 90 10	---	Toilet articles	KG	NOS
49	3924 90 20	---	Insulated ware	KG	NOS
50	3924 90 90	---	Other	KG	NOS
51	3926 10 11	----	Of polyurethane foam (a kind classified as stationery other than pins, clips, and writing instruments)	KG	NOS
52	3926 10 19	----	Other	KG	NOS
53	3926 10 91	----	Of polyurethane foam	KG	NOS
54	3926 10 99	----	Other	KG	NOS
55	3926 20 11	----	Disposable - (Gloves)	KG	NOS
56	3926 20 19	----	Non-disposable	KG	NOS
57	3926 20 21	----	Of polyurethane foam - (Aprons:)	KG	NOS
58	3926 20 29	----	Other	KG	NOS
59	3926 20 31	----	Of polyurethane foam - Plastic stickers for garments:	KG	NOS
60	3926 20 39	----	Other	KG	NOS
61	3926 20 41	----	Of polyurethane foam - Collar stays, patties, butterfly, shoulder-pads and other stays:	KG	NOS
62	3926 20 49	----	Other	KG	NOS
63	3926 20 91	----	Of polyurethane foam	KG	NOS
64	3926 20 99	----	Other	KG	NOS
65	3926 30 10	---	Of polyurethane foam - (Fittings for furniture, coach work or the like:)	KG	NOS
66	3926 30 90	---	Other	KG	NOS
67	3926 40	-	Statuettes and other ornamental articles:	KG	NOS
68	3926 40 11	----	Of polyurethane foam - (Bangles:)	KG	NOS
69	3926 40 19	----	Other	KG	NOS
70	3926 40 31	----	Of polyurethane foam - (Statuettes:)	KG	NOS
71	3926 40 39	----	Other	KG	NOS
72	3926 40 41	----	Of polyurethane foam - (Table and other	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
			household articles)		
73	3926 40 49	----	Other	KG	NOS
74	3926 40 51	----	Of polyurethane foam -(Decorative sheets:)	KG	NOS
75	3926 40 59	----	Other	KG	NOS
76	3926 40 60	---	Sequine	KG	NOS
77	3926 40 91	----	Of polyurethane foam - (Other)	KG	NOS
78	3926 40 99	----	Other	KG	NOS
79	3926 90 21	----	Of polyurethane foam - (Couplers, packing rings, O rings)	KG	NOS
80	3926 90 29	----	Other	KG	NOS
81	3926 90 31	----	Of polyurethane foam - (Lasts ; EVA and grape sheets for soles and heels; welts)	KG	NOS
82	3926 90 39	----	Other	KG	NOS
83	3926 90 41	----	Of polyurethane foam - (Rings, buckles, tacks, washers and other decorative fittings)	KG	NOS
84	3926 90 49	----	Other	KG	NOS
85	3926 90 61	----	Of polyurethane foam - (Hangers:)	KG	NOS
86	3926 90 69	----	Other	KG	NOS
87	3926 90 71	----	Of polyurethane foam - (Plastic or nylon tipped hammers; insulating liner of nylon)	KG	NOS
88	3926 90 79	----	Other	KG	NOS
89	3926 90 80	----	Polypropylene articles, not elsewhere specified or included	KG	NOS
90	3926 90 91	----	Of polyurethane foam	KG	NOS
91	3926 90 99	----	Other	KG	NOS
92	4015 90 91	---	Diving suits	KG	NOS
93	4015 90 99	---	Other	KG	NOS
94	4016 10 00	-	Of cellular rubber	KG	NOS
95	4016 91 00	--	Floor coverings and mats	KG	NOS
96	4016 92 00	--	Erasers	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
97	4016 93 10	---	Patches for puncture repair of self- vulcanising rubber or a rubber backing	KG	NOS
98	4016 93 20	---	Rubber rings (O-ring)	KG	NOS
99	4016 93 30	---	Rubber seals (Oil seals and the like)	KG	NOS
100	4016 93 40	---	Gaskets	KG	NOS
101	4016 93 50	---	Washers	KG	NOS
102	4016 93 60	---	Plugs	KG	NOS
103	4016 93 90	---	Other	KG	NOS
104	4016 94 00	--	Boat or dock fenders, whether or not inflatable	KG	NOS
105	4016 95 10	---	Air mattresses	KG	NOS
106	4016 95 90	---	Other	KG	NOS
107	4016 99 10	---	Rubber cots for textile industry	KG	NOS
108	4016 99 20	---	Rubber bands	KG	NOS
109	4016 99 30	---	Rubber threads	KG	NOS
110	4016 99 40	---	Rubber blankets	KG	NOS
111	4016 99 50	---	Rubber cushions	KG	NOS
112	4016 99 60	---	Rubber bushes	KG	NOS
113	4016 99 70	---	Ear plug	KG	NOS
114	4016 99 80	---	Stoppers	KG	NOS
115	4016 99 90	---	Other	KG	NOS
116	4419 00 10	----	Tableware	KG	NOS
117	4419 00 20	----	Kitchenware	KG	NOS
118	4421 10 00	-	Clothes hangers	KG	NOS
119	4817 10 00	-	Envelopes	KG	NOS
120	4817 20 00	-	Letter cards, plain postcards and correspondence cards	KG	NOS
121	4819 60 00	-	Box files, letter trays, storage boxes and similar articles, of a kind used in offices, shops or the like	KG	NOS



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122	4820 10 10	---	Registers, account books	KG	NOS
123	4820 10 20	---	Letter pads	KG	NOS
124	4820 10 90	---	Other	KG	NOS
125	4820 20 00	-	Exercise books	KG	NOS
126	4820 30 00	-	Binders (other than book covers), folders and file covers	KG	NOS
127	4820 50 00	-	Albums for samples or for collections	KG	NOS
128	4821 10 10	---	Paper tags	KG	NOS
129	4821 10 20	---	Labels	KG	NOS
130	4821 10 90	---	Other	KG	NOS
131	4821 90 10	---	Labels	KG	NOS
132	4821 90 90	---	Other	KG	NOS
133	4901		PRINTED BOOKS, BROCHURES, LEAFLETS AND SIMILAR PRINTED MATTER, WHETHER OR NOT IN SINGLE SHEETS	KG	NOS
134	4902		NEWSPAPERS, JOURNALS AND PERIODICALS, WHETHER OR NOT ILLUSTRATED OR CONTAINING ADVERTISING MATERIAL	KG	NOS
135	4903		CHILDREN'S PICTURE, DRAWING OR COLOURING BOOKS	KG	NOS
136	4904 00 00		MUSIC, PRINTED OR IN MANUSCRIPT, WHETHER OR NOT BOUND OR ILLUSTRATED	KG	NOS
137	4905		MAPS AND HYDROGRAPHIC OR SIMILAR CHARTS OF ALL KINDS, INCLUDING ATLASES, WALL MAPS, TOPOGRAPHICAL PLANS AND GLOBES, PRINTED	KG	NOS
138	4906 00 00		PLANS AND DRAWINGS FOR ARCHITECTURAL, ENGINEERING, INDUSTRIAL, COMMERCIAL, TOPOGRAPHICAL OR SIMILAR PURPOSES, BEING ORIGINALS DRAWN BY HAND; HANDWRITTEN TEXTS; PHOTOGRAPHIC	KG	NOS





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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
			REPRODUCTIONS ON SENSITISED PAPER AND CARBON COPIES OF THE FOREGOING		
139	4907		UNUSED POSTAGE, REVENUE OR SIMILAR STAMPS OF CURRENT OR NEW ISSUE IN THE COUNTRY IN WHICH THEY HAVE, OR WILL HAVE, A RECOGNIZED FACE VALUE; STAMP-IMPRES-SED PAPER; BANK NOTES; CHEQUE FORMS; STOCK, SHARE OR BOND CERTIFICATES AND SIMILAR DOCUMENTS OF TITLE	KG	NOS
140	4908		TRANSFERS (DECALCOMANIAS)	KG	NOS
141	4909		PRINTED OR ILLUSTRATED POSTCARDS; PRINTED CARDS BEARING PERSONAL GREETINGS, MESSAGES OR ANNOUNCEMENTS, WHETHER OR NOT ILLUSTRATED, WITH OR WITHOUT ENVELOPES OR TRIMMINGS	KG	NOS
142	4910		CALENDARS OF ANY KIND, PRINTED, INCLUDING CALENDAR BLOCKS	KG	NOS
143	4911		OTHER PRINTED MATTER, INCLUDING PRINTED PICTURES AND PHOTOGRAPHS	KG	NOS
144	6111 20 00	-	Of cotton	KG	NOS
145	6111 30 00	-	Of synthetic fibres	KG	NOS
146	6111 90 10	---	Of silk	KG	NOS
147	6111 90 20	---	Of artificial fibres	KG	NOS
148	6111 90 90	---	Other	KG	NOS
149	6112 20 10	---	Of silk (SKI Suits)	KG	NOS
150	6112 20 20	---	Of wool or fine animal hair	KG	NOS
151	6112 20 30	----	Of cotton	KG	NOS
152	6112 20 40	---	Of synthetic fibres	KG	NOS
153	6112 20 50	---	Of artificial fibres	KG	NOS
154	6112 20 90	---	Other	KG	NOS
155	6113 00 00		GARMENTS, MADE UP OF KNITTED OR CROCHETED FABRICS OF HEADING 5903,	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
			5906 OR 5907		
156	6114 20 00	-	Of cotton	KG	NOS
157	6114 30 10	---	Of synthetic fibres	KG	NOS
158	6114 30 20	---	Of artificial fibres	KG	NOS
159	6114 90 10	---	Of silk	KG	NOS
160	6114 90 90	---	Other	KG	NOS
161	6117 90 00	---	Parts	KG	NOS
162	6217 10 70	---	Stockings, socks sockettes and the like of cotton	KG	NOS
163	6303		CURTAINS (INCLUDING DRAPES) AND INTERIOR BLINDS; CURTAIN OR BED VALANCES	KG	SQM
164	6307 20 10	---	Of cotton (Life-jackets and life-belts)	KG	NOS
165	6307 20 90	---	Other (Life-jackets and life-belts)	KG	NOS
166	6307 90 11	----	Of cotton (Dress materials hand printed)	KG	SQM
167	6307 90 12	----	Of silk (Dress materials hand printed)	KG	SQM
168	6307 90 13	----	Of man-made fibres (Dress materials hand printed)	KG	SQM
169	6307 90 19	----	Other (Dress materials hand printed)	KG	SQM
170	6307 90 20	---	Made up articles of cotton	KG	SQM
171	6307 90 90	---	Other	KG	SQM
172	6504 00 00		HATS AND OTHER HEADGEAR, PLAITED OR MADE BY ASSEMBLING STRIPS OF ANY MATERIAL, WHETHER OR NOT LINED OR TRIMMED	KG	NOS
173	6505		HATS AND OTHER HEADGEAR, KNITTED OR CROCHETED, OR MADE UP FROM LACE, FELT OR OTHER TEXTILE FABRIC, IN THE PIECE (BUT NOT IN STRIPS), WHETHER OR NOT LINED OR TRIMMED; HAIR-NETS OF ANY MATERIAL, WHETHER OR NOT LINED OR TRIMMED	KG	NOS
174	6506		OTHER HEADGEAR, WHETHER OR NOT LINED OR TRIMMED	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
175	6911		TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OF PORCELAIN OR CHINA	KG	NOS
176	6912		CERAMIC TABLEWARE, KITCHENWARE, OTHER HOUSEHOLD ARTICLES AND TOILET ARTICLES, OTHER THAN OF PORCELAIN OR CHINA	KG	NOS
177	6913		STATUETTES AND OTHER ORNAMENTAL CERAMIC ARTICLES	KG	NOS
178	6914		OTHER CERAMIC ARTICLES	KG	NOS
179	7009		GLASS MIRRORS, WHETHER OR NOT FRAMED, INCLUDING REAR-VIEW MIRRORS	KG	NOS
180	7010		CARBOYS, BOTTLES, FLASKS, JARS, POTS, PHIALS, AMPOULES AND OTHER CONTAINERS, OF GLASS, OF A KIND USED FOR THE CONVEY-ANCE OR PACKING OF GOODS; PRESERVING JARS OF GLASS; STOPPERS, LIDS AND OTHER CLOSURES, OF GLASS	KG	NOS
181	7011		GLASS ENVELOPES (INCLUDING BULBS AND TUBES), OPEN, AND GLASS PARTS THEREOF, WITHOUT FITTINGS, FOR ELECTRIC LAMPS, CATHODE-RAY TUBES OR THE LIKE	KG	NOS
182	7013		GLASSWARE OF A KIND USED FOR TABLE, KITCHEN, TOILET, OFFICE, INDOOR DECORATION OR SIMILAR PURPOSES (OTHER THAN THAT OF HEADING 7010 OR 7018)	KG	NOS
183	7017		LABORATORY, HYGIENIC OR PHARMACEUTICAL GLASSWARE, WHETHER OR NOT GRADUATED OR CALIBRATED	KG	NOS
184	7020		OTHER ARTICLES OF GLASS	KG	NOS
185	7308		Structures(excluding Prefabricated building of Heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates,	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
			towers, lattice masts, roofs, roofing frame-work, doors and windows and other frames and thresholdsfor doors.....		
186	7318		SCREWS, BOLTS, NUTS, COACH-SCREWS, SCREW HOOKS, RIVETS, COTTERS, COTTER-PINS, WASHERS (INCLUDING SPRING WASHERS) AND SIMILAR ARTICLES, OF IRON OR STEEL	KG	NOS
187	7319		SEWING NEEDLES, KNITTING NEEDLES, BODKINS, CROCHET HOOKS, EMBROIDERY STILETTOS AND SIMILAR ARTICLES, FOR USE IN THE HAND, OF IRON OR STEEL; SAFETY PINS AND OTHER PINS, OF IRON OR STEEL, NOT ELSEWHERE SPECIFIED OR INCLUDED	KG	NOS
188	7320		SPRINGS AND LEAVES FOR SPRINGS, OF IRON OR STEEL	KG	NOS
189	7323		TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF IRON OR STEEL; IRON OR STEEL WOOL; POT SCOURERS AND SCOURING OR POLISHING PADS, GLOVES AND THE LIKE, OF IRON OR STEEL	KG	NOS
190	7324		SANITARY WARE AND PARTS THEREOF, OF IRON OR STEEL	KG	NOS
191	7326		OTHER ARTICLES OF IRON OR STEEL	KG	NOS
192	7415		NAILS, TACKS, DRAWING PINS, STAPLES (OTHER THAN THOSE OF HEADING 8305) AND SIMILAR ARTICLES, OF COPPER OR OF IRON OR STEEL WITH HEADS OF COPPER; SCREWS, BOLTS, NUTS, SCREW HOOKS, RIVETS, COTTERS, COTTERPINS, WASHERS (INCLUDING SPRING WASHERS) AND SIMILAR ARTICLES, OF COPPER	KG	NOS
193	7418		TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF COPPER; POT SCOURERS AND SCOURING OR POLISHING PADS, GLOVES AND THE LIKE, OF COPPER; SANITARY WARE AND	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
			PARTS THEREOF, OF COPPER		
194	7419		OTHER ARTICLES OF COPPER	KG	NOS
195	7615		TABLE, KITCHEN OR OTHER HOUSEHOLD ARTICLES AND PARTS THEREOF, OF ALUMINIUM; POT SCOURERS AND SCOURING OR POLISHING PADS, GLOVES AND THE LIKE, OF ALUMINIUM; SANITARY WARE AND PARTS THEREOF, OF ALUMINIUM	KG	NOS
196	7616		OTHER ARTICLES OF ALUMINIUM	KG	NOS
197	8201		HAND TOOLS, THE FOLLOWING: SPADES, SHOVELS, MATTOCKS, PICKS, HOES, FORKS AND RAKES; AXES, BILL HOOKS AND SIMILAR HEWING TOOLS; SECATEURS AND PRUNERS OF ANY KIND; SCYTHES, SICKLES, HAY KNIVES, HEDGE SHEARS, TIMBER WEDGES AND OTHER TOOLS OF A KIND USED IN AGRICULTURE, HORTICULTURE OR FORESTRY	KG	NOS
198	8202		HAND SAWS; BLADES FOR SAWS OF ALL KINDS (INCLUDING SLITTING, SLOTTING OR TOOTHLESS SAW BLADES)	KG	NOS
199	8203		FILES, RASPS, PLIERS (INCLUDING CUTTING PLIERS), PINCERS, TWEEZERS, METAL CUTTING SHEARS, PIPE-CUTTERS, BOLT CROPPERS, PERFORATING PUNCHES AND SIMILAR HAND TOOL	KG	NOS
200	8204		HAND-OPERATED SPANNERS AND WRENCHES (INCLUDING TORQUE METER WRENCHES BUT NOT INCLUDING TAP WRENCHES); INTERCHANGEABLE SPANNER SOCKETS, WITH OR WITHOUT HANDLES	KG	NOS
201	8205		HAND TOOLS (INCLUDING GLAZIERS' DIAMONDS), NOT ELSEWHERE SPECIFIED OR INCLUDED; BLOW LAMPS; VICES; CLAMPS AND THE LIKE, OTHER THAN ACCESSORIES FOR AND PARTS OF, MACHINE TOOLS; ANVILS; PORTABLE	KG	NOS



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			FORGES; HAND-OR PEDAL-OPERATED GRINDING WHEELS WITH FRAMEWORKS		
202	8206		TOOLS OF TWO OR MORE OF THE HEADINGS 8202 TO 8205, PUT UP IN SETS FOR RETAIL SALE	KG	NOS
203	8207		INTERCHANGEABLE TOOLS FOR HAND TOOLS, WHETHER OR NOT POWER-OPERATED, OR FOR MACHINE-TOOLS (FOR EXAMPLE, FOR PRESSING, STAMPING, PUNCHING, TAPPING, THREADING, DRILLING, BORING, BROACHING, MILLING, TURNING OR SCREW DRIVING), INCLUDING DIES FOR DRAWING OR EXTRUDING METAL, AND ROCK DRILLING OR EARTH BORING TOOLS	KG	NOS
204	8208		KNIVES AND CUTTING BLADES, FOR MACHINES OR FOR MECHANICAL APPLIANCES	KG	NOS
205	8209		PLATES, STICKS, TIPS AND THE LIKE FOR TOOLS, UNMOUNTED, OF CERMETS	KG	NOS
206	8210 00 00		HAND-OPERATED MECHANICAL APPLIANCES, WEIGHING 10 KG. OR LESS, USED IN THE PREPARATION, CONDITIONING OR SERVING OF FOOD OR DRINK	KG	NOS
207	8211		KNIVES WITH CUTTING BLADES, SERRATED OR NOT (INCLUDING PRUNING KNIVES), OTHER THAN KNIVES OF HEADING 8208, AND BLADES THEREFOR	KG	NOS
208	8212		RAZORS AND RAZOR BLADES (INCLUDING RAZOR BLADE BLANKS IN STRIPS)	KG	NOS
209	8213 00 00		SCISSORS, TAILORS' SHEARS AND SIMILAR SHEARS, AND BLADES THEREFOR	KG	NOS
210	8214		OTHER ARTICLES OF CUTLERY (FOR EXAMPLE, HAIR CLIPPERS, BUTCHERS' OR KITCHEN CLEAVERS, CHOPPERS AND MINCING KNIVES, PAPER KNIVES); MANICURE OR PEDICURE SETS AND	KG	NOS



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			INSTRUMENTS (INCLUDING NAIL FILES)		
211	8215		SPOONS, FORKS, LADLES SKIMMERS, CAKE-SERVERS, FISHKNIVES, BUTTER-KNIVES, SUGAR TONGS AND SIMILAR KITCHEN OR TABLEWARE	KG	NOS
212	8301		PADLOCKS AND LOCKS (KEY, COMBINATION OR ELECTRICALLY OPERATED), OF BASE METAL; CLASPS AND FRAMES WITH CLASPS, INCORPORATING LOCKS, OF BASE METAL; KEYS FOR ANY OF THE FOREGOING ARTICLES; OF BASE METAL	KG	NOS
213	8302		BASE METAL MOUNTINGS, FITTINGS AND SIMILAR ARTICLES SUITABLE FOR FURNITURE, DOORS, STAIRCASES, WINDOWS, BLINDS, COACHWORK, SADDLERY, TRUNKS, CHESTS, CASKETS OR THE LIKE; BASE METAL HAT-RACKS, HAT-PEGS, BRACKETS AND SIMILAR FIXTURES; CASTORS WITH MOUNTINGS OF BASE METAL; AUTOMATIC DOOR CLOSERS OF BASE METAL	KG	NOS
214	8303 00 00		ARMOURED OR REINFORCED SAFES, STRONG-BOXES AND DOORS AND SAFE DEPOSIT LOCKERS FOR STRONG-ROOMS, CASH OR DEED BOXES AND THE LIKE, OF BASE METAL	KG	NOS
215	8304 00 00		FILING, CABINETS, CARD-INDEX CABINETS, PAPER TRAYS, PAPER RESTS, PEN TRAYS, OFFICE-STAMP STANDS AND SIMILAR OFFICE OR DESK EQUIPMENT, OF BASE METAL, OTHER THAN OFFICE FURNITURE OF HEADING 9403	KG	NOS
216	8305		FITTINGS FOR LOOSE-LEAF BINDERS OR FILES, LETTER CLIPS, LETTER CORNERS, PAPER CLIPS, INDEXING TAGS AND SIMILAR OFFICE ARTICLES, OF BASE METAL; STAPLES IN STRIPS (FOR EXAMPLE, FOR OFFICES, UPHOLSTERY, PACKAGING), OF BASE METAL	KG	NOS



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217	8306		BELLS, GONGS AND THE LIKE, NON-ELECTRIC, OF BASE METAL; STATUETTES AND OTHER ORNAMENTS, OF BASE METAL; PHOTOGRAPH, PICTURE OR SIMILAR FRAMES, OF BASE METAL; MIRRORS OF BASE METAL	KG	NOS
218	8308		CLASPS, FRAMES WITH CLASPS, BUCKLES, BUCKLE-CLASPS, HOOKS, EYES, EYELETS AND THE LIKE, OF BASE METAL, OF A KIND USED FOR CLOTHING, FOOTWEAR, AWNINGS, HANDBAGS, TRAVEL GOODS OR OTHER MADE UP ARTICLES; TUBULAR OR BIFURCATED RIVETS, OF BASE METAL; BEADS AND SPANGLES, OF BASE METALS	KG	NOS
219	8309		STOPPERS, CAPS AND LIDS (INCLUDING CROWN CORKS, SCREW CAPS AND POURING STOPPERS), CAPSULES FOR BOTTLES, THREADED BUNGS, BUNG COVERS, SEALS AND OTHER PACKING ACCESSORIES, OF BASE METAL	KG	NOS
220	8310		SIGN-PLATES, NAME-PLATES, ADDRESS-PLATES AND SIMILAR PLATES, NUMBERS, LETTERS AND OTHER SYMBOLS, OF BASE METAL, EXCLUDING THOSE OF HEADING 9405	KG	NOS
221	8401		NUCLEAR REACTORS; FUEL ELEMENTS (CARTRIDGES), NON-IRRADIATED, FOR NUCLEAR REACTORS; MACHINERY AND APPARATUS FOR ISOTOPIC SEPARATION	KG	NOS
222	8402		STEAM OR OTHER VAPOUR GENERATING BOILERS (OTHER THAN CENTRAL HEATING HOT WATER BOILERS CAPABLE ALSO OF PRODUCING LOW PRESSURE STEAM); SUPERHEATED WATER BOILERS	KG	NOS
223	8403		CENTRAL HEATING BOILERS OTHER THAN THOSE OF HEADING 8402	KG	NOS
224	8403 90 00	-	Parts	KG	NOS
225	8404		AUXILIARY PLANT FOR USE WITH BOILERS OF HEADING 8402 OR 8403 (FOR EXAMPLE,	KG	NOS





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			ECONOMISERS, SUPERHEATERS, SOOT REMOVERS, GAS RECOVERERS); CONDENSERS FOR STEAM OR OTHER VAPOUR POWER UNITS		
226	8405		PRODUCER GAS OR WATER GAS GENERATORS, WITH OR WITHOUT THEIR PURIFIERS; ACETYLENE GAS GENERATORS AND SIMILAR WATER PROCESS GAS GENERATORS, WITH OR WITHOUT THEIR PURIFIERS	KG	NOS
227	8406		STEAM TURBINES AND OTHER VAPOUR TURBINES	KG	NOS
228	8406 90 00	-	Parts (STEAM TURBINES AND OTHER VAPOUR TURBINES )	KG	NOS
229	8409		PARTS SUITABLE FOR USE SOLELY OR PRINCIPALLY WITH THE ENGINES OF HEADING 8407 OR 8408	KG	NOS
230	8410 90 00	-	Parts, including regulators (HYDRAULIC TURBINES, WATER WHEELS, AND REGULATORS THEREFOR)	KG	NOS
231	8411 91 00	--	Of turbo-jets or turbo-propellers	KG	NOS
232	8411 99 00	--	Other	KG	NOS
233	8412 90 10	---	Of steam engines incorporating boilers	KG	NOS
234	8412 90 20	---	Of other steam engines and other vapour power units not incorporating boilers	KG	NOS
235	8412 90 30	---	Of hydraulic engines and motors	KG	NOS
236	8412 90 90	---	Other	KG	NOS
237	8413 91 10	---	Of reciprocating pumps	KG	NOS
238	8413 91 20	---	Of centrifugal pumps	KG	NOS
239	8413 91 30	---	Of deep well turbine pumps and of other rotary pumps	KG	NOS
240	8413 91 40	---	Of hand pump for handling water	KG	NOS
241	8413 91 90	---	Other	KG	NOS
242	8413 92 00	--	Of liquid elevators	KG	NOS



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243	8414 90 11	----	Of gas compressors of a kind used in refrigerating and air conditioning appliances and machinery	KG	NOS
244	8414 90 12	----	Of bicycle pumps	KG	NOS
245	8414 90 19	----	Other	KG	NOS
246	8414 90 20	---	Of free piston generators	KG	NOS
247	8414 90 30	---	Of electric fans	KG	NOS
248	8414 90 40	---	Of Industrial fans, blowers	KG	NOS
249	8414 90 90	---	Other	KG	NOS
250	8415 90 00	-	Parts	KG	NOS
251	8416		FURNACE BURNERS FOR LIQUID FUEL, FOR PULVERISED SOLID FUEL OR FOR GAS; MECHANICAL STOKERS, INCLUDING THEIR MECHANICAL GRATES, MECHANICAL ASH DISCHARGERS AND SIMILAR APPLIANCES	KG	NOS
252	8417 90 00	-	Parts	KG	NOS
253	8418 61 00	--	Heat pumps other than air conditioning machines of heading 8415	KG	NOS
254	8418 69 10	---	Ice making machinery	KG	NOS
255	8418 69 20	---	Water cooler	KG	NOS
256	8418 69 30	---	Vending machine, other than automatic vending machine	KG	NOS
257	8418 69 40	---	Refrigeration equipment or devices specially used in leather industries for manufacturing of leather articles	KG	NOS
258	8418 69 50	---	Refrigerated farm tanks, industrial ice cream freezer	KG	NOS
259	8418 69 90	---	Other	KG	NOS
260	8418 91 00	--	Furniture designed to receive refrigerating or freezing equipment	KG	NOS
261	8418 99 00	--	Other	KG	NOS
262	8419 90 10	---	Parts of instantaneous or storage water heaters	KG	NOS



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			(domestic type)		
263	8419 90 90	---	Other	KG	NOS
264	8420 91 00	--	Cylinders	KG	NOS
265	8420 99 00	--	Other	KG	NOS
266	8421 91 00	--	Of centrifuges, including centrifugal dryers	KG	NOS
267	8421 99 00	--	Other	KG	NOS
268	8422 30 00	-	Machinery for filling, closing, sealing or labelling bottles, cans, boxes, bags or other containers; machinery for capsuling bottles, jars, tubes and similar containers; machinery for aerating beverages	KG	NOS
269	8422 40 00	-	Other packing or wrapping machinery (including heat-shrink wrapping machinery)	KG	NOS
270	8422 90 10	---	Of machinery for cleaning or drying bottles or other containers	KG	NOS
271	8422 90 20	---	Of dish washing machines of household type	KG	NOS
272	8422 90 90	---	Of other machinery	KG	NOS
273	8423 90 10	---	Weighing machine weights of all kinds	KG	NOS
274	8423 90 20	---	Parts of weighing machinery	KG	NOS
275	8424 90 00	-	Parts	KG	NOS
276	8431 10 10	---	Of pulley tackle and hoists, other than ship hoists, winches or capstans	KG	NOS
277	8431 10 90	---	Other	KG	NOS
278	8431 20 10	---	Of fork lift trucks	KG	NOS
279	8431 20 90	---	Other	KG	NOS
280	8431 31 00	--	Of lifts, skip hoists or escalators	KG	NOS
281	8431 39 10	---	Of elevators, conveyors and moving equipments	KG	NOS
282	8431 39 90	---	Other	KG	NOS
283	8431 41 00	--	Buckets, shovels, grabs and grips	KG	NOS
284	8431 42 00	--	Bulldozers or angledozer blades	KG	NOS
285	8431 43 10	---	Of boring or sinking machinery, self-propelled	KG	NOS



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286	8431 43 90	---	Other	KG	NOS
287	8431 49 10	---	Of road rollers, mechanically propelled	KG	NOS
288	8431 49 20	---	Of ships derricks and cranes	KG	NOS
289	8431 49 30	---	Of other excavating, levelling, tamping or excavating machinery for earth, mineral or ores	KG	NOS
290	8431 49 40	---	Of pile driver, snow plough, not self-propelled	KG	NOS
291	8431 49 90	---	Other	KG	NOS
292	8432 80 10	---	Lawn or sports ground rollers	KG	NOS
293	8432 80 20	---	Rotary tiller	KG	NOS
294	8432 80 90	---	Other	KG	NOS
295	8432 90 10	---	Parts of agricultural machinery falling within headings 8432 10, 8432 21, 8432 29, 8432 30 and 8432 40	KG	NOS
296	8432 90 90	---	Other	KG	NOS
297	8433 90 00	-	Parts	KG	NOS
298	8434 90 10	---	Of milking machinery	KG	NOS
299	8434 90 20	---	Of dairy machinery	KG	NOS
300	8435 90 00	-	Parts	KG	NOS
301	8436 91 00	--	Of poultry-keeping machinery or poultry incubators and brooders	KG	NOS
302	8436 99 00	--	Other	KG	NOS
303	8437 90 10	---	Of flour mill machinery	KG	NOS
304	8437 90 20	---	Of rice mill machinery	KG	NOS
305	8437 90 90	---	Other	KG	NOS
306	8438 90 10	---	Of sugar manufacturing machinery	KG	NOS
307	8438 90 90	---	Of other machinery	KG	NOS
308	8439 91 00	--	Of machinery for making pulp of fibrous cellulosic material	KG	NOS
309	8439 99 00	--	Other	KG	NOS
310	8440 90 00	-	Parts	KG	NOS



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311	8441 90 00	-	Parts	KG	NOS
312	8442 40 00	-	Parts of the foregoing machinery, apparatus or equipment	KG	NOS
313	8442 50 10	---	Plates and cylinders	KG	NOS
314	8442 50 20	---	Lithographic plates	KG	NOS
315	8442 50 31	----	Plate and cylinder for textile printing machine	KG	NOS
316	8442 50 39	----	Other	KG	NOS
317	8442 50 40	---	Highly polished copper sheets for making blocks	KG	NOS
318	8442 50 50	---	Highly polished zinc sheets for making process blocks	KG	NOS
319	8442 50 90	---	Other	KG	NOS
320	8443 91 00	--	Parts and accessories of printing machinery used for printing by means of plates, cylinders and other printing components of heading 8442	KG	NOS
321	8448 11 10	---	Jacquards and harness liner cards for cotton textile machinery	KG	NOS
322	8448 11 90	---	Other	KG	NOS
323	8448 19 00	--	Other	KG	NOS
324	8448 20 00	-	Parts and accessories of machines of heading No. 8444 or of their auxiliary machinery	KG	NOS
325	8448 31 00	--	Card clothing	KG	NOS
326	8448 32 10	---	For cotton processing machines	KG	NOS
327	8448 32 20	---	For jute processing machines	KG	NOS
328	8448 32 30	---	For silk and manmade (regenerated and synthetic fibres processing machines)	KG	NOS
329	8448 32 40	---	For wool processing machines	KG	NOS
330	8448 32 90	---	Other	KG	NOS
331	8448 33 10	---	For cotton spinning machines	KG	NOS
332	8448 33 20	---	For jute spinning machines	KG	NOS
333	8448 33 30	---	For silk and man-made (regenerated and synthetic) fibre spinning machines	KG	NOS



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334	8448 33 40	---	For wool spinning machines	KG	NOS
335	8448 33 90	---	For other textile fibre spinning machines	KG	NOS
336	8448 39 10	---	Combs for cotton textile machinery	KG	NOS
337	8448 39 20	---	Gills for gill boxes	KG	NOS
338	8448 39 90	---	Other	KG	NOS
339	8448 42 10	---	Healds (excluding wire healds) and reeds for cotton machinery	KG	NOS
340	8448 42 20	---	Healds, wire	KG	NOS
341	8448 42 90	---	Other	KG	NOS
342	8448 49 10	---	Parts of cotton weaving machinery	KG	NOS
343	8448 49 20	---	Parts of jute weaving machinery	KG	NOS
344	8448 49 30	---	Parts of silk and man-made fibres weaving machinery	KG	NOS
345	8448 49 40	---	Parts of wool weaving machinery	KG	NOS
346	8448 49 50	---	Parts of other textile weaving machinery	KG	NOS
347	8448 49 90	---	Other	KG	NOS
348	8448 51 10	---	Of cotton hosiery machine	KG	NOS
349	8448 51 20	---	Of wool knitting machines	KG	NOS
350	8448 51 30	---	Of machines for tulle, lace	KG	NOS
351	8448 51 90	---	Other	KG	NOS
352	8448 59 00	--	Other	KG	NOS
353	8449 00 10	---	Machinery for manufacture or finishing of felt in piece or in shapes (including felt hat-making machines and hat making blocks)	KG	NOS
354	8449 00 90	---	Other	KG	NOS
355	8449 00 90	---	Other	KG	NOS
356	8450 90 10	---	Parts of household type machines	KG	NOS
357	8450 90 90	---	Other	KG	NOS
358	8451 90 00	-	Parts	KG	NOS



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359	8452 30 10	---	For household type sewing machines	KG	NOS
360	8452 30 90	---	Other	KG	NOS
361	8452 90 11	----	Furniture, bases and covers	KG	NOS
362	8452 90 19	----	Parts of furniture, bases and covers for sewing machines	KG	NOS
363	8452 90 91	----	Of household sewing machines	KG	NOS
364	8452 90 99	----	Other	KG	NOS
365	8453 90 10	---	Of boot and shoe manufacturing machinery	KG	NOS
366	8453 90 90	---	Other	KG	NOS
367	8454 90 00	-	Parts	KG	NOS
368	8455 90 00	-	Other parts	KG	NOS
369	8466 10 10	---	Tool holders	KG	NOS
370	8466 10 20	---	Self-opening dieheads	KG	NOS
371	8466 20 00	-	Work holders	KG	NOS
372	8466 30 10	---	Chucks	KG	NOS
373	8466 30 20	---	Jigs and fixtures	KG	NOS
374	8466 30 90	---	Other	KG	NOS
375	8466 91 00	--	For machines of heading 8464	KG	NOS
376	8466 92 00	--	For machines of heading 8465	KG	NOS
377	8466 93 10	---	Parts and accessories of machine tools, for working metals	KG	NOS
378	8466 93 90	---	Other	KG	NOS
379	8466 94 00	--	For machines of heading 8462 or 8463	KG	NOS
380	8467 91 00	--	Of chain saws	KG	NOS
381	8467 92 00	--	Of pneumatic tools	KG	NOS
382	8467 99 00	--	Other	KG	NOS
383	8468 90 00	-	Parts	KG	NOS
384	8473 10 00	-	Parts and accessories of the machines of heading 8469	KG	NOS



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385	8473 21 00	--	Of the electronic calculating machines of sub-heading 8470 10, 8470 21 or 8471 29	KG	NOS
386	8473 29 00	--	Other	KG	NOS
387	8473 30 10	---	Microprocessors	KG	NOS
388	8473 30 20	---	Motherboards	KG	NOS
389	8473 30 30	---	Other mounted printed circuit boards	KG	NOS
390	8473 30 40	---	Head stack	KG	NOS
391	8473 30 91	---	Network access controllers	KG	NOS
392	8473 30 92	---	Graphic and intelligence based script technology (GIST) cards for multilingual computers	KG	NOS
393	8473 30 99	---	Other	KG	NOS
394	8473 40 10	---	Parts of duplicating, hectograph or stencil machines	KG	NOS
395	8473 40 90	---	Other	KG	NOS
396	8473 50 00	-	Parts and accessories equally suitable for use with machines of two or more of the headings 8469 to 8472	KG	NOS
397	8474 90 00	-	Parts	KG	NOS
398	8475 90 00	-	Parts	KG	NOS
399	8476 90 10	---	Of machines of Sub-heading 8476 21	KG	NOS
400	8476 90 90	---	Other	KG	NOS
401	8477 90 00	-	Parts	KG	NOS
402	8478 90 00	-	Parts	KG	NOS
403	8479 90 10	---	Of machines for public works, building or the like	KG	NOS
404	8479 90 20	---	Of machines for the extraction of animal or fruit and vegetable fats or oil	KG	NOS
405	8479 90 30	---	Of machines and mechanical appliances for treating wood	KG	NOS
406	8479 90 40	---	Of machinery used for manufacture of chemicals and pharmaceuticals	KG	NOS





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407	8479 90 90	---	Other	KG	NOS
408	8480 10 00	-	Moulding boxes for metal foundry	KG	NOS
409	8480 20 00	-	Mould bases	KG	NOS
410	8480 30 00	-	Moulding patterns	KG	NOS
411	8480 41 00	--	Injection or compression types	KG	NOS
412	8480 49 00	--	Other	KG	NOS
413	8480 50 00	-	Moulds for glass	KG	NOS
414	8480 60 00	-	Moulds for mineral materials	KG	NOS
415	8480 71 00	--	Injection or compression types	KG	NOS
416	8480 79 00	--	Other	KG	NOS
417	8481 10 00	-	Pressure-reducing valves	KG	NOS
418	8481 20 00	-	Valves for oleohydraulic or pneumatic transmissions	KG	NOS
419	8481 30 00	-	Check (non-return) valves	KG	NOS
420	8481 40 00	-	Safety or relief valves	KG	NOS
421	8481 80 10	---	Taps, cocks and similar appliances of iron or steel	KG	NOS
422	8481 80 20	---	Taps, cocks and similar appliances of non-ferrous metal	KG	NOS
423	8481 80 30	---	Industrial valves (excluding pressure-reducing valves, and thermostatically controlled valves)	KG	NOS
424	8481 80 41	----	For bicycles	KG	NOS
425	8481 80 49	----	Other	KG	NOS
426	8481 80 50	---	Expansion valves and solenoid valves for refrigerating and air conditioning appliances and machinery	KG	NOS
427	8481 80 90	---	Other	KG	NOS
428	8481 90 10	---	Bicycles valves	KG	NOS
429	8481 90 90	---	Other	KG	NOS
430	8482 91 11	----	Of nickel alloys	KG	NOS



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431	8482 91 12	----	Of tungsten carbide	KG	NOS
432	8482 91 13	----	Of special stainless steel	KG	NOS
433	8482 91 14	----	Of high speed steel	KG	NOS
434	8482 91 19	----	Other	KG	NOS
435	8482 91 20	---	Needles	KG	NOS
436	8482 91 30	---	Rollers	KG	NOS
437	8482 99 00	--	Other	KG	NOS
438	8483 90 00	-	Toothed wheels, chain sprockets and other transmission elements presented separately; parts	KG	NOS
439	8484 10 10	---	Asbestos metallic packings and gaskets (excluding gaskets of asbestos board reinforced with metal gauze or wire)	KG	NOS
440	8484 10 90	---	Other	KG	NOS
441	8484 20 00	-	Mechanical seals	KG	NOS
442	8484 90 00	-	Other	KG	NOS
443	8486 90 00	-	Parts and accessories	KG	NOS
444	8487 90 00	-	Other	KG	NOS
445	8503 00 10	---	Parts of generator (AC or DC)	KG	NOS
446	8503 00 21	----	Of DC motor	KG	NOS
447	8503 00 29	----	Other	KG	NOS
448	8503 00 90	---	Other	KG	NOS
449	8504 90 10	---	Of transformers	KG	NOS
450	8504 90 90	---	Other	KG	NOS
451	8505 19 00	--	Other	KG	NOS
452	8505 20 00	-	Electro-magnetic couplings, clutches and brakes	KG	NOS
453	8505 90 00	-	Other, including parts	KG	NOS
454	8506 90 00	-	Parts	KG	NOS
455	8507 90 10	---	Accumulator cases made of hard rubber and separators	KG	NOS



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456	8507 90 90	---	Other	KG	NOS
457	8508 70 00	-	Parts	KG	NOS
458	8509 90 00	-	Parts	KG	NOS
459	8510 90 00	-	Parts	KG	NOS
460	8511 90 00	-	Parts	KG	NOS
461	8512 90 00	-	Parts	KG	NOS
462	8513 90 00	-	Parts	KG	NOS
463	8514 90 00	-	Parts	KG	NOS
464	8515 90 00	-	Parts	KG	NOS
465	8516 90 00	-	Parts	KG	NOS
466	8517 70 10	---	Populated, loaded or stuffed printed circuit boards	KG	NOS
467	8517 70 90	---	Other	KG	NOS
468	8518 90 00	-	Parts	KG	NOS
469	8522 10 00	-	Pick-up cartridges	KG	NOS
470	8522 90 00	-	Other	KG	NOS
471	8529 10 11	----	For communication jamming equipment	KG	NOS
472	8529 10 12	----	For amateur radio communication equipment	KG	NOS
473	8529 10 19	----	Other	KG	NOS
474	8529 10 21	----	For communication jamming equipment	KG	NOS
475	8529 10 22	----	For amateur radio communication equipment	KG	NOS
476	8529 10 29	----	Other	KG	NOS
477	8529 10 91	----	For communication jamming equipment	KG	NOS
478	8529 10 92	----	For amateur radio communication equipment	KG	NOS
479	8529 10 99	----	Other	KG	NOS
480	8529 90 10	---	For communication jamming equipment	KG	NOS
481	8529 90 20	---	For amateur radio communication equipment	KG	NOS
482	8529 90 90	---	Other	KG	NOS



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483	8530 90 00	-	Parts	KG	NOS
484	8531 90 00	-	Parts	KG	NOS
485	8532 10 00	-	Fixed capacitors designed for use in 50 or 60 Hz circuits and having a reactive power handling capacity of not less than 0.5 kvar (power capacitors)	KG	NOS
486	8532 21 00	--	Tantalum	KG	NOS
487	8532 22 00	--	Aluminium electrolytic	KG	NOS
488	8532 23 00	--	Ceramic dielectric, single layer	KG	NOS
489	8532 24 00	--	Ceramic dielectric, multilayer	KG	NOS
490	8532 25 00	--	Dielectric of paper or plastics	KG	NOS
491	8532 29 10	---	Of dielectric of mica	KG	NOS
492	8532 29 90	---	Other	KG	NOS
493	8532 30 00	-	Variable or adjustable (pre-set) capacitors	KG	NOS
494	8532 90 00	-	Parts	KG	NOS
495	8533 10 00	-	Fixed carbon resistors, composition or film types	KG	NOS
496	8533 21 11	----	Of nichrome	KG	NOS
497	8533 21 19	----	Other	KG	NOS
498	8533 21 21	----	Of nichrome	KG	NOS
499	8533 21 29	----	Other	KG	NOS
500	8533 29 11	----	Of nichrome	KG	NOS
501	8533 29 19	----	Other	KG	NOS
502	8533 29 21	----	Of nichrome	KG	NOS
503	8533 29 29	----	Other	KG	NOS
504	8533 31 10	---	Potentiometers	KG	NOS
505	8533 31 20	---	Rheostats	KG	NOS
506	8533 31 90	---	Other	KG	NOS
507	8533 39 10	---	Potentiometers	KG	NOS
508	8533 39 20	---	Rheostats	KG	NOS



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509	8533 39 90	---	Other	KG	NOS
510	8533 40 10	---	Potentiometers	KG	NOS
511	8533 40 20	---	Rheostats	KG	NOS
512	8533 40 30	---	Thermistors	KG	NOS
513	8533 40 90	---	Other	KG	NOS
514	8533 90 00	-	Parts	KG	NOS
515	8535 10 10	---	For switches having rating upto 15 amps, rewirable	KG	NOS
516	8535 10 20	---	For switches having rating above 15 amps, high rupturing capacity or rewirable	KG	NOS
517	8535 10 30	---	Other rewirable fuses	KG	NOS
518	8535 10 40	---	Other high rupturing capacity fuses	KG	NOS
519	8535 10 50	---	Fuses gear	KG	NOS
520	8535 10 90	---	Other	KG	NOS
521	8535 21 11	----	For a voltage of 11 kV	KG	NOS
522	8535 21 12	----	For a voltage of 33 kV	KG	NOS
523	8535 21 13	----	For a voltage of 66 kV	KG	NOS
524	8535 21 19	----	Other	KG	NOS
525	8535 21 21	----	For a voltage of 11 kV	KG	NOS
526	8535 21 22	----	For a voltage of 33 kV	KG	NOS
527	8535 21 23	----	For a voltage of 66 kV	KG	NOS
528	8535 21 29	----	Other	KG	NOS
529	8535 21 90	---	Other	KG	NOS
530	8535 29 11	----	For a voltage of 132 kV	KG	NOS
531	8535 29 12	----	For a voltage of 220 kV	KG	NOS
532	8535 29 13	----	For a voltage of 400 kV	KG	NOS
533	8535 29 19	----	Other	KG	NOS
534	8535 29 21	----	For a voltage of 132 kV	KG	NOS
535	8535 29 22	----	For a voltage of 220 kV	KG	NOS



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536	8535 29 23	----	For a voltage of 400 kV	KG	NOS
537	8535 29 29	----	Other	KG	NOS
538	8535 29 90	---	Other	KG	NOS
539	8535 30 10	---	Of plastic	KG	NOS
540	8535 30 90	---	Other	KG	NOS
541	8535 40 10	---	Lightning arresters	KG	NOS
542	8535 40 20	---	Voltage limiters	KG	NOS
543	8535 40 30	---	Surge suppressors	KG	NOS
544	8535 90 10	---	Motor starters for AC motors	KG	NOS
545	8535 90 20	---	Control gear and starters for DC motors	KG	NOS
546	8535 90 30	---	Other control and switchgears	KG	NOS
547	8535 90 40	---	Junction boxes	KG	NOS
548	8535 90 90	---	Other	KG	NOS
549	8536 10 10	---	For switches having rating upto 15 amps, rewirable	KG	NOS
550	8536 10 20	---	For switches having rating above 15 amps, high rupturing capacity or rewirable	KG	NOS
551	8536 10 30	---	Other rewirable fuses	KG	NOS
552	8536 10 40	---	Other high rupturing capacity fuses	KG	NOS
553	8536 10 50	---	Fuses gear	KG	NOS
554	8536 10 60	---	Electronic fuses	KG	NOS
555	8536 10 90	---	Other	KG	NOS
556	8536 20 10	---	Air circuit breakers	KG	NOS
557	8536 20 20	---	Moulded case circuit breakers	KG	NOS
558	8536 20 30	---	Miniature circuit breakers	KG	NOS
559	8536 20 40	---	Earth leak circuit breakers	KG	NOS
560	8536 20 90	---	Other	KG	NOS
561	8536 30 00	-	Other apparatus for protecting electrical circuits	KG	NOS
562	8536 41 00	--	For a voltage not exceeding 60 V	KG	NOS



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563	8536 49 00	--	Other	KG	NOS
564	8536 50 10	---	Control and switch gears	KG	NOS
565	8536 50 20	---	Other switches of plastic	KG	NOS
566	8536 50 90	---	Other	KG	NOS
567	8536 61 10	---	Of plastic	KG	NOS
568	8536 61 90	---	Of other materials	KG	NOS
569	8536 69 10	---	Of plastic	KG	NOS
570	8536 69 90	---	Of other materials	KG	NOS
571	8536 90 10	---	Motor starters for AC motors	KG	NOS
572	8536 90 20	---	Motor starters for DC motors	KG	NOS
573	8536 90 30	---	Junction boxes	KG	NOS
574	8536 90 90	---	Other	KG	NOS
575	8537 10 00	-	For a voltage not exceeding 1,000 V	KG	NOS
576	8537 20 00	-	For a voltage exceeding 1,000 V	KG	NOS
577	8538 10 10	---	For industrial use	KG	NOS
578	8538 10 90	---	Other	KG	NOS
579	8538 90 00	-	Other	KG	NOS
580	8539 90 10	---	Parts of fluorescent tube lamps	KG	NOS
581	8539 90 20	---	Parts of arc-lamps	KG	NOS
582	8539 90 90	---	Other	KG	NOS
583	8540 91 00	--	Of cathode-ray tubes	KG	NOS
584	8540 99 00	--	Other	KG	NOS
585	8541 90 00	-	Parts	KG	NOS
586	8542 90 00	-	Parts	KG	NOS
587	8543 90 00	-	Parts	KG	NOS
588	8545 20 00	-	Brushes	KG	NOS
589	8545 90 10	---	Arc-lamp carbon	KG	NOS
590	8545 90 20	---	Battery carbon	KG	NOS



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591	8545 90 90	---	Other	KG	NOS
592	8546 10 00	-	Of glass	KG	NOS
593	8546 20 11	----	Porcelain below 6.6 kV	KG	NOS
594	8546 20 19	----	Other	KG	NOS
595	8546 20 21	----	Below 6.6 kV	KG	NOS
596	8546 20 22	----	6.6 kV or above but upto 11 kV	KG	NOS
597	8546 20 23	----	Above 11 kV but upto 66 kV	KG	NOS
598	8546 20 24	----	Above 66 kV but upto 132 kV	KG	NOS
599	8546 20 29	----	Above 132 kV	KG	NOS
600	8546 20 31	----	Below 6.6 kV	KG	NOS
601	8546 20 32	----	6.6 kV or above but up to 11 kV	KG	NOS
602	8546 20 33	----	Above 11 kV but upto 66 kV	KG	NOS
603	8546 20 39	----	Above 66 kV	KG	NOS
604	8546 20 40	---	Other high tension porcelain solid core insulators	KG	NOS
605	8546 20 50	---	Other low tension porcelain insulators including telegraph and telephone insulators	KG	NOS
606	8546 20 90	---	Other	KG	NOS
607	8546 90 10	---	Heat shrinkable components	KG	NOS
608	8546 90 90	---	Other	KG	NOS
609	8547 10 10	---	Porcelain bushing below 6.6 kV	KG	NOS
610	8547 10 20	---	Porcelain bushings for voltage 6.6 kV or above but below 11 kV	KG	NOS
611	8547 10 30	---	Porcelain bushings for voltage 11 kV or above but upto 66 kV	KG	NOS
612	8547 10 40	---	Porcelain bushings for voltage 66 kV or above	KG	NOS
613	8547 10 90	---	Other	KG	NOS
614	8547 20 00	-	Insulating fittings of plastics	KG	NOS
615	8547 90 10	---	Electrical insulating fittings of glass	KG	NOS





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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
616	8547 90 20	---	Electrical conduit tubing and joints therefor, of base metal lined with insulating material	KG	NOS
617	8547 90 90	---	Other	KG	NOS
618	8708 10 10	---	For tractors	KG	NOS
619	8708 10 90	---	Other	KG	NOS
620	8708 29 00	--	Other	KG	NOS
621	8708 30 00	-	Brakes and servo-brakes; parts thereof	KG	NOS
622	8708 40 00	-	Gear boxes and parts thereof	KG	NOS
623	8708 50 00	-	Drive-axles with differential, whether or not provided with other transmission components, non-driving axles; parts thereof	KG	NOS
624	8708 70 00	-	Road wheels and parts and accessories thereof	KG	NOS
625	8708 80 00	-	Suspension systems and parts thereof (including shock-absorbers)	KG	NOS
626	8708 91 00	--	Radiators and parts thereof	KG	NOS
627	8708 92 00	--	Silencers (mufflers) and exhaust pipes; parts thereof	KG	NOS
628	8708 93 00	--	Clutches and parts thereof	KG	NOS
629	8708 94 00	--	Steering wheels, steering columns and steering boxes; parts thereof	KG	NOS
630	8708 99 00	--	Other	KG	NOS
631	8709 90 00	-	Parts	KG	NOS
632	8710 00 00		TANKS AND OTHER ARMoured FIGHTING VEHICLES, MOTORISED, WHETHER OR NOT FITTED WITH WEAPONS, AND PARTS OF SUCH VEHICLES	KG	NOS
633	8714 10 10	---	Saddles	KG	NOS
634	8714 10 90	---	Other	KG	NOS
635	8714 20 10	---	Mechanically propelled	KG	NOS
636	8714 20 20	---	Non-mechanically propelled	KG	NOS
637	8714 20 90	---	Other	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
638	8714 93 10	---	Bicycle hubs	KG	NOS
639	8714 93 20	---	Bicycle free-wheels	KG	NOS
640	8714 93 90	---	Other	KG	NOS
641	8714 94 00	--	Brakes, including coaster braking hubs and hub brakes, and parts thereof	KG	NOS
642	8714 95 10	---	Bicycle saddles	KG	NOS
643	8714 95 90	---	Other	KG	NOS
644	8714 96 00	--	Pedals and crank-gear, and parts thereof	KG	NOS
645	8714 99 10	---	Bicycle chains	KG	NOS
646	8714 99 20	---	Bicycle wheels	KG	NOS
647	8714 99 90	---	Other	KG	NOS
648	8715 00 20	---	Parts	KG	NOS
649	8716 90 10	---	Parts and accessories of trailers	KG	NOS
650	8716 90 90	---	Other	KG	NOS
651	8803 10 00	-	Propellers and rotors and parts thereof	KG	NOS
652	8803 20 00	-	Under-carriages and parts thereof	KG	NOS
653	8803 30 00	-	Other parts of aeroplanes or helicopters	KG	NOS
654	8803 90 00	-	Other	KG	NOS
655	9003 90 00	-	Parts	KG	NOS
656	9004 90 90	---	Other	KG	NOS
657	9005 80 90	---	Other	KG	NOS
658	9005 90 10	---	Of binocular or telescopes of heading 9005, other than mountings	KG	NOS
659	9005 90 20	---	Mountings for astronomical instruments	KG	NOS
660	9005 90 90	---	Other	KG	NOS
661	9006 91 00	--	For cameras	KG	NOS
662	9006 99 00	--	Other	KG	NOS
663	9007 91 00	--	For cameras	KG	NOS
664	9007 92 00	--	For projectors	KG	NOS



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Sr. No.	HS Code	Level	Item Description	Standard UQC as per Tariff	suggestion
665	9008 90 00	-	Parts and accessories	KG	NOS
666	9010 90 00	-	Parts and accessories	KG	NOS
667	9011 90 00	-	Parts and accessories	KG	NOS
668	9012 90 00	-	Parts and accessories	KG	NOS
669	9013 90 10	---	For liquid crystal devices (LCD)	KG	NOS
670	9013 90 90	---	Other	KG	NOS
671	9014 90 00	-	Parts and accessories	KG	NOS
672	9015 90 00	-	Parts and accessories	KG	NOS
673	9016 00 90	---	Parts	KG	NOS
674	9017 90 00	-	Parts and accessories	KG	NOS
675	9018 32 10	---	Needles for suture	KG	NOS
676	9018 32 20	---	Hollow needles for injection, aspiration, biopsy and transfusion	KG	NOS
677	9018 32 30	---	Hilario venus fistula needles	KG	NOS
678	9018 32 90	---	Other	KG	NOS
679	9021 90 10	---	Parts and accessories of hearing aids	KG	NOS
680	9021 90 90	---	Other	KG	NOS
681	9022 90 90	---	Other	KG	NOS
682	9024 90 00	-	Parts and accessories	KG	NOS
683	9025 90 00	-	Parts and accessories	KG	NOS
684	9026 90 00	-	Parts and accessories	KG	NOS
685	9027 90 10	---	Microtomes, including parts and accessories thereof	KG	NOS
686	9027 90 20	---	Printed circuit assemblies for the goods of sub-heading 9027 80	KG	NOS
687	9027 90 90	---	Other	KG	NOS
688	9028 90 10	---	For electricity meters	KG	NOS
689	9028 90 90	---	Other	KG	NOS
690	9029 90 00	-	Parts and accessories	KG	NOS



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691	9030 90 10	---	Of meters and counters	KG	NOS
692	9030 90 90	---	Other	KG	NOS
693	9031 10 00	-	Machines for balancing mechanical parts	KG	NOS
694	9031 20 00	-	Test benches	KG	NOS
695	9031 41 00	--	For inspecting semiconductor wafers, or devices or for inspecting photo-masks or reticules used in manufacturing semiconductor devices	KG	NOS
696	9031 49 00	--	Other	KG	NOS
697	9031 90 00	-	Parts and accessories	KG	NOS
698	9032 90 00	-	Parts and accessories	KG	NOS
699	9033 00 00		PARTS AND ACCESSORIES (NOT SPECIFIED OR INCLUDED ELSEWHERE IN THIS CHAPTER) FOR MACHINES, APPLIANCES, INSTRUMENTS OR APPARATUS OF CHAPTER 90	KG	NOS
700	9401 90 00	-	Parts	KG	NOS
701	9403 10 10	---	Of steel	KG	NOS
702	9403 10 90	---	Other	KG	NOS
703	9403 20 10	---	Of steel	KG	NOS
704	9403 20 90	---	Other	KG	NOS
705	9403 30 10	---	Cabinetware	KG	NOS
706	9403 30 90	---	Other	KG	NOS
707	9403 70 00	-	Furniture of plastics	KG	NOS
708	9403 81 00	--	Of bamboo or rattan	KG	NOS
709	9403 89 00	--	Other	KG	NOS
710	9403 90 00	-	Parts	KG	NOS
711	9404 10 00	-	Mattress supports	KG	NOS
712	9404 90 11	----	Filled with feathers or down	KG	NOS
713	9404 90 19	----	Other	KG	NOS
714	9404 90 91	----	Filled with feathers or down	KG	NOS



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715	9404 90 99	----	Other	KG	NOS
716	9405 91 00	--	Of glass	KG	NOS
717	9405 92 00	--	Of plastics	KG	NOS
718	9405 99 00	--	Other	KG	NOS
719	9505 10 00	-	Articles for Christmas festivities	KG	NOS
720	9505 90 10	---	Magical equipments	KG	NOS
721	9505 90 90	---	Other	KG	NOS
722	9506 12 00	--	Ski-fastenings (ski-bindings)	KG	NOS
723	9506 19 00	--	Other	KG	NOS
724	9506 39 00	--	Other	KG	NOS
725	9506 91 10	---	Boxing equipment	KG	NOS
726	9506 91 90	---	Other	KG	NOS
727	9507 20 00	-	Fish-hooks, whether or not snelled	KG	NOS
728	9508 10 00	-	Travelling circuses and travelling menageries	KG	NOS
729	9508 90 00	-	Other	KG	NOS
730	9606 10 10	---	Press-fasteners, snap-fasteners and press-studs	KG	NOS
731	9606 10 20	---	Parts	KG	NOS
732	9606 21 00	--	Of plastics, not covered with textile material	KG	NOS
733	9606 22 00	--	Of base metals, not covered with textile material	KG	NOS
734	9606 29 10	---	Button of coconut shell or wood	KG	NOS
735	9606 29 90	---	Other	KG	NOS
736	9606 30 10	---	Button blanks	KG	NOS
737	9606 30 90	---	Other	KG	NOS
738	9607 11 10	---	Zip fasteners	KG	NOS
739	9607 11 90	---	Other	KG	NOS
740	9607 19 10	---	Zip fasteners	KG	NOS
741	9607 19 90	---	Other	KG	NOS
742	9607 20 00	-	Parts	KG	NOS



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743	9608 99 10	---	Pen holders, pencil holders and similar holders	KG	NOS
744	9608 99 90	---	Other	KG	NOS
745	9609 10 00	-	Pencils and crayons, with leads encased in a rigid sheath	KG	NOS
746	9609 20 00	-	Pencil leads, black or coloured	KG	NOS
747	9609 90 10	---	Slate pencils	KG	NOS
748	9609 90 20	---	Other pencils	KG	NOS
749	9609 90 30	---	Pastels, drawing charcoals and writing or drawing chalks and tailors chalks	KG	NOS
750	9609 90 90	---	Other	KG	NOS
751	9610 00 00		SLATES AND BOARDS, WITH WRITING OR DRAWING SURFACES, WHETHER OR NOT FRAMED	KG	NOS
752	9611 00 00		DATE, SEALING OR NUMBERING STAMPS, AND THE LIKE (INCLUDING DEVICES FOR PRINTING OR EMBOSsing LABELS), DESIGNED FOR OPERATING IN THE HAND; HAND-OPERATED COMPOSING STICKS AND HAND PRINTING SETS INCORPORATING SUCH COMPOSING STICKS	KG	NOS
753	9615 11 00	--	Of hard rubber or plastics	KG	NOS
754	9615 19 00	--	Other	KG	NOS
755	9615 90 00	-	Other	KG	NOS
756	9616 10 10	---	Scent sprays and similar toilet sprays	KG	NOS
757	9616 10 20	---	Mounts and heads	KG	NOS
758	9616 20 00	-	Powder-puffs and pads for the application of cosmetics or toilet preparations	KG	NOS
759	9617 00 11	----	Vacuum flasks having a capacity not exceeding 0.75 l	KG	NOS
760	9617 00 12	----	Vacuum flasks having a capacity exceeding 0.75 l	KG	NOS
761	9617 00 13	----	Casserol and other vacuum containers	KG	NOS



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762	9617 00 19	----	Other	KG	NOS
763	9617 00 90	---	Parts (other than glass inner)	KG	NOS
764	9618 00 00		TAILORS' DUMMIES AND OTHER LAY FIGURES; AUTOMATA AND OTHER ANIMATED DISPLAYS, USED FOR SHOP WINDOW DRESSING	KG	NOS
765	9801 00 11	----	For industrial plant project	KG	NOS
766	9801 00 12	----	For irrigation plant	KG	NOS
767	9801 00 13	----	For power project	KG	NOS
768	9801 00 14	----	For mining project	KG	NOS
769	9801 00 15	----	Project for exploration of oil or other minerals	KG	NOS
770	9801 00 19	----	For other projects	KG	NOS
771	9801 00 20	----	Components (whether or not finished or not) or raw materials for the manufacture of aforesaid items required for the initial setting up of a unit or the substantial expansion of a unit	KG	NOS
772	9801 00 30	----	Spare parts and other raw materials (including semi-finished materials or consumable stores for the maintenance of plant or project	KG	NOS

## **ABOUT ICAI AND INDIRECT TAXES COMMITTEE OF ICAI**

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 to regulate the profession of Chartered Accountants in India. During its more than six decades of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for its contribution in the fields of education, professional development, maintenance of high accounting, auditing and ethical standards. ICAI now is the second largest accounting body in the whole world.

The Council of ICAI functions through various Standing and Non-Standing Committees. Indirect Taxes Committee is one of the most important non-Standing Committees of ICAI. The main function of the Indirect Taxes Committee is to examine the indirect tax laws, rules, regulations, circulars, notifications, etc., which may be enacted or issued by the Government from time to time and to send suitable memoranda containing suggestions for improvements in the respective legislation. The Indirect Taxes Committee actively facilitates the process of formulation of budget by offering pre-budget and post-budget suggestions/comments to simplify tax laws and their administration for the purpose of making it more responsive to tax payers.

Another important function of the Committee is to enhance the awareness/ knowledge of the members of the ICAI relating to indirect taxes and the potential opportunities offered by this area by organising workshops, certificate courses, seminars, e-learnings and interactive programmes independently as also with trade and industry.



**INDIRECT TAXES COMMITTEE**

**THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA**

(Set up by an Act of Parliament)

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