

IT

was only yesterday that we made some good remarks about the managers of the ACES and we find that actual users and Departmental Officers have a lot of problems which need to be solved urgently.

Even with regard to the notification referred to above, Nityananda and Divya point out that the ST-3 return in ACES does not recognise Service Tax rates of Rs. 100/- and Rs. 500/- as fixed by Notification No. 26/2010. So the Airlines are not able to file their returns. There is a similar problem regarding Research and Development Cess.

Why does this happen? Simple – Stupid Ego!!!. The one who makes the law – the notifications, thinks he is the ultimate authority and once he issues a notification, he expects the rest of the world to follow it as the GOSPEL. They have only contempt for the officers working in other sections. And this contempt is mutual. The officers who work in the electronic sections do not bother to read the notifications and update their software accordingly.

The result – ultimately the assessee suffers!

Guidelines for Development of Special Economic Zones (SEZs)

THE Commerce Department with the approval of the Minister, yesterday released the Guidelines for Development of Special Economic Zones (SEZs).

India was one of the first in Asia to recognize the effectiveness of the Export Processing Zone (EPZ) model in promoting exports, with Asia's first EPZ set up in Kandla in 1965. With a view to overcome the shortcomings experienced in the EPZ format, a Special Economic Zones (SEZs) Policy was announced in April 2000. The policy intended to make SEZs an engine for economic growth. SEZs in India functioned from 1.11.2000 to 09.02.2006 under the provisions of the Foreign Trade Policy and fiscal incentives were made effective through the provisions of relevant statutes.

To instill confidence in investors and signal the Government's commitment to a stable SEZ policy regime, a comprehensive Special Economic Zone legislation was enacted June 2005, which came into effect on 10th February, 2006. The response to the Scheme has been overwhelming. In short span of about three years since SEZ Act and Rules were notified in February, 2006, formal approvals have been granted for setting up of 578 SEZs out of which 340 have been notified. Out of the total employment provided to 4,18,129 persons in SEZs as a whole 2,83,425 persons is incremental employment generated after February, 2006 when the SEZ Act has come into force. Physical exports from the SEZs have increased from Rs.66,638 crore in 2007-08 to Rs.99,689 crore in 2008-09, registering a growth of 50%. There has been overall growth of export of 620% over past five years (2003-04).

Keeping in view the fact that a number of approved Special Economic Zones are at various stages of implementation and based on experience gained so far, formulation of certain broad guidelines to govern the development of SEZs has been considered appropriate to ensure environmentally sustainable well planned development of the SEZs.

The Government has issued guidelines on:

- ++ Site Identification, Land Acquisition and R&R:
- ++ Role of State Government
- ++ Physical Infrastructure
- ++ Priority to Small Scale Units in SEZ
- ++ Industrial Township

Department of Commerce (SEZ Division) Instruction No. 65 Dated October 27, 2010

Guidelines on Energy Conservation in Special Economic Zones (SEZs)

THE

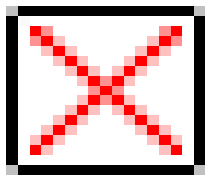
Commerce Department has issued guidelines for Energy Conservation in SEZs. SEZs are special enclaves aimed at creating world class infrastructure and the Commerce Ministry wants them to follow the guidelines on

- ++ Optimization of Use of Energy

- ++ Power Utilization:
- ++ Water Efficiency
- ++ Waste Management
- ++ Plantation
- ++ Site Preservation and Restoration
- ++ Local Internal Transportation
- ++ Materials
- ++ Indoor Air Quality in Individual Buildings
- ++ IT Infrastructure
- ++ SEZ Green Guidelines Compliance and Certification Process

Department of Commerce (SEZ Division) Instruction No. 66 Dated October 27, 2010

Jurispruden^{tiol} – Friday's cases



central Excise

CENVAT Credit - Capital Goods - parts, accessories/spares of CPP fall within ambit of 'capital goods' - Maruti Suzuki Ltd ([2009-TIOL-94-SC-CX](#)) distinguished - High Court

The definition of capital goods under Section 57-Q is very wide. Capital goods can be machines, machinery, plant, equipment, apparatus, tools or appliances. parts, accessories/spares of CPP installed in the factory premises would fall within the ambit of ¶capital goods¶ as contemplated under Rule 57-Q as user of electricity in the production of sponge iron is an integral part of manufacturing process. Therefore, CENVAT credit on parts, accessories/spares cannot be denied to the assessee on the ground that substantial portion of the electricity generated from CPP has been wheeled out to its sister concern at Raisen through MPEB Grid, and principles of law laid down in the judgment of the Supreme Court in Maruti Suzuki Ltd . ([2009-TIOL-94-SC-CX](#)) ¶ are not applicable in the facts of the present case as assessee is not claiming any CENVAT credit on inputs used for generation of electricity in CPP.

Income Tax

Exemption - Whether provisions of Ss 11(4)(A) and 11(4) are complementary to each other and Sec 11(4) cannot be said to restrict power u/s 11(4) of Act - Revenue's appeal partly allowed: ITAT

THE issue before the Tribunal is - Whether the provisions of section 11(4)(A) and 11(4) of the Act are complementary to each other and section 11(4)(A) cannot be said to restrict the power u/s 11(4) of the Act. Tribunal has partly allowed the Revenue's appeal.

Service Tax

Security service utilized in residential colony situated outside factory premises is not an Input Service: CESTAT

The services provided for the residential colony are welfare of the residence of the colony. Accordingly, the input service credit is denied.

See our columns tomorrow for the judgements

Until Tomorrow with more **DDT**

Have a nice day.

Mail your comments to vijaywrite@taxindiaonline.com