

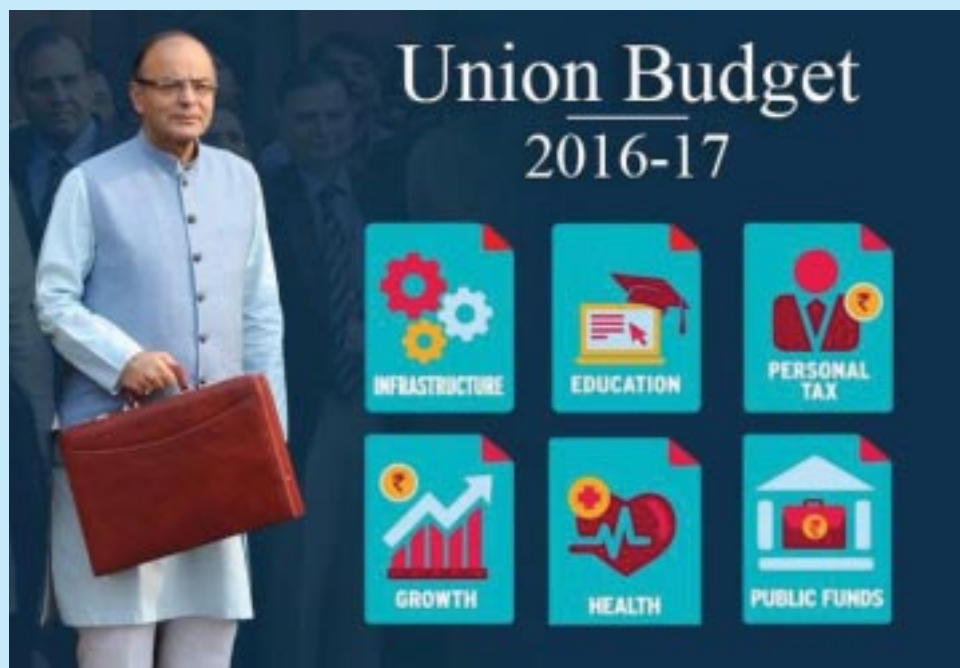


# WIRC BULLETIN

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WESTERN INDIA REGIONAL COUNCIL  
THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

*(Statutory Body under an Act of Parliament)*

Rohit Chambers, Janmabhoomi Marg, Fort, Mumbai 400 001.

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## Glimpses of Workshop on "How to conduct effective Cost Audit" conducted by WIRC on 6th February 2016 at WIRC Office, Mumbai



CMA Kailash Gandhi, Chairman P D Committee, WIRC



CMA Debasish Mitra, Chairman WIRC



CMA Poonam Shah, Convener, North Mumbai CEP Study Circle



Mr. S.P. Kumar, Registrar of Companies, Mumbai lighting the lamp



CMA Debasish Mitra, Chairman WIRC felicitating Mr. S.P. Kumar, Registrar of Companies, Mumbai



CMA Kishore Bhatia



CMA R. Parvathy



CMA Sukrut Mehta



CMA P.D. Modh interacting with the participants during CEP organised by WIRC on 20th February 2016 at Thane SMFC.



CMA Kailash Gandhi, Chairman PD Committee, WIRC welcoming CMA P.S. Guin, General Manager, Internal Financial Control, I & T Ltd during CEP organised by WIRC on 27th February 2016 at Thane SMFC.



Institutes participated in Career Fest organised by National HRD Network Mumbai Chapter on 19/2/2016 at Nehru Centre, Worli, Mumbai



## From the Desk of Chairman

Respected Colleagues,

We congratulate Hon'ble Finance Minister for presenting the **Union Budget** for the year 2016-17. This budget is one step forward for successful implementation of "Make in India", ease of doing business, generation of employment and boosting up of Infrastructure facilities in India.

The Economic Survey forecasted that the Indian economy would grow in between 7.00 to 7.75 per cent in the 2016-17 fiscal year. Though there is no relief in the personal taxation to the individuals but there are certain road maps which have been laid down in this budget towards commitment to GST and Infrastructure development. The government proposes to spend Rs. 19,78,060 crore in 2016-17, which is 10.8% above the revised estimates of last year. The receipts (other than net borrowings) are expected to increase by 15.5% to Rs. 14,44,156 crore, driven by disinvestment receipts, union excise duties and income tax. Revenue deficit is targeted at 2.3% of GDP, and fiscal deficit is targeted at 3.5% of GDP.

**Railway Budget** aims to achieve the long-felt desires of the common man to be fulfilled by 2020, i.e., reserved accommodation on trains available on demand, time tabled freight trains, high end technology to improve safety record, elimination of all unmanned level crossings, improved punctuality, higher average speed of freight trains, semi high speed trains running along the golden quadrilateral, zero direct discharge of human waste.

### CEP Programs

This Council believes that the Continuing Education Program plays an important role to increase value based knowledge for the members. Couple of good and informative programs have been conducted by the Professional Development Committee of the WIRC. Same are as follows,

- Practical Aspects on CAS 4 certification held on 13th February 2016 at Borivli SMFC by CMA B.B. Prabhudesai.
- Emotional Intelligence at Thane & Borivli SMFC on 20th Feb 2016 by CMA P. D. Modh.
- Internal Control - Regulatory Requirement & Relevance in Cost Accounting by CMA P. S. Guin, General Manager Internal Finance Control from L&T Ltd., on 27th February, at Thane SMFC.
- Discussion on Draft Companies (Cost Records and Audit) Amendment Rules 2016 held on 1st March 2016 lead by CMA S G Narsimhan.

*(I request all the members to send their comments / suggestions on the above matter to WIRC, as early as possible).*

- Discussion on Union Budget on 5th March 2016 by CMA V. S Datey, CMA A B Nawal and CMA Dr Vishnu Kanhere at WIRC and on 6th March, 2016 at Thane

SMFC by CMA Amit Sarkar-Director Indirect Taxation - Deloitte and CA Anjana Singh - Director Direct Taxation, Deloitte. I request all the members to send comments and suggestions on the Union Budget.

### Pre-placement Orientation Program

We believe that our final passed members are equally competent with members of other professional Institutions, and are able to face and handle any challenges of the corporate world. To sharpen their skill and knowledge, the Institute has organised Pre-placement Orientation Program from 1st March to 12th March 2016. This will ultimately help our new members to succeed in fourth coming Campus Placement.

### Campus Placement

Institute will organise Campus Placement on Friday the 15th and Saturday, the 16th April 2016 at SGSJK Aruna Manharlal Institute of Management & Research, Ghatkopar (West), Mumbai. This year also many noted organisations from various parts of India will participate in the Campus Placement. WIRC has arranged a get-together (Alumni Meet) of the Members in the Industry on Saturday, the 19th March, 2016, at 5.30 p.m., at WIRC Auditorium. I appeal to our members from Industry to actively participate in the Institute's Campus Placement and contribute to the professional Development of the institute.

### National Practitioners' Convention

National Practitioners' Convention has been conducted at Kolkata on 21st February, 2016. Around 300 delegates participated the event. The session "Horizons for practicing CMA's in current and global environment", was moderated by CMA Sanjay Gupta and CMA B.B. Goyal, CMA Ashok Nawal and Chairman EIRC CMA Shiba Prasad Padhi. A nice presentation was made by CMA Padhi, on "CMA's role as Surveyors & Loss Assessors". **Pleased to inform you that WIRC will organise similar program on CMAs as Surveyors & Loss Assessors on 11th March, 2016 at WIRC Auditorium.**

### Career Fest

The National HRD Network Mumbai Chapter had organised Career Fest at Nehru Centre on 19th February, 2016. It was a good experience to be present at the festival. Around 10,000 students were participated to understand their career opportunities in diverse sectors. WIRC had also participated in that Fest. Lot of students from various colleges were visited our stall and enquired about our profession.

Lastly, I appeal to our members to spend their valuable time for career counselling program undertaken by the WIRC, for our prospective students. This will not only increase the student strength of the Institute, at the same time students will also avail proper and effective guidance from senior and experienced members of the Institute.

Wishing you and your family a very bright, colourful and joyful Holi!

**CMA Debasish Mitra**



# Analysis on amendments proposed in Draft Companies (Cost Records And Audit) Amendment Rules 2016

**CMA Harshad S. Deshpande**, RCM-WIRC, M.Com., ACMA, CS, CISA(USA), CIMA(UK)

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## INTRODUCTION:

On 23rd February, 2016, the Draft Companies (Cost Records and Audit) Amendment Rules, 2016 has been placed on the Ministry of Corporate Affairs (MCA) website at [www.mca.gov.in](http://www.mca.gov.in). MCA has invited Suggestions/comments on above mentioned draft.

Suggestions/comments on above mentioned draft along with the justifications in brief may be sent latest by 08.03.2016

through email at [cra@mca.gov.in](mailto:cra@mca.gov.in). It is requested that the name, contact number and postal address of the sender be indicated clearly at the time of sending suggestions/comments. The Format for giving suggestions/comments is prescribed:

It is imperative to understand the Amendments proposed in the draft before proposing suggestion/comments. The key changes are as under:

### DRAFT RULES DATED 23RD FEBRUARY, 2016

#### (A) Regulated Sectors

### NOTIFICATION DATED 31ST DECEMBER, 2014

#### (A) Regulated Sectors

S.No.	Industry / Sector / Product / Service	CETA Heading (wherever applicable)	S.No.	Industry / Sector / Product / Service	CETA Heading (wherever applicable)	Change in revised draft rules	Impact
1	Telecommunication services made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature under the authorization/license issued by the Department of Telecommunications, Government of India under Indian Telegraph Act, 1885 and regulated by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);	Not applicable	1	Telecommunication services made available to users by means of any transmission or reception of signs, signals, writing, images and sounds or intelligence of any nature (other than broadcasting services) and regulated by the Telecom Regulatory Authority of India under the Telecom Regulatory Authority of India Act, 1997 (24 of 1997);	Not applicable	The words Other than broadcasting services are removed	Broadcasting industries are covered
2	Generation, transmission, distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), other than for captive generation (referred to in the Electricity Rules, 2005)	Generation- & 2716; Other Activity- Not Applicable	2	Generation, transmission, distribution and supply of electricity regulated by the relevant regulatory body or authority under the Electricity Act, 2003 (36 of 2003), other than for captive generation (referred to in the Electricity Rules, 2005);	---	Chapter headings included	CETA Heading 2716 relates to Electrical Energy
3	Petroleum products including activities regulated by the Petroleum and Natural Gas Regulatory Board under the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006);	2709 to 2715; Other Activity- Not Applicable	3	Petroleum products regulated by the Petroleum and Natural Gas Regulatory Board under the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 of 2006);	2709 to 2715;	The words Other activities are included	Other activities e.g. Storing, transportation, operating petroleum products will be included
4	Drugs and pharmaceuticals;	2901 to 2942; 3001 to 3006.	4	Drugs and pharmaceuticals;	2901 to 2942; 3001 to 3006.	No Change	No Impact
5	Fertilisers;	3102 to 3105.	5	Fertilisers;	3102 to 3105.	No Change	No Impact
6	Sugar and industrial alcohol;	1701; 1703; 2207	6	Sugar and industrial alcohol;	1701; 1703; 2207.	No Change	No Impact

#### (B) Non-regulated Sectors

#### (B) Non-regulated Sectors

S.No.	Industry / Sector / Product / Service	CETA Heading (wherever applicable)	S.No.	Industry / Sector / Product / Service	CETA Heading (wherever applicable)	Change in revised draft rules	Impact
1	Machinery and mechanical appliances used in defence, space and atomic energy sectors excluding any ancillary item or items; Explanation. - For the purposes of this sub-clause, any company which is engaged in any item or items supplied exclusively for use under this clause, shall be deemed to be covered under these rules	8401; 8801 to 8805; 8901 to 8908	1	"Machinery and mechanical appliances used in defence, space and atomic energy sectors excluding any ancillary item or items; "Explanation. For the purposes of this sub-clause, any company which is engaged in any item or items supplied exclusively for use under this clause, shall be deemed to be covered under these rules."	8401 to 8402; 8801 to 8805; 8901 to 8908	Chapter heading 8402 removed from point 1 and considered in point 31	No impact
2	Turbo jets and turbo propellers;	8411	2	Turbo jets and turbo propellers;	8411	No Change	No Impact

DRAFT RULES DATED 23RD FEBRUARY, 2016 (B) Non-regulated Sectors			NOTIFICATION DATED 31ST DECEMBER, 2014 (B) Non-regulated Sectors				
S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	Change in revised draft rules	Impact
3	Arms, ammunitions and Explosives;	3601 to 3603; 9301 to 9306.	3	Arms and ammunitions;	3601 to 3603; 9301 to 9306.	Word "Explosive" is added	Explosive products will be covered
4	Propellant powders; prepared explosives (other than propellant powders); safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators;	3601 to 3603	4	Propellant powders; prepared explosives (other than propellant powders); safety fuses; detonating fuses; percussion or detonating caps; igniters; electric detonators;	3601 to 3603	No Change	No Impact
5	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus;	8526	5	Radar apparatus, radio navigational aid apparatus and radio remote control apparatus;	8526	No Change	No Impact
6	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons and parts of such vehicles, that are funded (investment made in the company) to the extent of ninety per cent or more by the Government or Government agencies;	8710	6	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons and parts of such vehicles, that are funded (investment made in the company) to the extent of ninety per cent or more by the Government or Government agencies;	8710	No Change	No Impact
7	Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered by a Port in relation to a vessel or goods regulated by the Tariff Authority for Major Ports under section 47A of the Major Port Trusts Act, 1963 (38 of 1963);	Not applicable.	7	Port services of stevedoring, pilotage, hauling, mooring, re-mooring, hooking, measuring, loading and unloading services rendered by a Port in relation to a vessel or goods regulated by the Tariff Authority for Major Ports under section 111 of the Major Port Trusts Act, 1963 (38 of 1963);	Not applicable.	Section for Formation of Tariff Authority corrected to Section 47A from Section 111.	No Impact
8	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered by airports and regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);	Not applicable.	8	Aeronautical services of air traffic management, aircraft operations, ground safety services, ground handling, cargo facilities and supplying fuel rendered by airports and regulated by the Airports Economic Regulatory Authority under the Airports Economic Regulatory Authority of India Act, 2008 (27 of 2008);	Not applicable.	No Change	No Impact
9	Iron and Steel;	7201 to 7229; 7301 to 7326	9	Steel;	7201 to 7229; 7301 to 7326	Word "Iron" is inserted	Iron industry will be covered
10	Roads and other infrastructure projects corresponding to para No. (1) (a) as specified in Schedule VI of the Companies Act, 2013;	Not applicable.	10	Roads and other infrastructure projects corresponding to para No. (1) (a) as specified in Schedule VI of the Companies Act, 2013;	Not applicable.	No Change	No Impact
11	Rubber and allied products including products regulated by the Rubber Board constituted under the Rubber Act, 1947 (XXIV of 1947).	4001 to 4017	11	Rubber and allied products being regulated by the Rubber Board constituted under the Rubber Act, 1947 (XXIV of 1947).	4001 to 4017	Words "Being Regulated" is replaced with "including products regulated"	All products under mentioned chapter heading will be covered irrespective of regulated or not.
12	Coffee and tea;	0901 to 0902	12	Coffee and tea;	0901 to 0902	No Change	No Impact
13	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signalling equipment's of all kind;	8601 to 8608	13	Railway or tramway locomotives, rolling stock, railway or tramway fixtures and fittings, mechanical (including electro mechanical) traffic signalling equipment's of all kind;	8601 to 8608.	No Change	No Impact
14	Cement;	2523; 6811 to 6812	14	Cement;	2523; 6811 to 6812	No Change	No Impact
15	Ores and Mineral products;	2502 to 2522; 2524 to 2526; 2528 to 2530; 2601 to 2617	15	Ores and Mineral products;	2502 to 2522; 2524 to 2526; 2528 to 2530; 2601 to 2617	No Change	No Impact

DRAFT RULES DATED 23RD FEBRUARY, 2016 (B) Non-regulated Sectors			NOTIFICATION DATED 31ST DECEMBER, 2014 (B) Non-regulated Sectors				
S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	Change in revised draft rules	Impact
16	Mineral fuels (other than Petroleum), mineral oils etc.;	2701 to 2708	16	Mineral fuels (other than Petroleum), mineral oils etc.;	2701 to 2708	No Change	No Impact
17	Base metals;	7401 to 7403; 7405 to 7413; 7419; 7501 to 7508; 7601 to 7614; 7801 to 7802; 7804; 7806; 7901 to 7905; 7907; 8001; 8003; 8007; 8101 to 8113	17	Base metals;	7401 to 7403; 7405 to 7413; 7419; 7501 to 7508; 7601 to 7614; 7801 to 7802; 7804; 7806; 7901 to 7905; 7907; 8001; 8003; 8007; 8101 to 8113	No Change	No Impact
18	Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radio achievements or isotopes, and Organic Chemicals;	2801 to 2853; 2901 to 2942; 3801 to 3807; 3402 to 3403; 3809 to 3824.	18	Inorganic chemicals, organic or inorganic compounds of precious metals, rare-earth metals of radioactive elements or isotopes, and Organic Chemicals;	2801 to 2853; 2901 to 2942; 3801 to 3807; 3402 to 3403; 3809 to 3824.	No Change	No Impact
19	Jute and Jute Products;	5303, 5310	19	Jute and Jute Products;	5303, 5310	No Change	No Impact
20	Edible Oil;	1507 to 1518	20	Edible Oil;	1507 to 1518	No Change	No Impact
21	Construction Industry as per para No. (5) (a) as specified in Schedule VI of the Companies Act, 2013 (18 of 2013)	Not applicable.	21	Construction Industry as per para No. (5) (a) as specified in Schedule VI of the Companies Act, 2013 (18 of 2013)	Not applicable.	No Change	No Impact
22	Health services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test laboratories;	Not applicable.	22	Health services, namely functioning as or running hospitals, diagnostic centres, clinical centres or test laboratories;	Not applicable.	No Change	No Impact
23	Education services, other than such similar services falling under philanthropy or as part of social spend which do not form part of any business.	Not applicable.	23	Education services, other than such similar services falling under philanthropy or as part of social spend which do not form part of any business.	Not applicable.	No Change	No Impact
24	Milk powder;	0402	24	Milk powder;	0402	No Change	No Impact
25	Insecticides;	3808	25	Insecticides;	N	No Change	No Impact
26	Plastics and polymers;	3901 to 3914; 3916 to 3921; 3925	26	Plastics and polymers;	3901 to 3914; 3916 to 3921; 3925	No Change	No Impact
27	Tyres and tubes;	4011 to 4013	27	Tyres and tubes;	4011 to 4013	No Change	No Impact
28	Paper;	4801 to 4802	28	Paper;	4801 to 4802	No Change	No Impact
29	Textiles;	5004 to 5007; 5106 to 5113; 5205 to 5212; 5303; 5310; 5401 to 5408; 5501 to 5516	29	Textiles;	5004 to 5007; 5106 to 5113; 5205 to 5212; 5303; 5310; 5401 to 5408; 5501 to 5516	No Change	No Impact
30	Glass;	7003 to 7008; 7011; 7016	30	Glass;	7003 to 7008; 7011; 7016	No Change	No Impact
31	Other machinery and Mechanical Appliances;	8402 to 8487	31	Other machinery;	8403 to 8487	The words "And Mechanical Appliances" are added and Chapter heading 8402 added	Other mechanical appliances will get specifically covered. All products under mentioned chapter heading will be covered.

DRAFT RULES DATED 23RD FEBRUARY, 2016 (B) Non-regulated Sectors			NOTIFICATION DATED 31ST DECEMBER, 2014 (B) Non-regulated Sectors				
S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	S.No.	Industry/ Sector / Product / Service	CETA Heading (wherever applicable)	Change in revised draft rules	Impact
32	Electricals or electronic machinery;	8501 to 8507; 8511 to 8512; 8514 to 8515; 8517; 8525 to 8536; 8538 to 8547.	32	Electricals or electronic machinery;	8501 to 8507; 8511 to 8512; 8514 to 8515; 8517; 8525 to 8536; 8538 to 8547	No Change	No Impact
33	Production, import and supply or trading of following medical devices, namely:- (i) Cardiac stents; (ii) Drug eluting stents; (iii) Catheters; (iv) Intra ocular lenses; (v) Bone cements; (vi) Heart valves; (vii) Orthopaedic implants; (viii) Internal prosthetic replacements; (ix) Scalp vein set; (x) Deep brain stimulator; (xi) Ventricular peripheral shud; (xii) Spinal implants; (xiii) Automatic impalpable cardiac deflobillator; (xiv) Pacemaker (temporary and permanent); (xv) Patent ductus arteriosus, atrial septal defect and "ventricular septal defect closure device"; (xvi) Cardiac re-synchronize therapy; (xvii) Urethra spincture devices; (xviii) Sling male or female; (xix) Prostate occlusion device; and (xx) Urethral stents;	9018 to 9022	33	"33. Production, import and supply or trading of following medical devices, namely:- (i) Cardiac stents; (ii) Drug eluting stents; (iii) Catheters; (iv) Intra ocular lenses; (v) Bone cements; (vi) Heart valves; (vii) Orthopaedic implants; (viii) Internal prosthetic replacements; (ix) Scalp vein set; (x) Deep brain stimulator; (xi) Ventricular peripheral shud; (xii) Spinal implants; (xiii) Automatic impalpable cardiac deflobillat or; (xiv) Pacemaker (temporary and permanent); (xv) Patent ductus arteriosus, atrial septal defect and ventricular septal defect closure device; (xvi) Cardiac re-synchronize therapy; (xvii) Urethra spincture devices; (xviii) Sling male or female; (xix) Prostate occlusion device; and (xx) Urethral stents;"	9018 to 9022	No Change	No Impact

### Amendment with Respect to the Applicability of Cost Records and Cost Audit

Please refer attached annexure for refined scope of Cost Records and Cost Audit.

### Amendment with Respect to Appointment of Cost Auditor:

#### 1. in rule 6, in sub-rule (1), the following proviso shall be inserted, namely:

"Provided that before such appointment is made, the written consent of the cost auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the following conditions shall be obtained from the cost auditor:

- the individual or the firm, as the case may be, is eligible for appointment and is not disqualified for appointment under the Act, the Cost and Works Accountants Act, 1959 and the rules or regulations made thereunder;
- the individual or the firm, as the case may be, satisfies the criteria provided in section 141 of the Act;
- the proposed appointment is within the limits laid down by or under the authority of the Act;
- the list of proceedings against the cost auditor or audit

firm or any partner of the audit firm pending with respect to professional matters of conduct, as disclosed in the certificate, is true and correct."

**Explanation:** Before appointment of Cost Auditor, the Board should seek a letter from proposed Cost Auditor confirming his eligibility and willingness of being appointed as Cost Auditor. The Cost Auditor also should mention that the proposed appointment will be within the limits specified in Section 141 of the Companies Act, 2013 and list of proceeding against Cost Accountant with respect to professional matters of conduct, if any.

### Amendment with Respect to Removal of Cost Auditor:

#### 2. in rule 6, in sub-rule (3), the following proviso shall be inserted, namely:

"Provided that the cost auditor appointed under these rules may be removed from his office before the expiry of his term only through a resolution passed in the meeting of Board of Directors after recording the reasons for such removal in writing:

**Provided** further that the form CRA-2 to be filed with the Central Government for intimating appointment of another cost auditor shall enclose the relevant Board Resolution to the effect:

Provided also that nothing contained in this sub-rule shall prejudice the right of the cost auditor to resign from such office of the company."

**Explanation:** Cost Auditor may be removed before end of term by passing a Board Resolution. On such removal, Form CRA-2 should be re-filed mentioning details of particulars of new Cost Auditor along with a copy of such Board Resolution. Further, Cost Auditor can tender his resignation at any time before end of his tenure.

#### **Approval of Cost Statements:**

#### **3. in rule 6, after sub-rule (3A), following sub-rule shall be inserted, namely:**

"(3B) The cost statements, including other statements to be annexed to the cost audit report, shall be approved by the Board of Directors before they are signed on behalf of the Board by any of the director authorized by the Board, for submission to the cost auditor to report thereon"

**Explanation:** Board should approve the cost statements along with annexure to cost audit report before submission of the same to the Cost Auditor. After receipt of such approved cost statement along with the annexure, Cost Auditor will prepare his Cost Audit Report.

#### **Submission of Report by Cost Auditor:**

#### **4. in rule 6, for sub-rule (5), the following sub-rule shall be substituted, namely:-**

"Every cost auditor shall forward his duly signed report to the Board of Directors of the company within a period of one hundred and eighty days from the closure of the financial year to which the report relates and the Board

of Directors shall consider and examine such report, particularly any reservation or qualification contained therein."

**Explanation:** Cost Auditor shall submit his duly signed report with a period of one hundred and eighty days from closure of Financial Year to which it relates to the Board of Directors of the Company. Board of Directors shall receive, consider and examine the reservations and qualifications stated in the Cost Audit Report.

#### **Filing of Cost Audit Report by the Company:**

#### **5. in rule 6, for sub-rule (6), th following sub-rule shall be substituted, namely:**

"Every company covered under these rules shall, within a period of thirty days from the date of receipt of a copy of the cost audit report, furnish the Central Government with such report along with full information and explanation on every reservation or qualification contained therein, in form CRA-4 in Extensible Business Reporting Language (XBRL) format in the manner as specified in the Companies (Filing of Documents and Forms in Extensible Business Reporting language) Rules, 2015 along with fees specified in the Companies (Registration Offices and Fees) Rules 2014."

**Explanation:** The Board of Directors shall prepare a note providing necessary information and explanation on the reservation and qualifications stated in the Cost Audit Report. Thereafter the Company shall submit Cost Audit Report along with such note containing information and explanation in Form CRA-4 in XBRL Format within a period of thirty days of receipt of the Report from Cost Auditor.

### **WIRC organised following CEPs during the month**

1. CEP on "Practical Aspects on CAS 4 certification" - 13th February 2016 at Borivli SMFC. CMA V. B. Prabhudesai was the speaker.
2. CEP on Emotional Intelligence - at Thane & Borivli SMFC - 20th February 2016. CMA P.D. Modh was the speaker.
3. CEP on "Internal Controls - Regulatory Requirements & relevance in Cost Accounting" - CMA P. S. Guin, General Manager, Internal Financial Control, Larsen & Toubro Limited on 27th Feb at Thane SMFC
4. Discussion on "Draft Companies (Cost Records and Audit) Amendment Rules, 2016" - 1st March 2016 at WIRC. CMA S. G. Narasimhan, lead the discussion.
5. Discussion on Union Budget was organised on 5th March at WIRC office. CMA V. S. Datey, CMA A. B. Nawal & CMA & CA Dr. Vishnu Kanhere were the speakers and on 6th March at Thane SMFC - CMA Amit Sarker & CA Anjana Singh, from Deloitte were the speakers.

### **Pune Central CEP Study Circle**

'Pune Central CEP Study Circle formed under the guidelines of the Institute of Cost Accountants of India organized its eighth function on 20th February 2016. Mr. Sagar Kanade, Expert on Transfer Pricing gave the lecture on this occasion. Topic of the lecture was 'Transfer pricing and the role of Cost Accountants'. Speaker elaborated about the concept of Transfer pricing and also told about the areas wherein Cost Accountants can play a decisive role. CMA Prashant Vaze, Convener of the Study Circle along with CMA Rajendra Pardeshi (Members of the Advisory committee of the Study Circle) arranged the Program. CMA Harshad Deshpande, RCM was also present at this event.





# BUDGET ANALYSIS 2016 - 17

## CENTRAL EXCISE ACT 1944

Complied by CMA Ashok B. Nawal

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Sec. No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing/ New Provision	Analysis
5A (5 & 6)	From the date of Ascent of President of India	Power to grant exemption from duty of excise	<p>(5) Every notification issued under sub-section (1) or sub-section 2(A) shall, (a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette; (b) also be published and offered for sale on the date of its issue by the Directorate of Publicity and Public Relations, Customs and Central Excise, New Delhi, under the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963).</p> <p>(6) Notwithstanding anything contained in sub-section (5), where a notification comes into force on a date later than the date of its issue, the same shall be published and offered for sale by the said Directorate of Publicity and Public Relations on a date on or before the date on which the said notification comes into force.</p>	<p>(5) Every notification issued under sub-section (1) or sub-section 2(A) shall, - (a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette;</p>	Now there is no requirement of publishing and offering for sale any notification issued, by the Directorate of Publicity and Public Relations of CBEC.
11A	From the date of Ascent of President of India	Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded.	<p>(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty:-</p> <p>(a) the Central Excise Officer shall, within one year from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;</p> <p>(b) the person chargeable with duty may, before service of notice under clause (a), pay on the basis of-</p> <p>(i) his own ascertainment of such duty; or</p> <p>(ii) duty ascertained by the Central Excise Officer, the amount of duty along with interest payable thereon under section 11AA.</p> <p>(2) The person who has paid the duty under clause (b) of sub-section (1), shall inform the Central Excise Officer of such payment in writing who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty so paid or any penalty leviable under the provisions of this Act or the rules made thereunder.</p> <p>(3) Where the Central Excise Officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall</p>	<p>(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty-</p> <p>(a) the Central Excise Officer shall, within Two years from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;</p> <p>(b) the person chargeable with duty may, before service of notice under clause (a), pay on the basis of-</p> <p>(i) his own ascertainment of such duty; or</p> <p>(ii) duty ascertained by the Central Excise Officer, the amount of duty along with interest payable thereon under section 11AA.</p> <p>(2) The person who has paid the duty under clause (b) of sub-section (1), shall inform the Central Excise Officer of such payment in writing who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty so paid or any penalty leviable under the provisions of this Act or the rules made thereunder.</p> <p>(3) Where the Central Excise Officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in</p>	<p>Period of limitation has been increased from one year to two years for issuing SCN &amp; Demand Notices, in case not involving fraud, suppression of facts, willful mis-statement, etc</p> <p>However, period of limitation has not been extended in the matter of refund in Section 11B.</p>

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			<p>proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of one year shall be computed from the date of receipt of information under sub-section (2).</p> <p>(4) Where any duty of excise has not been levied or paid or has been shortlevied or short-paid or erroneously refunded, by the reason of-</p> <p>(a) fraud; or (b) collusion; or (c) any willful mis-statement; or (d) suppression of facts; or (e) contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, by any person chargeable with the duty, the Central Excise Officer shall, within five years from the relevant date, serve notice on such person requiring him to show cause why he should not pay the amount specified in the notice along with interest payable thereon under section 11AA and a penalty equivalent to the duty specified in the notice.</p> <p>(5) Where, during the course of any audit, investigation or verification, it is found that any duty has not been levied or paid or shortlevied or short-paid or erroneously refunded for the reason mentioned in clause (a) or clause (b) or clause (c) or clause (d) or clause (e) of sub-section (4) but the details relating to the transactions are available in the specified record, then in such cases, the Central Excise Officer shall within a period of five years from the relevant date, serve a notice on the person chargeable with the duty requiring him to show cause why he should not pay the amount specified in the notice along with interest under section 11AA and penalty equivalent to fifty per cent of such duty.</p> <p>(6) Any person chargeable with duty under sub-section (5), may, before service of show cause notice on him, pay the duty in full or in part, as may be accepted by him along with the interest payable thereon under section 11AA and penalty equal to one per cent of such duty per month to be calculated from the month following the month in which such duty was payable, but not exceeding a maximum of twenty-five per cent of the duty, and inform the Central Excise Officer of such payment in writing.</p> <p>7) The Central Excise Officer, on receipt of information under sub-section (6) shall-</p> <p>(i) not serve any notice in respect of the amount so paid and all proceedings in respect of the said duty shall be deemed to be concluded where it is found by the Central Excise Officer that the amount of duty, interest and penalty as provided under sub-section</p>	<p>clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of Two years shall be computed from the date of receipt of information under sub-section (2).</p> <p>(4) Where any duty of excise has not been levied or paid or has been shortlevied or short-paid or erroneously refunded, by the reason of-</p> <p>(a) fraud; or (b) collusion; or (c) any willful mis-statement; or (d) suppression of facts; or (e) contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, by any person chargeable with the duty, the Central Excise Officer shall, within five years from the relevant date, serve notice on such person requiring him to show cause why he should not pay the amount specified in the notice along with interest payable thereon under section 11AA and a penalty equivalent to the duty specified in the notice.</p> <p>(5) Where, during the course of any audit, investigation or verification, it is found that any duty has not been levied or paid or shortlevied or short-paid or erroneously refunded for the reason mentioned in clause (a) or clause (b) or clause (c) or clause (d) or clause (e) of sub-section (4) but the details relating to the transactions are available in the specified record, then in such cases, the Central Excise Officer shall within a period of five years from the relevant date, serve a notice on the person chargeable with the duty requiring him to show cause why he should not pay the amount specified in the notice along with interest under section 11AA and penalty equivalent to fifty per cent of such duty.</p> <p>(6) Any person chargeable with duty under sub-section (5), may, before service of show cause notice on him, pay the duty in full or in part, as may be accepted by him along with the interest payable thereon under section 11AA and penalty equal to one per cent of such duty per month to be calculated from the month following the month in which such duty was payable, but not exceeding a maximum of twenty-five per cent of the duty, and inform the Central Excise Officer of such payment in writing.</p> <p>7) The Central Excise Officer, on receipt of information under sub-section (6) shall-</p> <p>(i) not serve any notice in respect of the amount so paid and all proceedings in respect of the said duty shall be deemed to be concluded where it is found by the Central Excise Officer that the amount of duty, interest and penalty as provided under sub-section (6) has been fully paid; (ii) proceed for recovery of such amount if found to be short-paid in the manner specified</p>	

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			<p>(6) has been fully paid;</p> <p>(ii) proceed for recovery of such amount if found to be short-paid in the manner specified under sub-section (1) and the period of one year shall be computed from the date of receipt of such information.</p> <p>(8) In computing the period of one year referred to in clause (a) of subsection (1) or five years referred to in sub-section (4) or sub-section (5), the period during which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(9) Where any appellate authority or Tribunal or court concludes that the notice issued under sub-section (4) is not sustainable for the reason that the charges of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty has not been established against the person to whom the notice was issued, the Central Excise Officer shall determine the duty of excise payable by such person for the period of one year, deeming as if the notice were issued under clause (a) of sub-section (1).</p> <p>(10) The Central Excise Officer shall, after allowing the concerned person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty of excise due from such person not being in excess of the amount specified in the notice.</p> <p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) within one year from the date of notice in respect of cases falling under subsection (4) or sub-section (5).</p> <p>(12) Where the appellate authority modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10), then the amount of penalties and interest under this section shall stand modified accordingly, taking into account the amount of duty of excise so modified.</p> <p>(13) Where the amount as modified by the appellate authority is more than the amount determined under sub-section (10) by the Central Excise Officer, the time within which the interest or penalty is payable under this Act shall be counted from the date of the order of the appellate authority in respect of such increased amount.</p> <p>(14) Where an order determining the duty of excise is passed by the Central Excise Officer under this section, the person liable</p>	<p>under sub-section (1) and the period of Two years shall be computed from the date of receipt of such information.</p> <p>(8) In computing the period of Two years referred to in clause (a) of subsection (1) or five years referred to in sub-section (4) or sub-section (5), the period during which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(9) Where any appellate authority or Tribunal or court concludes that the notice issued under sub-section (4) is not sustainable for the reason that the charges of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty has not been established against the person to whom the notice was issued, the Central Excise Officer shall determine the duty of excise payable by such person for the period of two years, deeming as if the notice were issued under clause (a) of sub-section (1).</p> <p>(10) The Central Excise Officer shall, after allowing the concerned person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty of excise due from such person not being in excess of the amount specified in the notice.</p> <p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) within Two years from the date of notice in respect of cases falling under subsection (4) or sub-section (5).</p> <p>(12) Where the appellate authority modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10), then the amount of penalties and interest under this section shall stand modified accordingly, taking into account the amount of duty of excise so modified.</p> <p>(13) Where the amount as modified by the appellate authority is more than the amount determined under sub-section (10) by the Central Excise Officer, the time within which the interest or penalty is payable under this Act shall be counted from the date of the order of the appellate authority in respect of such increased amount.</p> <p>(14) Where an order determining the duty of excise is passed by the Central Excise Officer under this section, the person liable to pay the said duty of excise shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.</p> <p>Explanation.-For the purposes of this section and section 11AC, -</p>	

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			<p>to pay the said duty of excise shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.</p> <p>Explanation.-For the purposes of this section and section 11AC,-</p> <p>(a) "refund" includes rebate of duty of excise on excisable goods exported out of India or on excisable materials used in the manufacture of goods which are exported out of India;</p> <p>(b) "relevant date" means,-</p> <p>(i) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid, and no periodical return as required by the provisions of this Act has been filed, the last date on which such return is required to be filed under this Act and the rules made thereunder;</p> <p>(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed on due date, the date on which such return has been filed;</p> <p>(iii) in any other case, the date on which duty of excise is required to be paid under this Act or the rules made thereunder;</p> <p>(iv) in a case where duty of excise is provisionally assessed under this Act or the rules made thereunder, the date of adjustment of duty after the final assessment thereof;</p> <p>(v) in the case of excisable goods on which duty of excise has been erroneously refunded, the date of such refund;</p> <p>(c) "specified records" means records including computerised records maintained by the person chargeable with the duty in accordance with any law for the time being in force.'</p>	<p>(a) "refund" includes rebate of duty of excise on excisable goods exported out of India or on excisable materials used in the manufacture of goods which are exported out of India;</p> <p>(b) "relevant date" means,-</p> <p>(i) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid, and no periodical return as required by the provisions of this Act has been filed, the last date on which such return is required to be filed under this Act and the rules made thereunder;</p> <p>(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed on due date, the date on which such return has been filed;</p> <p>(iii) in any other case, the date on which duty of excise is required to be paid under this Act or the rules made thereunder;</p> <p>(iv) in a case where duty of excise is provisionally assessed under this Act or the rules made thereunder, the date of adjustment of duty after the final assessment thereof;</p> <p>(v) in the case of excisable goods on which duty of excise has been erroneously refunded, the date of such refund;</p> <p>(c) "specified records" means records including computerised records maintained by the person chargeable with the duty in accordance with any law for the time being in force.'</p>	
37B	From the date of Ascent of President of India	Instructions to Central Excise Officers.	<p>The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963), may if it considers it necessary or expedient so to do for the purpose of uniformity in the classification of excisable goods or with respect to levy of duties of excise on such goods, issue such orders, instructions and directions to the Central Excise Officers as it may deem fit, and such officers and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the said Board:</p> <p>Provided that no such orders, instructions or directions shall be issued-</p> <p>a) so as to require any Central Excise Officer to make a particular assessment or to dispose of a particular case in a particular manner; or</p> <p>b) so as to interfere with the discretion of the Commissioner of Central Excise (Appeals) in the exercise of his appellate functions.</p>	<p>The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963), may if it considers it necessary or expedient so to do for the purpose of uniformity in the classification of excisable goods or with respect to levy of duties of excise on such goods OR for the implementation of any other provisions of this Act, issue such orders, instructions and directions to the Central Excise Officers as it may deem fit, and such officers and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the said Board :</p> <p>Provided that no such orders, instructions or directions shall be issued-</p> <p>a) so as to require any Central Excise Officer to make a particular assessment or to dispose of a particular case in a particular manner; or</p> <p>b) so as to interfere with the discretion of the Commissioner of Central Excise (Appeals) in the exercise of his appellate functions.</p>	<p>Section 37B is being amended so as to empower the Board for implementation of any other provision of the said Act in addition to the power to issue orders, instructions and directions</p> <p>Earlier clarifications issued u/s 37B was only applicable for goods and those are binding on Assessee as well as Department. Now, powers has been given to the Central Excise Department even to issue the clarifications u/s 37B for any provisions under the Act.</p> <p>It means Department may issue the circulars u/s 37B for each provision under this Act and that will be binding on Department as well as Assessee.</p> <p>This is absolutely wrong provision and needs to be represented by Trade &amp; Industries.</p>

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Sec. No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing/ New Provision	Analysis
Third Schedule	1st March 2016	Deemed Manufacturing	<p>Schedule provides the process which is deemed to be manufactured in accordance with Sec 2 (f) (iii).</p> <p>Tariff No. 3401 : Soaps in any form other than the following (i) soap, other than for toilet use, whether or not containing medicament or disinfectant; (ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and (iii) laundry soaps produced by a factory owned by the Khadi and Village Industries Commission or any organisation approved by the said Commission for the purpose of manufacture of such soaps</p> <p>Tariff No. 3402 : All goods other than sulphonated castor oil, fish oil or sperm oil</p>	<p>All Goods</p> <p>All Goods</p>	<p>It means, packing repacking labeling relabeling etc for the purpose of retail sale of the following products also will amounts to manufacture:</p> <p>(i) soap, other than for toilet use, whether or not containing medicament or disinfectant; (ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and (iii) laundry soaps produced by a factory owned by the Khadi and Village Industries Commission or any organisation approved by the said Commission for the purpose of manufacture of such soaps</p> <p>sulphonated castor oil, fish oil or sperm oil (Tariff No. 3402) All Goods falling under Chapter Heading 7607 related to Aluminum Foil Wrist wearable devices commonly known as Smart Watches falling under Chapter Heading 8517 62 Parts, Components and Accessories and Assemblies falling under Chapter Heading 87 excluding vehicle falling under 8712, 8713, 8715, 8716 Parts, Components and Accessories and Assemblies falling under Chapter Heading 84 excluding vehicle falling under 8426 4100, 8427, 8429, 8430 10</p>

**CENTRAL EXCISE RULES 2002**

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing/ New Provision	Analysis
Rule 9 of Central Excise Rules, 2002	1st Mar 2016	05/2016-CE(NT) dated 1st Mar 2016	–	Exempts from the separate registration to every manufacturing factory or premises engaged in the manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 (herein after referred to as the specified goods), where the manufacturer of such goods has a centralized billing or accounting system in respect of such specified goods manufactured or produced by different factories or premises and opts for registering only the factory or premises or office, from where such centralized billing or accounting is done and where the accounts/records showing receipts of raw materials and finished excisable goods manufactured or received back from job workers are kept.	Centralized registration system is provided to Manufacturer of articles of jewellery (including articles of studded jewellery tariff heading 7113) subject to centralized billing or accounting is done and where the accounts/ records are kept. Provided said manufacturer shall give details of all premises. However this at the option at the manufacturer

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Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 9 of Central Excise Rules, 2002	1st Mar 2016	06/2016-CE(NT) dated 1st Mar 2016	35/2001 CE(NT) dated 26th June 2001 as amended by 7/2015 CE (NT) dated 1st Mar 15	Insertion of sub-clause (iii) to Clause 8 of Notification 3/2001 CE (NT) dated 1st June 2001 as under: " (iii) Every manufacturing factory or premises engaged in the manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), shall be exempted from sub-clauses (i) and (ii) above."	Physical verification of the premises is not required for manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113.
	1st Mar 2016	07/2016 CE(NT) dated 1st March 2016	9/2012 CE(NT) dated 17th Mar 2012	Existing Notification No. 9/2012 CE (NT) dated 17th Mar 2012 rescinded.	Now articles of jewellery falling under chapter heading 7113 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) will be valued at 'Transaction Value' instead of fixed tariff value.
Rule 7 (4) of Central Excise Rules, 2002	1st Mar 2016	08/2016 CE (NT) dated 1st March 2016	The assessee shall be liable to pay interest on any amount payable to Central Government, consequent to order for final assessment under sub-rule (3), at the rate specified by the Central Government by notification issued under section 11AA of the Act from the first day of the month succeeding the month for which such amount is determined, till the date of payment thereof.	Rule 7 sub-rule (4) substituted as under: " (4) The assessee shall be liable to pay interest on any amount paid or payable on the goods under provisional assessment, but not paid on the due date specified under sub-rule (1) of rule 8 and the first proviso thereto, as the case maybe, at the rate specified by the Central Government, vide, notification under section 11AA of the Act, for the period starting with the first day after the due date till the date of actual payment, whether such amount is paid before or after the issue of order for final assessment.	In case of provisional assessment interest will be payable from the due date till date of actual payment instead of first day of succeeding month.  e.g. 1. Date of payment of goods under provisional assessment on 29th Feb 16 & date of payment of duty is 6th March 2016, date of receipt of order is 1st June 16 and differential liability is Rs. 5,000/-  Interest will be applicable from 7th Mar 16 to actual date of payment.
Rule 8 of Central Excise Rules, 2002	1st April 2016	08/2016 CE (NT) dated 1st March 2016	Explanation.1. - For the purposes of this proviso, it is hereby clarified that an assessee shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.	Amendment in Explanation 1 of 2nd proviso to Rule 8 as under: Explanation 1: (a) an assessee, engaged in the manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Tariff Act shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees twelve crore; (b) an assessee, other than (a) above, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs. "	Manufacturers engaged in the manufacture or production of articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Tariff Act, having aggregate value of clearances below 12 crores in preceding FY may discharge their liability on quarterly basis.
Rule 11 sub-rule (8)	1st April 2016	08/2016 CE (NT) dated 1st March 2016	Provided that where the duplicate copy of the invoice meant for transporter is digitally signed, a hard copy of the duplicate copy of the invoice meant for transporter and self-attested by the manufacturer shall be used for transport of goods.	Provided that where the duplicate copy of the invoice meant for transporter is digitally signed, a hard copy of the duplicate copy of the invoice meant for transporter shall be used for transport of goods.	Now no need to self-attest by manufacturer the duplicate copy of digitally signed invoice for transporter.
Rule 12 sub-rule (2) (a) & (b)	1st April 2016	08/2016 CE (NT) dated 1st March 2016	(2) (a) Notwithstanding anything containing in sub-rule (1), every assessee shall submit to the Superintendent of Central Excise, an Annual Financial Information Statement for the preceding financial year to which the statement relates in the form specified by notification by the Board by 30th day of November of the succeeding year.	Substitution of the word 'Annual Financial Information Statement' by the word 'Annual Return'	The word 'Annual Financial Information Statement' (i.e. for ER-4 Return) substituted by the word 'Annual Return'

## CENTRAL EXCISE RULES 2002

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
			(b) The Central Government may, by notification, and subject to such conditions or limitations as may be specified in such notification, specify assessee or class of assessee who may not require to submit such an Annual Financial Information Statement.		
Rule 12 sub-rule 2 (c)	1st April 2016	08/2016 CE (NT) dated 1st March 2016	–	Newly inserted (c) provisions of this sub-rule and clause (b) of sub-rule (8) shall mutatis mutandis apply to a hundred per cent. Export-Oriented.	This provision is also applicable to EOU including that of revised return as specified under sub-rule 8.
Rule 12 sub-rule 2A	1st April 2016	08/2016 CE (NT) dated 1st March 2016	(2A) (a) Every assessee shall submit to the Superintendent of Central Excise, an Annual Installed Capacity Statement declaring the annual production capacity of the factory for the financial year to which the statement relates in the form specified by notification by the Board by 30th day of April of the succeeding financial year :  Provided that for the year 2007-08, the said statement shall be furnished by 31st day of October, 2008.	(iii) sub-rule (2A) shall be omitted;	Henceforth ER-7 Return i.e. for filing of 'Annual Installed Capacity Statement' is not required to file from FY 2016-17.  Any way no one was serious on filing & checking the same.
Rule 12 sub-rule 6	1st April 2016	08/2016 CE (NT) dated 1st March 2016	(6) Where any return or Annual Financial Information Statement or Annual Installed Capacity Statement referred to in this rule is submitted by the assessee after due date as specified for every return or statements, the assessee shall pay to the credit of the Central Government, an amount calculated at the rate of one hundred rupees per day subject to a maximum of twenty thousand rupees for the period of delay in submission of each such return or statement.	In sub-rule 6 the words Annual Financial Information Statement or Annual Installed Capacity Statement shall be omitted.	
Rule 12	1st April 2016	08/2016 CE (NT) dated 1st March 2016	–	after sub-rule (7), the following sub-rule shall be inserted, namely:- " (8) (a) An assessee, who has filed a return in the form referred to in sub-rule (1) within the date specified under that sub-rule or the second proviso thereto, may submit a revised return by the end of the calendar month in which the original return is filed. Explanation.- Where an assessee submits a revised return under clause (a), the "relevant date" for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return. (b) An assessee who has filed Annual Return referred to in clause (a) of sub-rule (2) by the due date mentioned in clause (a) of that sub-rule, may submit a revised return within a period of one month from the date of submission of the said Annual Return.	Welcome move allowing filing of revised return by the end of the calendar month in which the original return is filed.  Relevant date for the purpose of recovery of CE duty under Section 11A shall be the date of submission of said revised return.  However in case of revised 'Annual Return' (ER-4) it may be submitted in month from the date of filing of original return.
Rule 17	1st April 2016	08/2016 CE (NT) dated 1st March 2016	–	"(7) An assessee, who has filed a return in the form referred to in sub-rule (3) within the date specified under that sub-rule, may submit a revised return by the end of the calendar month in which the original return is filed.  Explanation.- Where an assessee submits a revised return under this sub-rule, the "relevant date" for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return";	Above mentioned provisions w.r.t Revised Return, Relevant date and monthly return in case of EOU will be same.

## CENTRAL EXCISE RULES 2002

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 26 sub-rule (1)	1st April 2016	08/2016 CE (NT) dated 1st March 2016	–	"Provided that where any proceeding for the person liable to pay duty have been concluded under clause (a) or clause (d) of sub-section (1) of section 11AC of the Act in respect of duty, interest and penalty, all proceedings in respect of penalty against other persons, if any, in the said proceedings shall also be deemed to be concluded.	This is welcome provision, no personal penalty on any other person can be imposed if assessee pays the duty with interest and penalty under section 11AC is paid then

## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 2 (a)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	–	Definition of Capital Goods added wagons of sub-heading 860692	Cenvat Credit of wagons brought by service providers will be available.
Rule 2 (a)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	Capital goods ... (1) in the factory of the manufacturer of the final products, but does not include any equipment or appliance used in an office; or	Definition of Capital Goods: (1) in the factory of the manufacturer of the final products	The wording equipments or appliances used in an office have been removed. Hence forwards, Cenvat credit will be allowed on the goods / equipment which are used in the office within the factory No of litigations will be reduced.
Rule 2 (a)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	Capital goods ... Used (1A) outside the factory of the manufacturer of the final products for generation of electricity for captive use within the factory; or;	Definition of Capital Goods: (1A) outside the factory of the manufacturer of the final products for generation of electricity or for pumping of water for captive use within the factory; or;	Goods used for pumping of water for captive use will be entitled for Cenvat credit as Capital Goods.
Rule 2 (e)	1st March 2016	13/2016- CE (NT) dated 1st Mar 2016	Exempted Service ... (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	Exempted Service (3) ... – but shall not include a service – (a) which is exported in terms of rule 6A of the Service Tax Rules, 1994; or (b) by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India;	Transportation of goods by a vessel from customs station of clearance in India to a place outside India is also excluded from Definition of Exempted services.
Rule 2 (k)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	(k) "input" means---- (iii) all goods used for generation of electricity or steam for captive use; or	(iii) all goods used for generation of electricity or steam or pumping of water for captive use; or	Goods (other than capital goods) used for pumping of water for captive use will be entitled for Cenvat Credit as Inputs.
Rule 2 (k)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	NA	(v) all capital goods which have a value upto ten thousand rupees per piece	Capital Goods having value Rs 10,000 or less will be treated as Inputs Goods. In other words, full cenvat credit will be allowed on those goods.
Rule 2 (m)	1st April 2016	13/2016- CE (NT) dated 1st Mar 2016	(m) "input service distributor" means an office of the manufacturer or producer of final products or provider of output service, which receives invoices issued under rule 4A of the Service Tax Rules, 1994 towards purchases of input services and issues invoice, bill or, as the case may be, challan for the purposes of distributing the credit of service tax paid on the said services to such manufacturer or producer or provider, as the case may be;	(m) "input service distributor" means an office of the manufacturer or producer of final products or provider of output service or an outsourced manufacturing unit, which receives invoices issued under rule 4A of the Service Tax Rules, 1994 towards purchases of input services and issues invoice, bill or, as the case may be, challan for the purposes of distributing the credit of service tax paid on the said services to such manufacturer or producer or provider, as the case may be;	The definition of ISD has been amended to include the "outsourced manufacturing unit" (i.e. Job Worker). The subsequent provisions are made w.r.t distribution of credit to the outsourced manufacturing unit who is discharging the duty under Rule 10 of Valuation Rules
Rule 3 Sub rule (4)	1st March 2016	13/2016- CE (NT) dated 1st Mar 2016	Provided also that the CENVAT credit of any duty specified in sub-rule (1), except the National Calamity Contingent duty in item (v) thereof, shall not be utilized for payment of the said National Calamity Contingent duty on goods falling under tariff items 85171210 and 85171290 respectively of the First Schedule of the Central Excise Tariff.	Provided also that the CENVAT credit of any duty specified in sub-rule (1), except the National Calamity Contingent duty in item (v) thereof, shall not be utilized for payment of the National Calamity Contingent duty leviable under section 136 of the Finance Act, 2001 (14 of 2001)	Utilization of other duties (other than NCCD) in cenvat credit was restricted only for payment of NCCD on Push button style Telephone Sets and Wireless Cellphone (8517 12 10) and other Telephone Sets and Wireless Cellphone (8517 12 90). For NCCD on other goods, the basic Cenvat duties were allowed to be utilized. With this amendment basic duties cannot be utilized for payment of NCCD on any goods.



## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 3 Sub rule (4)	1st March 2016	13/2016-CE (NT) dated 1st Mar 2016	NA	Provided also that CENVAT credit shall not be utilised for payment of Infrastructure Cess leviable under sub-clause (1) of clause 159 of the Finance Bill, 2016	The Cenvat credit cannot be utilized for Infrastructure Cess levied on the specified automobiles under chapter 87
Rule 4 - Sub-rule 2 (Clause a)	1st March 2016	13/2016-CE (NT) dated 1st Mar 2016	– Explanation. - For the removal of doubts, it is hereby clarified that an assessee, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.	– Explanation. - For the removal of doubts, it is hereby clarified that- (i) an assessee engaged in the manufacture of articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Excise Tariff Act, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees twelve crore; (ii) an assessee, other than (a) above, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs	The articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 having turnover below 12 cr will be entitled for full credit of capital goods in the same year in which it has received.
Rule 4 sub-rule 5 clause (b)	1st April 2016	13/2016-CE (NT) dated 1st Mar 2016	– (b) The CENVAT credit shall also be allowed to a manufacturer of final products in respect of jigs, fixtures, moulds and dies or tools sent by such manufacturer to, - (i) another manufacturer for the production of goods; or (ii) a job worker for the production of goods on his behalf, according to his specifications:	– (b) The CENVAT credit shall also be allowed to a manufacturer of final products in respect of jigs, fixtures, moulds and dies or tools falling under Chapter 82 of the First Schedule to the Excise Tariff Act, sent by such manufacturer to, (i) another manufacturer for the production of goods; or (ii) a job worker for the production of goods on his behalf, according to his specifications: Provided that such credit shall also be allowed where jigs, fixtures, moulds and dies or tools falling under Chapter 82 of the First Schedule to the Excise Tariff Act, are sent by the manufacturer of final products to the premises of another manufacturer or job worker without bringing these to his own premises	The jigs, fixtures falling under ITCHS 82 now can be sent directly to the job workers without bringing the same in the factory of the manufacturer. In other words, the manufacturer will be entitled for cenvat credit on the jigs which are sent directly to job worker.
Rule 4 sub-rule 6	1st April 2016	13/2016-CE (NT) dated 1st Mar 2016	(6) The Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction over the factory of the manufacturer of the final products who has sent the input or partially processed inputs outside his factory to a job-worker may, by an order, which shall be valid for a financial year, in respect of removal of such input or partially processed input, and subject to such conditions as he may impose in the interest of revenue including the manner in which duty, if leviable, is to be paid, allow final products to be cleared from the premises of the job-worker.	(6) The Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction over the factory of the manufacturer of the final products who has sent the input or partially processed inputs outside his factory to a job-worker may, by an order, which shall be valid for three financial year, in respect of removal of such input or partially processed input, and subject to such conditions as he may impose in the interest of revenue including the manner in which duty, if leviable, is to be paid, allow final products to be cleared from the premises of the job-worker.	The permission can be given by the Deputy Commissioner / Assistant Commissioner upto period 3 years for clearance of final products from the job worker premises.
Rule 4 sub-rule 6	1st April 2016	13/2016-CE (NT) dated 1st Mar 2016	NA	Provided also that CENVAT Credit of Service Tax paid on the charges paid or payable for the service provided by way of assignment, by the Government or any other person, of the right to use any natural resource, shall be spread over such period of time as the period for which the right to use has been assigned. CENVAT Credit in the financial year in which	The cenvat credit on the service tax paid on payment on right of natural resources will be available as Cenvat Credit proportionately over the period of assignment of such right.

## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
				<p>the right to use is acquired and in the subsequent years during which such right is retained by the manufacturer of goods or provider of output service as the case may be, shall be taken of an amount determined as per the following formula:</p> <p>Amount of CENVAT Credit that shall be taken in a financial year = Service Tax paid on the charges payable for the assignment of the right to use / No. of Years for which the rights have been assigned</p> <p>Provided also that where the manufacturer of goods or provider of output service, as the case may be, further assigns such right to use assigned to him by the Government or any other person, in any financial year, to another person against a consideration, such amount of balance CENVAT credit as does not exceed the service tax payable on the consideration charged by him for such further assignment, shall be allowed in the same financial year</p> <p>Provided also that CENVAT credit of annual or monthly user charges payable in respect of any service by way of assignment of right to use natural resources shall be allowed in the same financial year in which they are paid.</p>	
Rule 6 Sub-rule (1)	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	<p>6. Obligation of a manufacturer or producer of final products and a provider of output service</p> <p>(1) The CENVAT credit shall not be allowed on such quantity of input used in or in relation to the manufacture of exempted goods or for provision of exempted services, or input service used in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services, except in the circumstances mentioned in sub-rule (2).</p> <p>Provided that the CENVAT credit on inputs shall not be denied to job worker referred to in rule 12AA of the Central Excise Rules, 2002, on the ground that the said inputs are used in the manufacture of goods cleared without payment of duty under the provisions of that rule.</p> <p>Explanation 1. - For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory.</p> <p>Explanation 2. - Value of non-excisable goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made thereunder.</p>	<p>The CENVAT credit shall not be allowed on such quantity of input as is used in or in relation to the manufacture of exempted goods or for provision of exempted services or input service as is used in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services and the credit not allowed shall be calculated and paid by the manufacturer or the provider of output service, in terms of the provisions of sub-rule (2) or sub-rule (3), as the case may be :</p> <p>Provided that the CENVAT credit on inputs shall not be denied to job worker referred to in rule 12AA of the Central Excise Rules, 2002, on the ground that the said inputs are used in the manufacture of goods cleared without payment of duty under the provisions of that rule.</p> <p>Explanation 1. - For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory.</p> <p>Explanation 2.- Value of non-excisable goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made there under.</p> <p>Explanation 3. - For the purposes of this rule, exempted services as defined in clause (e) of rule 2 shall include an activity, which is not a 'service' as defined in section 65B(44) of the Finance Act, 1994.</p> <p>Explanation 4. - Value of such an activity as specified above in Explanation 3, shall be the invoice/agreement/contract value and where such value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Finance Act, 1994 and the rules made thereunder.?: (b) for s</p>	<p>Exempted service for this Rule has been defined as an activity, which is not a 'service' as defined in section 65B(44) of the Finance Act, 1994 and value for the same shall be the invoice/agreement/contract value and where such value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Finance Act, 1994.</p> <p>For example if exports of services are made but realization is not in FC or remittance has not been received than such services will also be considered as exempted services.</p> <p>Similarly value of exempted goods will also include goods which are not excisable or covered under state excise and valuation of the same will be in accordance with valuation Rules.</p>

## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 6 Sub-rule (2)	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	<p>(2) Where a manufacturer or provider of output service avails of CENVAT credit in respect of any inputs or input services and manufactures such final products or provides such output service which are chargeable to duty or tax as well as exempted goods or services, then, the manufacturer or provider of output service shall maintain separate accounts for-</p> <p>(a) the receipt, consumption and inventory of inputs used-</p> <p>(i) in or in relation to the manufacture of exempted goods;</p> <p>(ii) in or in relation to the manufacture of dutiable final products excluding exempted goods;</p> <p>(iii) for the provision of exempted services;</p> <p>(iv) for the provision of output services excluding exempted services; and</p> <p>(b) the receipt and use of input services-</p> <p>(i) in or in relation to the manufacture of exempted goods and their clearance upto the place of removal;</p> <p>(ii) in or in relation to the manufacture of dutiable final products, excluding exempted goods, and their clearance upto the place of removal;</p> <p>(iii) for the provision of exempted services; and</p> <p>(iv) for the provision of output services excluding exempted services,</p> <p>and shall take CENVAT credit only on inputs under sub-clauses (ii) and (iv) of clause (a) and input services under sub-clauses (ii) and (iv) of clause (b).;9ii</p>	<p>– (2) A manufacturer who exclusively manufactures exempted goods for their clearance upto the place of removal or a service provider who exclusively provides exempted services shall pay the whole amount of credit of input and input services and shall, in effect, not be eligible for credit of any inputs and input services.–;</p>	<p>Sub-rule 2 of Rule 6 has been substituted and the provision of maintenance of separate records of consumption &amp; inventory of inputs / input services used in or in relation to manufacture of exempted goods &amp; provision of exempted service is omitted.</p>
Rule 6 Sub-rule (3)	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	<p>(3) Notwithstanding anything contained in sub-rules (1) and (2), the manufacturer of goods or the provider of output service, opting not to maintain separate accounts, shall follow any one of the following options, as applicable to him, namely:-</p> <p>(i) pay an amount equal to six per cent. of value of the exempted goods and seven per cent. of value of the exempted services; or</p> <p>(ii) pay an amount as determined under sub-rule (3A); or</p> <p>(iii) maintain separate accounts for the receipt, consumption and inventory of inputs as provided for in clause (a) of sub-rule (2), take CENVAT credit only on inputs under subclauses</p> <p>(ii) and (iv) of said clause (a) and pay an amount as determined under sub-rule (3A) in respect of input services. The provisions of sub-clauses (i) and (ii) of clause (b) and subclauses (i) and (ii) of clause (c) of sub-rule (3A) shall not apply for such payment. Provided that if any duty of excise is paid on the exempted goods, the same shall be reduced from the amount payable under clause (i):</p> <p>Provided further that if any part of the value of a taxable service has been exempted on the condition that no CENVAT credit of inputs and input services, used for providing such</p>	<p>(3) (a) A manufacturer who manufactures two classes of goods, namely:-</p> <p>(i) non-exempted goods removed;</p> <p>(ii) exempted goods removed;</p> <p>or</p> <p>(b) a provider of output service who provides two classes of services, namely:-</p> <p>(i) non-exempted services;</p> <p>(ii) exempted services,</p> <p>shall follow any one of the following options applicable to him, namely:-</p> <p>(i) pay an amount equal to six per cent. of value of the exempted goods and seven per cent. of value of the exempted services subject to a maximum of the total credit available in the account of the assessee at the end of the period to which the payment relates; or</p> <p>(ii) pay an amount as determined under sub-rule (3A):</p> <p>Provided that if any duty of excise is paid on the exempted goods, the same shall be reduced from the amount payable under clause (i) :</p> <p>Provided further that if any part of the value of a taxable service has been exempted on the condition that no CENVAT credit of inputs and input services, used for providing such taxable service, shall be taken then the amount specified in clause (i) shall be seven per cent. of the value so exempted :</p>	<p>Clause (iii) of sub-rule 3 of Rule 6 is omitted only 2 options for reversal of cenvat credit are specified.</p> <p>1. Reversal cenvat credit of 6% value of exempted goods &amp; reversal of cenvat credit of 7% of value of exempted services.</p> <p>2. Reverse cenvat credit as per sub-Rule 3A. Non-exempted goods , exempted goods and exempted services are defined separately</p>

## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
			<p>taxable service, shall be taken then the amount specified in clause (i) shall be seven per cent. of the value so exempted.</p> <p>Provided that in case of transportation of goods or passengers by rail the amount required to be paid under clause (i) shall be an amount equal to 2 per cent. of value of the exempted services.</p> <p>(ii) the manufacturer of goods or the provider of output service shall pay an amount equivalent to the CENVAT credit attributable to inputs and input services used in, or in relation to, the manufacture of exempted goods or for provision of exempted services subject to the conditions and procedure specified in sub-rule (3A).</p> <p>Explanation I.- If the manufacturer of goods or the provider of output service, avails any of the option under this sub-rule, he shall exercise such option for all exempted goods manufactured by him or, as the case may be, all exempted services provided by him, and such option shall not be withdrawn during the remaining part of the financial year.</p> <p>Explanation II.- For removal of doubt, it is hereby clarified that the credit shall not be allowed on inputs used exclusively in or in relation to the manufacture of exempted goods or for provision of exempted services and on input services used exclusively in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services.</p> <p>Explanation III. - No CENVAT credit shall be taken on the duty or tax paid on any goods and services that are not inputs or input services.</p>	<p>Provided also that in case of transportation of goods or passengers by rail, the amount required to be paid under clause (i) shall be an amount equal to two per cent. of value of the exempted services.</p> <p>Explanation 1.- If the manufacturer of goods or the provider of output service, avails any of the option under this sub-rule, he shall exercise such option for all exempted goods manufactured by him or, as the case may be, all exempted services provided by him, and such option shall not be withdrawn during the remaining part of the financial year.</p> <p>Explanation 2.- No CENVAT credit shall be taken on the duty or tax paid on any goods and services that are not inputs or input services.</p> <p>Explanation 3.- For the purposes of this sub-rule and sub-rule (3A), -</p> <p>(a) ?non-exempted goods removed? means the final products excluding exempted goods manufactured and cleared upto the place of removal;</p> <p>(b) ?exempted goods removed? means the exempted goods manufactured and cleared upto the place of removal;</p> <p>(c) ?non-exempted services? means the output services excluding exempted services.-;</p>	
Rule 6 sub-rule 3A	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	-	-	<p>Formula for calculation of proportionate reversal of cenvat credit as per sub-rule 3A has been revised as follows</p> <p>T= Total Cenvat credit of input and input services available.</p> <p>A= Cenvat credit pertains to input and input services exclusively attributable to exempted goods / exempted services.</p> <p>B= Cenvat credit pertains to input and input services exclusively attributable to non-exempted goods / non-exempted services.</p> <p>C=Common credit</p> <p><math>C = T - (A+B)</math></p> <p><math>D = (E/F) * C</math></p> <p>E=Value of exempted services+ value of exempted goods during the preceding financial year.</p> <p>F=sum of value of exempted services &amp; goods and value of non-exempted services &amp; goods</p> <p>G= common eligible credit</p> <p><math>G = C - D.</math></p> <p>Total credit to be retained = B+G</p> <p>The above calculation to be done monthly on provisional based on turnover of previous year and subsequently to be finalized on or before 30th June of subsequent year and pay differential amount along with interest</p>

## CENVAT CREDIT RULES 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 6 sub-rule 3AA	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	–	Where a manufacturer or a provider of output service has failed to exercise the option under sub-rule (3) and follow the procedure provided under sub-rule (3A), the Central Excise Officer competent to adjudicate a case based on amount of CENVAT credit involved, may allow such manufacturer or provider of output service to follow the procedure and pay the amount referred to in clause (ii) of sub-rule (3), calculated for each of the months, mutatis-mutandis in terms of clause (c) of sub-rule (3A), with interest calculated at the rate of fifteen per cent. per annum from the due date for payment of amount for each of the month, till the date of payment thereof.	Central Excise Officer competent to adjudicate may allow manufacturer or service provider to follow the procedure and pay the amount along with interest @ 15% till the date of payment.  If option has not been chosen, then CE officer will adjudicate in accordance with sub-Rule 3A
Rule 6 sub-rule 3AB	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	–	Assessee who has opted to pay an amount under clause (ii) or clause (iii) of sub-rule (3) in the financial year 2015-16, shall pay the amount along with interest or take credit for the said financial year in terms of clauses (c), (d), (e), (f), (g), (h) or (i) of sub-rule (3A), as they prevail on the day of publication of this notification and for this purpose these provisions shall be deemed to be in existence till the 30th June, 2016.?	The person who has opted to pay amount under sub-rule (3) in the financial year 2015-16, shall pay duty along with interest or avail credit till 30th June 2016 in terms of clauses (c), (d), (e), (f), (g), (h) or (i) of sub-rule (3A).
Rule 6 sub-rule 3B	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	(3B) Notwithstanding anything contained in sub-rules (1), (2) and (3), a banking company and a financial institution including a non-banking financial company, shall pay for every month an amount equal to fifty per cent. of the CENVAT credit availed on inputs and input services in that month.	A banking company and a financial institution including a non-banking financial company, engaged in providing services by way of extending deposits, loans or advances, in addition to options given in sub-rules (1), (2) and (3), shall have the option to pay for every month an amount equal to fifty per cent. of the CENVAT credit availed on inputs and input services in that month.;	A banking company and a financial institution including a non-banking financial company shall pay 50% of cenvat credit availed on inputs on input services in the month.
Rule 6 sub-rule 4	1st April 2016	13/2016 CE (NT) dated 1st Mar 2016	(4) No CENVAT credit shall be allowed on capital goods which are used exclusively in the manufacture of exempted goods or in providing exempted services, other than the final products which are exempt from the whole of the duty of excise leviable thereon under any notification where exemption is granted based upon the value or quantity of clearances made in a financial year.	No CENVAT credit shall be allowed on capital goods used exclusively in the manufacture of exempted goods or in providing exempted services for a period of two years from the date of commencement of the commercial production or provision of services, as the case may be, other than the final products or output services which are exempt from the whole of the duty of excise leviable thereon under any notification where exemption is granted based upon the value or quantity of clearances made or services provided in a financial year.  Provided that where capital goods are received after the date of commencement of commercial production or provision of services, as the case may be, the period of two years shall be computed from the date of installation of such capital goods.	The said provision has been inserted mainly for goods exempted on quantity and value of clearances and cenvat credit availed after 2 years from date installation or when exemption w.r.t. quantity and value is exhausted

## Pan Masala Packing Machines (Capacity Determination And Collection of Duty) Rules, 2008

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Form 2	1st Mar 2016	9/2016 CE (NT) dated 1st Mar 2016	Table contents at Serial No. 4 Item (iv)	Table contents at Serial No. 4 Item (iv)	Changes in duty ratio Pan Masala and Pan Masala containing Tobacco.

## Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing/ New Provision	Analysis
Rule 5	1st Mar 2016	10/2016 CE (NT) dated 1st Mar 2016	Table 1 & 2 of Rule 5	Amendment in Table 1 & 2 of Rule 5	Formula has been changed for fixation of capacity under section 3A Changes in Categories specified for speed for Capacity of production per packing machine per month for Chewing tobacco including Filter Khaini (number of pouches) as well as for Jarda Scented Tobacco and Unmanufactured Tobacco and unmanufactured tobacco. Explanation added: for multiple tracks or multiple line packing machines for the purpose of calculation of number of pouches per machine per month, one track or line shall be deemed to be one individual packing machine.
Rule 6	1st Mar 2016	10/2016 CE (NT) dated 1st Mar 2016	–	Provided also that the Capacity of production for the period from 1st day of March, 2016 shall be re-determined by the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, within three working days of the coming into force of the Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Amendment Rules, 2016	DC / AC of Central excise as the case may be shall within 3 working days of issuance of this notification shall redefine annual capacity of production for the period from 1st Mar 2016.
Rule 9	1st Mar 2016	10/2016 CE (NT) dated 1st Mar 2016	–	Provided also that monthly duty payable for the month of March, 2016 shall be paid on or before the 15th day of March, 2016	Duty payable for the month of Mar 2016 to be paid on or before 15th March 2016.
Form 2	1st Mar 2016	10/2016 CE (NT) dated 1st Mar 2016	Table contents at Serial No. 4 Item (iv)	Substitution of Table contents at Serial No. 4 Item (iv)	Changes in breakup of duty ratio w.r.t. Chewing Tobacco.

### Abatement

Rule No.	Amendment Effective Date	Notification No.	Existing Notification No.	Existing Provision	Amendment in Existing/ New Provision	Analysis
61 & 62	1st Mar 2016	11/2016 (NT) dated 1st Mar 2016	20/2001 CE (NT) dated 30th April 2001	Tariff value for articles of apparel and clothing accessories fixed @ 30% of retail sale price	Amendment in the tariff values of articles of apparel and clothing accessories	Tariff value has been increased from 30% to 60% of retail sale price of articles of apparel and clothing accessories. In other words abatement % has been reduced
3401 & 3402	1st Mar 2016	12/2016 (NT) dated 1st Mar 2016	49/2008 CE (NT) dated 24th Dec 2008	340119 or 34012000 i.e. Soap (other than paper, wadding, felt and non-wovens, impregnated, coated or covered with soap or detergent) 340111, 340119 or 3402: Organic surface active products and preparations for use as soap in the form of bars, cakes, moulding pieces or shapes, other than goods falling under 34029020	All goods covered under Tariff heading 3401 and 3402 are covered for abatement percentage of retail sale price.	30% abatement in retail price will be applicable to Soaps, Organic surface active products and preparations for use as soap, Organic surface active agents, Surface active preparations, washing preparations and cleaning preparations etc. falling under tariff heading 3402 and 3402
64	1st Mar 2016	12/2016 (NT) dated 1st Mar 2016	49/2008 CE (NT) dated 24th Dec 2008	Rate of abatement @ 25% on retail sale price of all Foot wares at Sr. No.56	Rate of abatement @ 30% on retail sale price of all Foot wares at Sr. No. 56	Increase in rate of abatement from 25% to 30% on retail sale price of all Foot wares.
7607	1st Mar 2016	12/2016 (NT) dated 1st Mar 2016	49/2008 CE (NT) dated 24th Dec 2008	–	Abatement @ 25% has been provided on all goods falling under Tariff 7607 i.e. for Aluminium foil of thickness not exceeding 0.2mm	Abatement @ 25% has been provided on all goods falling under Tariff 7607
851762	1st Mar 2016	12/2016 (NT) dated 1st Mar 2016	49/2008 CE (NT) dt. 24th Dec 2008	–	Abatement @ 35% has been provided on smart watches	Abatement @ 35% has been provided on smart watches
Any Chapter	1st Mar 2016	12/2016 (NT) dated 1st Mar 2016	49/2008 CE (NT) dated 24th Dec 08	At Ar. No. 108 & 109 with description 'Parts, components and assemblies'	Accessories have been added in this description.	Accessories of vehicles will also be eligible for abatement @ 30%

## CUSTOMS - NON TARIFF

### NEW NOTIFICATION ISSUED UNDER CUSTOMS

BAGGAGE RULES ( Notification 30/2016-Cus-N.T. dated 29.02.2016 and 31/2016 -Cus N.T. dated 01.03.2016)

- New baggage Rules 2016 replaced old Rules
- Passengers arriving from countries other than Nepal Bhutan or Myanmar will be allowed clearances without payment of duty for used personal effects excluding Jewellery, travel souvenirs other than followings upto Rs.50,000/- per persons and Rs.15,000/- per infants for used personal effects.
  - ☐ Fire arms.
  - ☐ Cartridges of fire arms exceeding 50.
  - ☐ Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125 gms.
  - ☐ Alcoholic liquor or wines in excess of two litres.
  - ☐ Gold or silver in any form other than ornaments.
  - ☐ Flat Panel (Liquid Crystal Display/Light-Emitting Diode/ Plasma) television.
- Passengers arriving from Nepal, Bhutan and Myanmar will be allowed clearances without payment of duty for used personal effects excluding Jewellery, travel souvenirs other than followings upto Rs.15,000/- per persons and used personal effects for infants.
  - ☐ Fire arms.
  - ☐ Cartridges of fire arms exceeding 50.
  - ☐ Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125 gms.
  - ☐ Alcoholic liquor or wines in excess of two litres.
  - ☐ Gold or silver in any form other than ornaments.
  - ☐ Flat Panel (Liquid Crystal Display/Light-Emitting Diode/ Plasma) television.
- Passenger residing abroad more than 1 year will be allowed to duty free clearances upto 20 gm with value cap of Rs. 50,000/- for male passenger and 40gm for with value cap of Rs. 1 lakh for lady passenger.
- Person residing abroad and transferring the residence permanently are allowed to carry articles duty free as allowed in the schedule.
- Declaration is required to be filed by the passenger who come to India and have anything to declare or carrying dutiable or prohibited goods
- Customs duty free allowance is as follows:

Eligible passenger	Origin country	Duty free allowance
Passengers of Indian origin and foreigners residing in India, excluding infants Tourists of foreign origin, excluding infants	Other than Nepal, Bhutan, Myanmar	Rs. 50, 000/- Rs. 15,000/-
Passengers of Indian origin and foreigners residing in India, excluding infants Tourists of foreign origin, excluding infants	Nepal, Bhutan, Myanmar	By air Rs. 15,000/- By land - Nil
Indian passenger who has been residing abroad for over one year	Anywhere	Gold jewellery: Gentleman - 20 gms with a value cap of Rs. 50,000/- Lady - 40 gms with a value cap of Rs. 1,00,000/-
All passengers	Anywhere	Alcohol liquor or wine: 2 litres
All passengers	Anywhere	Cigarettes: 200 numbers or Cigars upto 50 or Tobacco 250 grams
Passenger of 18 years and above	Anywhere	One laptop computer (note book computer)".

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## **Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2016 (IGCRD) Notification No. 32/2016 - Customs (N. T.) dated 1st March, 2016**

- Earlier Rules are totally replaced. New Rules will be effective from 01st April 2016
- This Rule will be applicable when importer being manufacturer intends to avail exemption on goods as notified under section 25(1) of the Customs Act, 1962 for the manufacture of excisable commodity
- Only information is required to be furnished to Deputy Commissioner of central Excise giving details of name and address of the manufacturer, excisable goods which are produced in the factory and having registration under Rule 9 of the Central Excise Rule 2002 with the description and nature of the imported goods to be used in the said manufactured product and port of importation.
- Manufacturer needs to furnish yearly estimated quantity and value of to be imported goods alongwith exemption notification number
- Manufacturer needs to furnish the continuity bond with surety or security with AC/DC of central Excise. Deputy Commissioner of central Excise will forward the copy of information so received to Deputy Commissioner of Customs
- Manufacturer have to file the information on receipt of goods in the factory within two days
- Manufacturer maintain the records w.r.t. quantity and value of goods imported, goods consumed, goods re-exported and stock and produce the same whenever require by AC/DC of central excise and also submits quarterly return on or before 10th day of following quarter
- Re-export or clearance of unutilized or defective goods will be allowed to be re-exported within 3 months from the date of export subject of value should not be lowered than of import. It is required to be cleared for home consumption or violation of the provisions of the Rules, differential duty alongwith interest will be paid.

### **Notification No. 33/2016 - Customs (N. T.) dated 1st March, 2016 (Effective from 01st April 2016)**

- Rate of interest is notified as 15% p.a.

### **INDIRECT TAX DISPUTE RESOLUTION SCHEME, 2016**

- It will be applicable for all the disputes pending before Commissioner (Appeals) as on 01.03.2016 and will be valid upto 31.12.2016.
- Applicable for dispute related to Central Excise, Customs and Service Tax matters.
- Assistant Commissioner / Deputy Commissioner will be designated authority under the scheme as notified.
- Declaration needs to be filed by the declarant (Appellant) opting for such scheme in the prescribed format.
- Declarant (Appellant) will have to discharge duty liability along with interest and 25% penalty within 15 days after declaration is filed and acknowledged.
- Submit the proof of payment within 7 days from the date of payment.
- Designated authority will pass an order of discharging the dues
- Provision of this scheme is not applicable if,
  - (a) the impugned order is in respect of search and seizure proceeding; or
  - (b) prosecution for any offence punishable under the Act has been instituted before the 1st day of June, 2016; or
  - (c) the impugned order is in respect of narcotic drugs or other prohibited goods; or
  - (d) impugned order is in respect of any offence punishable under the Indian Penal Code, the Narcotic Drugs and Psychotropic Substances Act, 1985 or the Prevention of Corruption Act, 1988; or
  - (e) any detention order has been passed under the Conservation of Foreign Exchange and Prevention of Smuggling Act, 1974.
- After getting the discharge order, Appeals before Commissioner (Appeals) will be stand disposed and immunity from other proceedings will be granted.
- No re-opening of discharge order is permitted.
- No refund also will be granted after the payment by the declarant.
- Such declaration & discharge order will not be considered merit and will not have any binding effect.
- Central Govt will make necessary rules in this regard.



## INFRASTRUCTURE CESS (Notification No. 1/2016 dated 01.03.2016)

Clause 159 of the Finance Bill 2016 introduces Infrastructure Cess and made effective from 01.03.2016 under provisional collection of taxes Act, 1961.

Sl. No.	Heading	Description of excisable goods	Rate Duty of Excise as infrastructure Cess	Condition No.
1	8703	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil	–
2	8703	Motor vehicles (other than three wheeled motor vehicles for transport of upto seven persons), which after clearance has been registered for use solely as ambulance	Nil	1
3	8703	Motor vehicles (other than three wheeled motor vehicles), which after clearance has been registered for use solely as taxi	Nil	1
4	8703	Electrically operated vehicles, including three wheeled electric motor vehicles <b>Explanation</b> - For the purpose of this entry, "electrically operated vehicles" mean vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include electric motor-assisted cycle rickshaws driven by rechargeable solar batteries, also known as "soleckshaw"	Nil	–
5	8703	Hybrid motor vehicles <b>Explanation.</b> - For the purpose of this entry, "hybrid motor vehicle" means a motor vehicle, which uses a combination of battery powered electric motor and an internal combustion engine to power the vehicle to drive trains, but does not include such micro-hybrid motor vehicle with start and stop technology, using battery powered electric motor only while in static condition	Nil	–
6	8703	Three wheeled vehicles	Nil	–
7	8703	Cars for physically handicapped persons	Nil	2
8	8703	Hydrogen vehicles based on fuel cell technology <b>Explanation.</b> - For the purpose of this entry, "Hydrogen vehicle" means a motor vehicle that converts the chemical energy of hydrogen to mechanical energy by reacting hydrogen with oxygen in a fuel cell to run electric motor to power the vehicle drive trains	Nil	–
9	8703	Motor vehicles of length not exceeding 4000 mm, namely petrol, liquefied petroleum gases (LPG) or compressed (CNG) driven vehicles of engine capacity not exceeding 1200 cc <b>Explanation.</b> - For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under	1% natural gas	–
10	8703	Motor vehicles of length not exceeding 4000 mm, namely diesel driven vehicles of engine capacity not exceeding 1500 cc <b>Explanation.</b> - For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under	2.5%	–
11	8703	Other than above	4%	–

### Clean Energy Cess

Notification No.1/2016 and 2/2016 dated 01.03.2016 (Effective from 01st March 2016)

- Notification No.1/2015 dt. 01st March 2015 rescinded which was exempting the cess as is in excess of the amount calculated at the rate of Rs. 200 per tonne
- Clean energy cess is exempted for the goods produced or extracted as per traditional and customary rights enjoyed by local Tribals in the State of Meghalaya and State of Nagaland

## CENTRAL EXCISE NT 2016-17 – OTHERS

Existing Notification	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
27/2012 - C.E. (N.T.) dated 18th June, 2012	1st March 2016	14/2016 - CE (N.T.) dated 1st Mar 2016	No. 27/2012 - C.E. (N.T.) dated 18th June, 2012 para 3 (b):  (b) The application in the Form A along with the documents specified therein and enclosures relating to the quarter for which refund is being claimed shall be filed by the claimant, before the expiry of the period specified in section 11B of the Central Excise Act, 1944 (1 of 1944).	No. 27/2012 - C.E. (N.T.) dated 18th June, 2012 para 3 (b) substituted as under: " (b) The application in the Form A along with the documents specified therein and enclosures relating to the quarter for which refund is being claimed shall be filed as under: (i) in case of manufacturer, before the expiry of the period specified in section 11B of the Central Excise Act, 1944 (1 of 1944); (ii) in case of service provider, before the expiry of one year from the date of- (a) receipt of payment in convertible foreign exchange, where provision of service had been completed prior to receipt of such payment; or (b) issue of invoice, where payment for the service had been received in advance prior to the date of issue of the invoice. "	Welcome provision for clarifying relevant date  Relevant date for filing of Refund claim w.r.t. Services has been prescribed as  1. When service is completed: date of receipt of payment in convertible foreign exchange, 2. When Advance is received: date of issue of invoice.
5 / 2 0 1 1 - CE (NT) dated 1st Mar 2011	1st April 2016	15/2016 - CE (N.T.) dated 1st Mar 2016	Rate of interest on delayed payment / short payment of Central Excise duty was 18% p.a.	Rate of interest on delayed payment/ short payment of Central Excise duty is fixed @ 15% p.a.	Rate of interest on delayed payment/short payment of Excise Duty is reduced from 18% to 15% p. a.
42/2001 - CE (NT) dated 26 <sup>th</sup> June 2001	1st Mar 2016	16/2016 - CE (N.T.) dated 1st Mar 2016	Reference of Section 11AB for levy of interest is stated in Notification No.42/2001	Correct reference of Interest Section 11AA has been done.	Correction of relevant section of interest.
3 1 / 2 0 0 7 - CE (NT) dated 2nd Aug 2007	1st Mar 2016	17/2016 - CE (N.T.) dated 1st Mar 2016	Reference of Section 11AB for levy of interest is stated in Notification No.37/2007 in Para 6 clause (ii)	Correct reference of Interest Section 11AA has been done.	Correction of relevant section of interest.
1 9 / 2 0 0 4 - CE (NT) dated 6th Sept 2004	1st Mar 2016	18/2016 - CE (N.T.) dated 1st Mar 2016	Conditions and Limitations:  (e) that the market price of the excisable goods at the time of exportation is not less than the amount of rebate of duty claimed;	(1) under heading " (2) Conditions and limitations", in paragraph (e), for the words "the market price", the words "the Indian market price" shall be substituted;  (2) under heading " (3) Procedures", in paragraph (b), in sub-paragraph (i), after the words "shall be lodged", the words, figures, letter and brackets "before the expiry of the period specified in section 11B of Central Excise Act, 1944 (1 of 1944)" shall be inserted	Indian market price of the excisable goods at the time of exportation should not be less than the amount of rebate of duty claimed. i. e. in case of FOC exports rebate is not eligible.  Limitation period for filing of Rebate Claim is specifically prescribed as one year from the date of let export order as per Section 11B.
36/2001 - C E ( N T ) dated 26th June 2001	1st Mar 2016	19/2016 - CE (N.T.) dated 1st Mar 2016	(3) hereby declares that if two or more premises of the same factory are separated by public road, railway line or canal, the Commissioner of Central Excise may, subject to proper accountal of the movement of goods from one premise to other and such other conditions and limitations, allow single registration.	"(3) hereby declares that if two or more premises of the same factory are located within a close area in the jurisdiction of a Range Superintendent, the manufacturing process undertaken therein are interlinked, and the units are not operating under any of the area based exemption notifications, the Commissioner of Central Excise, may, subject to proper accountal of the movement of goods from one premise to other and such other conditions and limitations as he may impose, allow single registration."	This is welcome provision for ease of doing business even though the units are not inter linked but are closed.  Now two or more premises of the same factory within the close area and the manufacturing process undertaken therein are interlinked without any separation by public road, railway line or canal, The Commissioner of Central Excise may allow single registration.
21/2004 - C E ( N T ) dated 6th Sept 2004	1st Mar 2016	21/2016 - CE (N.T.) dated 1st Mar 2016	-	(1B) The declaration filed under paragraph (1A) shall be accompanied by a Chartered Engineer's certificate in respect of correctness of the ratio of input and output where a copy of the Standard Input Output Norms notified by Director General of Foreign Trade, Ministry of Commerce, if fixed, is made available to the Chartered Engineer before obtaining the certificate, in respect of goods manufactured or processed.	The procedure has been made more complicated.  Now Certificate from Chartered Engineer certifying correctness of Input Output Ratio is also required to be enclosed along with declaration for Input Rebate claim.

## CENTRAL EXCISE NT 2016-17 – OTHERS

Existing Notification	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing/ New Provision	Analysis
21/2004-CE (NT) dated 6th Sept 2004	1st Mar 2016	21/2016 - CE (N.T) dated 1st Mar 2016	Para 2: Verification of Input-output ratio.- The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise shall verify the correctness of the ratio of input and output mentioned in the declaration filed before commencement of export of such goods, if necessary, by calling for samples of finished goods or by inspecting such goods in the factory of manufacture or process. If, after such verification, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise is also satisfied that there is no likelihood of evasion of duty, he may grant permission to the applicant for manufacture or processing and export of finished goods.	(2) Approval of declaration.- The Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise may grant permission to the applicant for manufacture or processing and export of finished goods before commencement of export of such goods on the basis of certificate issued by the Chartered Engineer and the declaration filed under paragraph (1A); Explanation: In case of doubt in respect of the correctness of such declaration, the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, may visit the factory and verify correctness of such declaration filed.	Now instead of intimation in the form of declaration, approval to declaration by Deputy Commissioner of Central Excise is required to obtain. Now provision for physical verification and visit to premises prior to approval has also been made.
21/2004-CE (NT) dated 6th Sept 2004	1st Mar 2016	21/2016 - CE (N.T) dated 1st Mar 2016	–	Para 3 following 2nd proviso inserted: Provided further that no CENVAT credits shall be availed by the manufacturer or the processor. (d) in paragraph (6), for the words " shall be lodged " the following words, figures and letter shall be substituted, namely; " shall be lodged, before the expiry of the period specified under section 11B of the Central Excise Act, 1944 (1 of 1944), "	Now provision w.r.t. non-availment of Cenvat credit is specifically included in the procedure. It was earlier was part of declaration. Limitation period as per section 11b of the Central Excise Act, 1944 (1 of 1944) is specifically included.

### Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules 2001

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing/ New Provision	Bizsol Analysis
Rule 2	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	–	Proviso to Rule 2 of Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules, 2016 Provided that an un-registered manufacturer including manufacturers of exempted goods or non-excisable goods shall be eligible to avail the benefits of the provisions of these rules after taking registration under rule 9 of the Central Excise Rules, 2002.	The benefit of said Rules will also be applicable to an un-registered manufacturer including manufacturers of exempted goods or non-excisable goods, provided registration to be obtained by such manufacturer.
Rule 3	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	–	3. Definitions.- In these rules, unless the context otherwise required, - (a) ?Act means Central Excise Act, 1944 ( 1 of 1944); (b) ?applicant manufacturer? means a manufacturer who intends to receive goods for specified use at concessional rate of duty; (c) ?Form means Form appended to these rules; (d) ?information means the information provided in Form I by the applicant manufacturer; (e) ?subject goods means the excisable goods which applicant manufacturer intends to procure at concessional rate of duty; (f) ?supplier manufacturer means a manufacturer who supplies excisable goods at concessional rate of duty to applicant manufacturer; (g) words and expressions used in these rules and not defined but defined in the Act and the rules made there under shall have the same meanings respectively assigned to them.	Definitions included in the said Rules, 2001

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing/ New Provision	Bizsol Analysis
			<p>3. Application by the manufacturer to obtain the benefit- (1) A manufacturer who intends to receive subject goods for specified use at concessional rate of duty, shall make an application in quadruplicate in the Form at Annexure I to the jurisdictional Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be (hereinafter referred to as the said Assistant Commissioner or Deputy Commissioner).</p> <p>(2) The manufacturer shall make separate application in respect of each supplier of subject goods.</p> <p>(3) The manufacturer shall execute a general bond with surety or security.</p>	<p>4. Information by applicant manufacturer to obtain benefit- (1) An applicant manufacturer shall provide an information in duplicate in the Form I to the jurisdictional Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise, as the case may be (hereinafter referred to as the Assistant Commissioner or Deputy Commissioner) and the Assistant Commissioner or Deputy Commissioner shall forward one copy of the information to the jurisdictional range Superintendent of the supplier manufacturer.</p> <p>(2) The applicant manufacturer shall number the information filed under sub-rule (1) in each financial year.</p> <p>(3) The applicant manufacturer may either provide separate information in respect of each of the supplier manufacturer of subject goods or provide combined information for multiple supplier manufacturers with details of each of them in Form I.</p> <p>(4) The applicant manufacturer shall provide the information from time to time to receive subject goods in quantities commensurate with expected consumption in the manufacturing process for a period of one year or less.</p> <p>(5) The applicant manufacturer shall execute a general bond with surety or security:</p>	<p>Procedure for application has been simplified.</p> <ol style="list-style-type: none"> <li>Form I in in duplicate to be submitted to AC/DC of Central Excise and Central Excise will forward one copy of Form I to jurisdictional range Superintendent of the supplier manufacturer</li> <li>Intimation for each supplier or combined information for multiple supplier manufacturers to be submitted</li> <li>Manufacturer will provide information time to time w.r.t. receipt of goods with expected consumption in the manufacturing process.</li> <li>General bond to be executed.</li> <li>A copy of copy of information duly signed by his authorised signatory to be forwarded to supplier.</li> </ol>
			<p>Provided that it shall be sufficient to provide a letter of undertaking by a manufacturer against whom no show cause notice has been issued under sub-sections (4) or (5) of section 11A of Central Excise Act, 1944 or where no action is proposed under any notification issued in pursuance of rule 12CCC of Central Excise Rules, 2002 or rule 12AAA of CENVAT Credit Rules, 2004.</p> <p>(4) The bond shall be for such amount as considered appropriate by the said Assistant Commissioner or Deputy Commissioner, to cover the recovery of duty liability estimated to be involved at any given point of time.</p> <p>(5) The application shall be countersigned by the said Assistant Commissioner or Deputy Commissioner who shall certify therein that the said person has executed a bond to his satisfaction in respect of end use of the subject goods and indicate the particulars of such bond.</p> <p>(6) Of the four copies of the application referred to in sub-rule (5), one copy shall be forwarded to the jurisdictional range Superintendent of the manufacturer of the subject goods, two copies shall be handed over to the manufacturer and one copy shall be retained, by the said Assistant Commissioner or Deputy Commissioner.</p> <p>(7) One copy of the application referred to in sub-rule (6) received by the manufacturer, shall be forwarded by the said manufacturer to the manufacturer of subject goods.</p>	<p>(6) The applicant manufacturer shall forward a copy of information duly signed by his authorised signatory, to the supplier manufacturer for procuring subject goods.</p>	
Rule 5	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	<p>Rule 4. Procedure to be followed by the manufacturer of subject goods. - (1) On the basis of the application referred to in sub-rule (7) of rule 3, the manufacturer of subject goods shall avail the benefit of the exemption notification.</p>	<p>5. Procedure to be followed by supplier manufacturer of subject goods. - (1) The supplier manufacturer shall avail the benefit of this notification on the basis of information received by him under sub-rule (6) or rule 5.</p>	<p>Similar procedure is specified for the supplier manufacturer of subject goods.</p>

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Bizsol Analysis
			(2) The manufacturer of the subject goods shall record on the application the removal details, such as No. and date of invoice, description, quantity and value of subject goods and amount of excise duty paid at concessional rate.	(2) The supplier manufacturer shall maintain record of information received under sub-rule (1) on the basis of which goods have been removed, the removal details, such as number and date of invoice, description, quantity and value of subject goods and amount of excise duty paid at concessional rate and retain the same in his records.	
Rule 6	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	5. Manufacturer to give information regarding receipt of the subject goods and maintain records.- The manufacturer, receiving subject goods, shall maintain a simple account indicating the quantity and value of subject goods, the quantity of subject goods consumed for the intended purpose, and the quantity remaining in stock, invoice wise and shall submit a quarterly return in Return at Annexure II to the said Assistant Commissioner or Deputy Commissioner by the tenth day of the following month.	6. Applicant manufacturer to submit quarterly returns. - The applicant manufacturer shall, receiving the subject goods, maintain an account indicating the quantity and value of subject goods, the quantity of subject goods consumed for the intended purpose, and the quantity remaining in stock, invoice wise and shall submit a quarterly return on the basis of such records in Form II to the Assistant Commissioner or Deputy Commissioner by the tenth day of the month following each quarter of the financial year.	Quarterly return in Form II to be submitted- same provision.
Rule 7	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	6. Recovery of duty in certain cases.- The said Assistant Commissioner or Deputy Commissioner shall ensure that the goods received are used by the manufacturer for the intended purpose and where the subject goods are not used by the manufacturer for the intended purpose, the manufacturer shall be liable to pay the amount equal to the difference between the duty leviable on such goods but for the exemption and that already paid, if any, at the time of removal from the factory of the manufacturer of the subject goods, along with interest and the provisions of section 11A and section 11AA of the Central Excise Act, 1944 (1 of 1944) shall apply mutatis mutandis for effecting such recoveries.	7. Recovery of duty in certain cases. - Where the goods cleared by the supplier manufacturer on the basis of information provided by an applicant manufacturer, are not used for the intended purpose, the applicant manufacturer shall be liable to pay the amount equal to the difference between the duty leviable on such goods but for the exemption and that already paid, if any, at the time of removal from the factory of the supplier manufacturer of the subject goods, along with interest and the provisions of section 11A, except the time limit mentioned in the said section for demanding duty and section 11AA of the Act shall apply mutatis mutandis, for effecting such recoveries: Provided that where the applicant manufacturer is found to be non-existent, the supplier manufacturer shall be liable to pay the amount equal to the difference between the duty leviable on such goods but for the exemption and that already paid, if any, at the time of removal from the factory of the supplier manufacturer of the subject goods, along with interest and the provisions of section 11A except the time limit mentioned in the said section and section 11AA of the Act shall apply mutatis mutandis, for effecting such recoveries.	Recovery of duty from supplier manufacturer is prescribed even in case of non-existence of supplier manufacturer
Rule 7	1st April 2016	20/2016 - CE (N.T) dated 1st Mar 2016	Provided that if the subject goods on receipt are found to be defective or damaged or unsuitable or surplus to the needs of the manufacturer, he may return the subject goods to the original manufacturer of the goods from whom he had obtained these and every such returned goods shall be added to the non-duty paid stock of the manufacturer of the subject goods and dealt with accordingly. Explanation. -For the removal of doubts, it is hereby clarified that subject goods shall be deemed not to have been used for the intended purpose even if any of the quantity of the subject goods is lost or destroyed by natural causes or by unavoidable accidents during transport from the place of procurement to the manufacturer's premises or from the manufacturer's premises to the place of procurement [ OLD - during transport from the place of procurement to the manufacturers premises ] or during handling or storage in the manufacturers premises.	Provided further that if the subject goods on receipt are found to be defective or damaged or unsuitable or surplus to the needs of the applicant manufacturer, he may return the subject goods to the supplier manufacturer and every such returned goods shall be added to the non-duty paid stock of the supplier manufacturer. Explanation. - For the removal of doubts, it is hereby clarified that subject goods shall be deemed not to have been used for the intended purpose even if any of the quantity of the subject goods is lost or destroyed by natural causes or by unavoidable accidents during transport from the place of procurement to the applicant manufacturer's premises or from the supplier manufacturer's premises to the place of procurement or during handling or storage in the applicant manufacturer's premises.	

**Remaining amendments in Budget along with the analysis including Central Excise and Customs Tariffs are uploaded on WIRC website: [www.icmai-wirc.in](http://www.icmai-wirc.in)**



# Returns under Goods and Service Tax

By **CMA B F Modi**, B.Com., FCMA

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A commercial tax law without periodic statements in a specified format for a specific period is incomplete. A return is a statement containing particulars of business activity undertaken by Tax payer in a specific Tax period. It is an important link between Tax payer and Tax authorities. A return is an important tool in the hands of Tax authorities for compliance verification, planning for various Tax administrative actions like preventive and periodic audits, detecting tax evasions and the data will support policy makers for decision making. A return equally casts obligation on the Tax payer to submit accurate data in a given time frame to tax authorities.

The Goods & Service Tax law is coming out with returns only in electronic form. Instead of separate returns for Excise, Service Tax, State VAT, and CST there is one single return. This is definitely a great step towards "Ease of doing Business". The returns being monitored through a GSTN portal and the methodology of verification of data, tax credits, tax payments all lead to a real e-Governance. Even the notices will generate based on information on the portal and sent to Tax payer through Email/SMS. This all indicates a big step towards e-governance and Digital India.

The Returns data entry, compilation and reporting all follow a system like "India is an Enterprise and GST Return process is an ERP system". Data entry is done once on the portal and used in all subsequent transactions.

GST is a destination based consumption tax. All data generates from Invoices for Supplies of Goods or Services by various class of Tax payers. Since the tax collected has to get credited to the consuming state, there needs to be proper fields defined in the tax returns. Also this is a Central cum State legislation and codification of goods and services needs to be common across the country. The process starts with unique 15 digit GSTIN code for each business location of the Tax payer. All goods will be identified by HSN code and services by Service Accounting Codes across the country. This will bring lot of transparency into identification of goods/services and also gamut of data available at a click of button. This will provide excellent control mechanism to Government and accurate data to various agencies including National policy makers.

The GST has come out with a novel idea of "Return for Outward supplies-GSTR-1" and "Return for Inward Supplies: GSTR-2". In fact the data entry made in the GSTR-1 gets auto populated in GSTR2. This avoids duplication of data entry. After filing of GSTR1 of outward supplies the purchaser can verify the data of his purchase invoices and can add or delete invoices or get the invoices corrected by his supplier within 7 days period. The monthly return will be filed after all these corrections. This will ensure accuracy and transparency of Transactions between Tax payers. All subsequent changes in transactions are made through Credit notes or debit notes which means a invoice once correctly entered will not get affected by say post sales discounts or quantity based discounts etc. The another important feature is that returns filed without payment of tax are considered

invalid returns. Also there are no provision for "Revised Return". In fact the question of revision will not arise at all, since rectification of errors is allowed upto Sept/Nov. of succeeding Financial year or filing of Annual return. This indicates, one has to be sincere in filing transactions.

The returns for Compounded tax levy (GSTR4), Input Service Distributor (GSTR 6), Tax Deducted at Source (GSTR7) and Non residents (GSTR5) are separated out from the main stream of business transactions which are covered under GSTR1 and GSTR2. This allows more concentration on the main stream of business.

Once there is concept of Auto-population of data in vogue, Monthly return and Annual return filing is an exercise of ensuring the accuracy of data rather than voluminous data entry. Thus more and more time and efforts are directed towards systematic and transparent compliance. For example, once a supplier has raised Tax invoice and entered into system the Purchase has no choice but to take such entry into his purchase ledgers.

All outward and Inward transactions get into one return like Outward invoice return will include exports, deemed exports, free supplies etc. and Inward tax invoices return will contain imports.

Registration and returns go to gather. Once registration no.(GSTIN) is taken the returns have to be filed even if there are no transactions.

The whole process of business transaction is taken care once data of outward invoices is entered, for example on data entry of outward invoice is done the purchaser will be able to see the invoice under his id. He can match and take Input tax credit which will get credited automatically once the invoice is matched. Also on entry of outward invoice, the tax liability will get created in the Tax Liability Ledger. Even the net tax figure will be available on the portal in REALTIME mode. The Tax is paid through e-banking through the bank account of Tax payer and so is the situation of refund getting credited to bank account of tax payer. On a practical side the data entry for transactions can be done logging into the portal on a day to day basis or weekly basis or a data file can be uploaded. This reduces the burden of last moment rush up.

The returns also provide for anti-evasion measures as all Invoices will be entered into the system. All the B2B transactions will be recorded without default. For B2C transaction each invoice details is to be given for value more than Rs. 2.5 lacs. For invoices below Rs. 2.5 lacs but above Rs. 50000, the address of purchaser is mandatory and a State-wise summary will be filed. Invoices below Rs. 50000 without address of Purchaser will be treated as Intra-state sales and booked accordingly.

On implementation of GST as a business process the whole of business thinking will change in a positive direction for the country. ■



# Application of Cost Accounting Principles to Allocate, Apportion & Absorb the cost of Electricity generated by Diesel Generating Set

**CMA Rajesh Kapadia**

Any company usually has its own Diesel Generating Set to meet electricity requirement for its manufacturing operations.

It is imperative for the CMA Department to ascertain the cost of electricity generated by Diesel Generating Set to charge electricity cost to Products as well as to monitor, control & reduce cost of electricity generated by Diesel Generating Set.

This cost can be ascertained by preparing Cost Sheet as exhibited in Annexure-I

After the ascertainment of Cost of Electricity Generated by Diesel Generating Set as exhibited in Annexure-I, the following Cost Accounting Principles should be followed to allocate, apportion & absorb the Cost of Electricity Generated by Diesel Generating Set.

**(1) Electricity for Production Cost Centres**

It will be directly allocated to Production Cost Centres.

In Product Cost Sheet, it will appear as Electricity Cost

**(2) Electricity for Filtered Water Plant**

It will be allocated to Filtered Water Plant.

In Filtered Water Cost Sheet, it will appear as Electricity Cost.

Filtered Water Cost will be further allocated to Demineralised Water Plant, Cooling Water Plant & Other Domestic Use.

In Product Cost Sheet, Cost allocated to Demineralised Water Plant, Cooling Water Plant & Other Domestic Uses will appear as Cost of Demineralised Water Plant, Cooling Water Plant & Other Overheads respectively.

**(3) Electricity for Demineralised Water Plant**

It will be allocated to Demineralised Water Plant

In Demineralised Water Plant Cost Sheet, it will appear as Electricity Cost

Cost of Demineralised Water Plant will be further allocated / apportioned to Boiler & Production Cost Centres

In Product Cost Sheet, it will appear as Steam Cost & Cost of Demineralised Water Plant respectively

**(4) Electricity for Cooling Water Plant**

It will be allocated to Cooling Water Plant

In Cooling Water Cost Sheet, it will appear as Electricity Cost

In Product Cost Sheet, it will appear as Cost of Cooling Water Plant

**(5) Electricity for Boiler**

It will be allocated to Boiler

In Cost Sheet of Steam, it will appear as Electricity Cost

In Product Cost Sheet, it will appear as Cost of Steam

**(6) Electricity for Air Compressor**

It will be allocated to Air Compressor

In Cost Sheet of Air Compressor, it will appear as Electricity Cost.

In Product Cost Sheet, it will appear as Cost of Air Compressor.

**(7) Electricity for Chilled Water Plant**

It will be allocated to Chilled Water Plant

In Cost Sheet of Chilled Water, it will appear as Electricity Cost

In Product Cost Sheet, it will appear as Cost of Chilled Water Plant

**(8) Electricity for Effluent Treatment Plant**

It will be allocated to Effluent Treatment Plant

In Cost Sheet of Effluent Treatment Plant, it will appear as Electricity Cost

Cost of Effluent Treatment Plant will be further allocated / apportioned to Filtered Water Plant, Demineralised Water Plant, Cooling Water Plant & Production Cost Centres

In Product Cost Sheet, Cost allocated to Demineralised Water Plant, Cooling Water Plant & Production Cost Centres will appear as Cost of Demineralised Water Plant, Cooling Water Plant & Cost of Effluent Treatment Plant respectively.

When the above mentioned Cost Accounting Principles are followed, it will result in Correct Cost Centre wise Allocation & Apportionment & finally its absorption in Final Product with exactness, accuracy & reliability.

Usually, every month, Electrical Department submits one Statement or Report to CMA Department. This statement / report gives Cost Centre wise Consumption of Electricity.

Here, it needs to be ensured that all Electricity Meters are regularly calibrated to provide accurate & reliable meter reading & CMA Department should also insist for their regular calibration preferably by an outside agency.

**Annexure-I : Cost Sheet of Diesel Generating Set for the Month of**

	Unit	Qty.	Variable Cost		Fixed Cost		Total Cost		
			Rate	Total Rs.	Rate	Total Rs. Lacs	Rate	Total Rs. Lacs	%
Units Generated (Kwh)	Kwh								
Cost Particulars :									
(I) HSD	Klt								
(II) Electricity Duty									0%
(III) Cooling Water	Klt								0%
(IV) Salaries & Wages									0%
(V) Cons. Stores									0%
(VI) Repairs & Maint.									0%
(VII) Depreciation									0%
(VIII) Insurance									0%
Total Cost									100
Cost / Unit									



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
**AHMEDABAD CHAPTER**  
**GOLDEN JUBILEE CELEBRATIONS**

*Theme : Challenges & Opportunities under Emerging India*

*Dates : 18 - 19th March 2016*

*Venue : H.T. Parekh Hall, Ahmedabad Management Association (AMA),  
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**Delegate Fees:**

Corporate Delegates: Rs. 2,500/-                      Cost Accountants in Practice : Rs. 1,500/-  
Self Sponsored CMAs: Rs. 2,000/-                      CMA Students :                      Rs. 1,000/-

**DETAILS FOR NEFT:**

Bank of India - Navrangpura Branch, Ahmedabad.  
A/c. No. : 200920110001908 IFSC Code : BKID0002009

**For Registration Contact :**

**Ahmedabad Chapter of Cost Accountants**

402-403, Shopper Plaza Unit-III, 4th Floor, Opp. Municipal Market,  
C.G. Road, Navrangpura, Ahmedabad - 380 009.

Tel.: 079-26403616

***For detailed brochure please check [www.icmai-wirc.in](http://www.icmai-wirc.in)***



# CHAPTER NEWS

## INDORE-DEWAS

Chapter organized a conference on February 20th, 2016. The conference covered the various aspects of VAT & Service Tax and also the provisions in the Companies Act, 2013 regarding Appointment & Responsibilities of Auditors were covered. The Sessions were taken by CMA Amit Sarkar & CMA Vineet Chopra.

The conference was presided by Mr. Anil Kumar-Commissioner (Central Excise & Customs) and CMA Sudeep Saxena (Chairman-Indore Dewas Chapter) along with CMA Shailesh Shah, CMA Mihir Turakhiya, CMA S. Srikrishnan & CMA Sandeep Singh.

## NAVI MUMBAI

### Seminar on Ind-AS and Companies Act 2013- Accountants' perspective

Chapter held day-long annual seminar on 13th Feb, 2016 at the conference hall of Navi Mumbai Sports Association. The subjects of this year's seminar were Ind-AS and Companies Act 2013- Accountants' perspective. Both the subjects were covered by two eminent speakers.

The seminar was attended by 66 delegates- both Corporate and self-sponsored members. Chief Guest and Guest of honour for the seminar were CMA Shirish Ghoghe, Senior Director Global- Government Affairs India, Abbott Laboratories and CMA Debasish Mitra, Chairman-WIRC, ICAI respectively. The seminar was inaugurated by lighting lamp by Chief Guest, Guest of Honour and other Managing Committee members of the Chapter. This was followed by felicitation of dignitaries and welcome address by the Secretary of the Chapter CMA Basant Das. The, Chairman of the chapter CMA B N Sapkal, in his speech, chronicled the journey and activities of the Chapter. He also brought attention of delegates to enhanced scope for the CMA profession under "Make in India" and other initiatives by the Govt. of India. Chairman, WIRC CMA Debasish Mitra in his speech emphasised on the need to accumulate and assimilate knowledge bases of individual members through the forum of WIRC and appealed to the members to write articles in the WIRC Bulletin on the area of their expertise. He also informed that WIRC was actively pursuing with state authorities for wider engagement of CMA profession.

CMA Shirish Ghoghe, Chief Guest of the seminar, in his speech mentioned how Cost Accounting profession progressed over a long period of time. Sharing his own experience, he pointed out how Cost Accounting training prepares CMAs to excel in all areas of Management. He was categorical in distinguishing Cost Accounting profession from other courses in minute understanding of systems, processes, valuation of activities even in areas like Government Affairs, which is his current assignment.

First session of the seminar was "Ind-AS- the Accountants' perspective", which was conducted by CMA Rammohan Bhave, very eminent speaker, who is Limca

Book record holder and Six Sigma Green Belt Holder. During three hours long session, CMA Bhave covered the origin, journey, objectives, issues and other aspects of IND-AS. He also conducted mock sessions with delegates to appreciate various facets of IND-AS from the perspective of all stakeholders. He enthralled the audience by sharing his personal experiences and issues in implementing accounting standards.

Second session was on "Companies Act 2013-Accountants' perspective" by Shri S Sudhakar, Vice President (Corporate Secretarial), Reliance Industries Ltd. The presentation covered useful definitions, provisions on related party transactions, false statements, wrongful gains or losses, fraud and other important provisions in new Act, which are to be considered by Accountants.

Both the sessions were interactive with rich participation by delegates. The seminar ended with National Anthem.

## PUNE

### Report - Golden Jubilee Celebration

Pune Chapter celebrated its Golden Jubilee from 21st January 2016 to 24th January 2016. Theme for the Golden Jubilee celebrations was "Together we make- Great India Greatest".

On first day i.e. 21st January 2016 Satyanarayan Pooja was organised. Members and students were present in large numbers for the same. Simultaneously, Chapter organised Blood Donation Camp in association with Sahyadri Speciality Hospitals, Pune. Number of students, members and staff donated the blood.

On 22nd January 2016 Students day was organised. Shri Kishor Desai, CMD Kishor Pumps Pvt Ltd. was the Chief Guest of the function and Air Marshall (Retd.) Bhushan Gokhale was the Guest of Honour. Shri. Kishor Desai talked about the importance of cost (part of P & L items other than Income) from the point of view of any organisation. He advised the students to become entrepreneur thereby generate employment as part of Make in India and to contribute to the society as much as possible.

Air Marshall (Retd.) Bhushan Gokhale talked about the association of the defence and costing profession since World War II and explained how costing was the main aspect which guided while purchasing of new defence hardware. He also highlighted that defence sector has been opened for private participants and cost accountants have a role to play in this indigenisation process.

Students who passed exams in the last two sessions were felicitated at the hands of the Guest of the day. Pune Chapter is one of the pioneer Chapter which gives scholarship to meritorious students. This year Merit Scholarship was given to three meritorious students.

Prize distribution ceremony was followed by a session by Shri Sudarshan Mahajan on "Motivation - confidence building. The program ended with Cultural Program by

students and Management games by students' representative Shri Bhushan Thatte.

On 23rd January 2016 the Golden Jubilee celebration inaugural session was organised. Chief Guest for the session was Dr. Deepak Tilak (Grandson of Late Bal Gangadhar Tilak) Vice-Chancellor Tilak Maharashtra University and Editor, Daily Kesari. Guest of Honour was Shri Pramod Chaudhari, Founder, Executive Chairman Praj Industries Ltd. Dr Deepak Tilak spoke about the Education sector and the challenges faced by the Education sector. He emphasized the need to make education more industry friendly. Our Past President CMA V Kalyanaraman was also on the dais. He spoke about concentrating on our core competency of Cost and Management accounting.

All the Past Presidents, Central Council Members, Regional Council Members from Pune and past Chapter Chairmen were felicitated at the hands of the guest on this occasion.

As part of the Celebrations four technical sessions were organised. First Session was Stimulating Economy, Industry and Agriculture. The speakers for the session were Dr Vinayak Govilkar and Dr Pradeep Bawadekar.

Dr Pradeep Bawadekar spoke about the various initiatives taken by the Govt to boost the Industry. As he is from MITCON Consultancy Services explained the various steps taken by Maharashtra Govt. to bring the FDI to Maharashtra.

Second Session was Advancing in Science, Technology and Environment. Speakers for the same were Dr Yogesh Gurjar, Dr Suresh Kulkarni and Mr Rahul Nawale. Dr Yogesh Gurjar talked about the various research activities he has been involved in genetics engineering.

Third session was Social Harmony, Law, Justice and Equilibrium. Speakers for the session were Mrs Mukta Manohar and Mr Vivek Velankar. Mrs. Mukta Manohar is renowned social worker and Organiser of Pune Municipal Corporation Safai Karmachari Employee Union. All the technical sessions of the first day kept the audience enthralled and spell bound. Members, Industry representatives and students attended the sessions in large number.

On the same day Lady Convention was organised in the evening. Mrs. Aruna Koulgud was the Chief Guest and CMA Ulka Kalaskar and RCM from SIRC, CMA Jyoti Satish were the Guest of Honour for the same.

CMA Ulka Kalaskar is CFO of Pune Municipal Corporation. She explained the challenges faced by her while working in the Corporation and how she has dealt with and how she has made the shift of Corporation accounting to double entry system from Single Entry system with semi literate human resources. Mrs. Aruna Koulgud is from Rambhau Mhalgi Pratishthan and she explained how various NGOs have been given hand holding support to sustain them. She also talked about "NGO Tourism" i.e. visit organised to various NGOs to show case their cause to the prospective donors/volunteers.

First day ended with an orchestra program called 'Swar Rang' by Mr Amey Jog and his co artists where in old and new hindi songs were presented by the artist. A dinner was also organised on the same day.

Day 2 i. e. 24th January 2016 Fourth Technical Session : Upgrading Security and Quality of Life. Speakers for the session were Mrs Sulakshana Mahajan, Dr L Ramkrishnan, and Justice Ambadas Joshi . Mrs Sulakshana Mahajan spoke about the Urban Infrastructure and challenges associated with that and explained how the urban infrastructure should be made to make the life easy for the common man.

Fourth technical session was followed by Valedictory session. Shri Anand Deshpande Founder Chairman and Managing Director of Persistent systems Ltd. was the Chief Guest for the valedictory session.

Dr Ashok Joshi Advisor Pune Chapter who was Secretary of the Chapter from 1969 to 1998 briefed the audience about the functioning of the chapter in initial years.

The anchoring of the of the whole event was done by CMA Madhuvanti Sathe, Managing Committee Member and Past Chairperson, ICAI-Pune Chapter The whole ceremony ended with the National Anthem.

## **SURAT-SOUTH GUJARAT**

**CEP on "Mission - Make In India Efficiently" on 16.02.2016**

A CEP on "Mission - Make in India Efficiently" was jointly organized Chapter with South Gujarat Productivity Council on 16/02/2016 at Chapter's Auditorium. The Programme was inaugurated by Mr. C. S. Jariwala, President of Southern Gujarat Chamber of Commerce and Industry. He shared his views on 'Make in India' and how the vision of our PM would give this mission a big boost. President of SGPC Mr. Arvind Kapadia also envisaged the role and significance of growth story. CMA Manubhai Desai, Chairman of the Chapter outlined the role of CMAs' in 'Make in India'. The Key Note Speaker of the Seminar CMA Kenish Mehta addressed the topic by touching upon all the sectors of 'Make in India' where CMAs' could contribute and would play a pivotal role in India's growth. The programme was well attended by more than 70 members and students. The vote of thanks was proposed by Mr. Pravin Vora, Programme in charge from SGPC at the end of programme.

### **Press Meet**

Chapter organized a Press Meet regarding Result for Dec-2015 at Chapter's Office on 25/02/2016. 8 local News Papers Representatives attended. CMA Manubhai Desai, Chairman of the Chapter, CMA Brijesh Mali, CMA Nanty Shah and CMA Shreyas Patel coordinated the same. Two students from Surat were amongst the all India Rankers. All Intermediate and Final passed students were invited. All News Paper gave wide coverage to our result with Photographs. The result of the Chapter was comparatively very encouraging all over the Western Region.



CMA Amit Sarker, Director (Indirect Tax) Deloitte addressing participants during Seminar on Service Tax organised by Bhopal Chapter on 21st February 2016



Inauguration of CEP on Make in India organized by Surat - South Gujarat Chapter on 16th February 2016 by dignitaries



CMA S. R. Pimple, CMA S. J. Deore, CMA Bisheshwar Sen and CMA Parag Rane, addressing to the Students during inauguration of oral coaching classes at Aurangabad Chapter on 9th February 2016.



CMA Pravin Mohani welcomes CMA S.B.Khadke during CEP on E.TDS. (Income Tax) organized by Aurangabad Chapter on 18th February 2016.

### Glimpses of Pune Chapter Golden Jubilee Function



Dr. Deepak Tilak Vice-Chancellor Tilak Maharashtra University lighting the lamp along with Guest of Honour Shri Pramod Chaudhari Founder, Executive Chairman Praj Ind. Ltd & other dignitaries during Golden Jubilee celebration of Pune Chapter



CMA V. S. Datey, Shri Anand Deshpande, Founder Chairman and Managing Director of Persistent Systems Ltd., Dr. Ashok Joshi, Advisor, ICAI-Pune Chapter alongwith dignitaries during Valedictory session of Golden Jubilee Function



Pune Chapter Students day Function organised during Golden Jubilee celebration



CMA Sanchala Peshave giving welcome address during Golden Jubilee Lady Convention organised by Pune Chapter



CMA Kailash Gandhi, Chairman PD Committee, WIRC and CMA P.V. Bhattad, President ICAI during Make in India at BKC Mumbai



CMA P. V. Bhattad, President ICAI along with officials of Ministry of Corporate Affairs during Make in India at BKC Mumbai

## Glimpses of Annual Seminar organised by Navi Mumbai Chapter on 13th February 2016



To



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