

MINISTRY OF FINANCE
(Department of Revenue)
(CENTRAL BOARD OF DIRECT TAXES)

NOTIFICATION

New Delhi, the 8th December, 2015

INCOME- TAX

S.O. 3312(E).— In exercise of the powers conferred by sections 92CB and 92D, read with section 295 of the Income-tax Act, 1961(43 of 1961), the Central Board of Direct Taxes hereby makes the following rules further to amend the Income-tax Rules, 1962, namely:-

1. (1) These rules may be called the Income-tax (19th Amendment) Rules, 2015.
(2) They shall come into force from the date of their publication in the Official Gazette.
2. In the Income-tax Rules, 1962 (hereinafter referred to as the said rules), in rule 10D, for sub-rule (2A), the following sub-rule shall be substituted, namely:-

“(2A) Nothing contained in sub-rule (1), in so far as it relates to an eligible specified domestic transaction referred to in rule 10 THB , shall apply in a case of an eligible assessee mentioned in rule 10 THA and-

(a) the eligible assessee, referred to in clause (i) of rule 10 THA, shall keep and maintain the following information and documents, namely:-

- (i) a description of the ownership structure of the assessee enterprise with details of shares or other ownership interest held therein by other enterprises;
- (ii) a broad description of the business of the assessee and the industry in which the assessee operates, and of the business of the associated enterprises with whom the assessee has transacted;
- (iii) the nature and terms (including prices) of specified domestic transactions entered into with each associated enterprise and the quantum and value of each such transaction or class of such transaction;
- (iv) a record of proceedings, if any, before the regulatory commission and orders of such commission relating to the specified domestic transaction;
- (v) a record of the actual working carried out for determining the transfer price of the specified domestic transaction;
- (vi) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the transfer price; and
- (vii) any other information, data or document, including information or data relating to the associated enterprise, which may be relevant for determination of the transfer price;

(b) the eligible assessee, referred to in clause (ii) of rule 10THA, shall keep and maintain the following information and documents, namely:-

- (i) a description of the ownership structure of the assessee co-operative society with details of shares or other ownership interest held therein by the members;
- (ii) description of members including their addresses and period of membership;
- (iii) the nature and terms (including prices) of specified domestic transactions entered into with each member and the quantum and value of each such transaction or class of such transaction;

- (iv) a record of the actual working carried out for determining the transfer price of the specified domestic transaction;
- (v) the assumptions, policies and price negotiations, if any, which have critically affected the determination of the transfer price;
- (vi) the documentation regarding price being routinely declared in transparent manner and being available in public domain; and
- (vii) any other information, data or document which may be relevant for determination of the transfer price.”.

3. In rule 10THA of the said rules, for the words “and is a Government company engaged in the business of generation, transmission or distribution of electricity” , the following shall be substituted, namely :-

“and-

- (i) is a Government company engaged in the business of generation, transmission or distribution of electricity; or
- (ii) is a co-operative society engaged in the business of procuring and marketing milk and milk products”.

4. In rule 10THB of the said Rules, after clause (iii) the following clause shall be inserted, namely:-

“or

- (iv) purchase of milk or milk products by a co-operative society from its members.”.

5. In sub-rule (2) of rule 10THC of the said rules, in the Table, after serial number 1 and entries relating thereto, the following serial number and entries shall be inserted, namely:-

“2	Purchase of milk or milk products referred to in clause (iv) of rule 10THB.	The price of milk or milk products is determined at a rate which is fixed on the basis of the quality of milk, namely, fat content and Solid Not Fat (SNF) content of milk; and- (a) the said rate is irrespective of,- (i) the quantity of milk procured; (ii) the percentage of shares held by the members in the co-operative society; (iii) the voting power held by the members in the society; and (b) such prices are routinely declared by the co-operative society in a transparent manner and are available in public domain.”.
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6. In sub-rule (1) of rule 10 THD of the said rules, after the second proviso, the following proviso shall be inserted, namely:-

“Provided also that in respect of eligible specified domestic transactions, referred to in clause (iv) of rule 10 THB, undertaken during the previous year relevant to the assessment year beginning on the 1st day of April, 2013 or beginning on the 1st day of April, 2014 or beginning on the 1st day of April, 2015, Form 3CEFB may be furnished by the assessee on or before the 31st day of December, 2015.”

7. In Appendix II to the said rules, in Form No. 3CEFB, in sub-paragraph 2, in the Table, after serial number 1 and the entries relating thereto, the following serial number and entries shall be inserted, namely:-

“2.	<p>Has the eligible assessee entered into any specified domestic transaction in respect of purchase of milk and milk products referred to in clause (iv) of rule 10THB?</p> <p>If yes, provide the following details:</p> <p>(a) The quantity of milk and milk products purchased during the year from the members.</p> <p>(b) Details of milk equivalent of the milk products purchased from members.</p> <p>(c) The rate or rates at which milk or milk products have been purchased during the year.</p> <p>(d) Whether payment for purchase of milk or milk product has been made at the same rate to all the members of the co-operative society.</p> <p>(e) Whether transfer price is in accordance with the circumstances specified under rule 10THC.</p>	<p>Yes/No</p> <table border="1" data-bbox="976 386 1313 474"> <thead> <tr> <th>Milk product</th> <th>Milk equivalent</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table> <table border="1" data-bbox="976 506 1313 621"> <thead> <tr> <th>Rate</th> <th>Period during which applicable</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table> <p>Yes/No</p> <p>Yes/No”.</p>	Milk product	Milk equivalent			Rate	Period during which applicable		
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[Notification No. 90/2015/F.No. 142/7/2014-TPL]

EKTA JAIN, Dy. Secy. (Tax Policy and Legislation)

Note:- The principal rules were published in the Gazette of India Extraordinary, Part III, Section 3, Sub-section (i), *vide* notification number S.O. 969(E), dated the, 26th March, 1962 and last amended *vide* notification number GSR No. 923(E) dated the 2nd December, 2015.