

**EXCISE**



**CUSTOMS**



**SERVICE TAX**



**VALUE ADDED TAX**



Inside this edition

- CBEC issued instructions on Indirect Tax Dispute Resolution Scheme, 2016.
- CBEC clarified the issues related to service tax on senior advocates.
- CBEC increased Customs duty on raw sugar.....

& more...

## EXCISE LAWS

### Notifications and circulars

- Vide notification no. 24/2016 C.E. dt. 14.06.2016 CBEC amended the notification no. 214/86 and replaced the words ' free trade zone' to 'special economic Zone'. The similar amendmends has also been made in notification no. 67/95, vide notification no. 25/2016 dt. 14.06.2015 and words ' free trade zone' to 'special economic Zone'.
- CBEC issued a circular no. 1031/19/2016-CX dt. 14.06.2016 through which calrified the scope of levy of excise duty on readymade garments and made articles of textiles under the brand name and having a MRP of Rs. 1000 or more as prescribed in the budget.
- Vide instruction no 1080/DLA/IDRS/2016 dt. 1.06.2016 CBEC issued instructions on Indirect Tax Dispute Resolution Scheme,2016.
- Vide instruction No. 221/01/2016-CX.6 dt. 06.06.2016 CBEC, issued clarification about the returns to be furnished by the assessee having license under the Electricity Act,2003.

### Judgements

- In the case of Ambika Internation Vs UOI {71 taxmann.com 53 (Punjab & Haryana-2016)} it has been held by the tribunal that statement recorded before the gazetted office of the department can be relied upon only if:
  - i) That person is examined as a witness before adjudicating authority,
  - ii) adjudicating authority concludes, for reasons to be recorded in writing, that statement deserves to be admitted in evidence,

iii) thereafter, assessee/adverse party is given an opportunity of cross-examination

- Karnataka High court in the case of CCE Vs Sanmar Speciality Chemicals Ltd. {71 taxmann.com 10 (Karnataka)} held that Mngement consultancy services received to get the finances for operation of the company is an activity connected to manufaturing as without finance, manufacturing activities cannot be carried on.
- In the case of Sarla Performance Fibers Ltd. Vs Commissioner of Central Excise, Surat-II {70 taxmann.com 302 (SC)} it has been held by the Apex Court that if an EOU, without obtaining permission from Developing commissioner, made any sale in DTA the same will be liable to full excise duty and benefit of proviso to section 3(1) of Central Excise Act and consequent exemptions would not be available

## SERVICE TAX

### Notifications and circulars

- CBEC issued a notification no 32/2016 S.T. dt. 06.06.2016 and exempte the legal services provided by senior advocates to a business entity with a turnover up to rupees ten lakh in the preceding financial year.
- Vide notification no. 33/2016 Dt. 06.06.2016 CBEC clarified that business entity as the person liable to pay service tax in respect of service provided by senior advocates.
- Vide notification no. 34/2016 Dt. 06.06.2016 CBEC prescribed the extent of payment of service tax by a business entity as a recipient of services provided by senior advocates.
- CBEC issued Notification no. 35/2016 S.T. Dt.26.06.2016 and exempted taxable services from the whole of Krishi Kalyan Cess leviable thereon with respect to which the invoice for the service has been issued on or before 31st May, 2016 subject to the condition that the provision of the service has been completed on or before 31st May, 2016.
- CBEC issued a circular no. 195/05/2016 S.T. 15.06.2016 and instruct for Speedy disposal of pending Refund claims for exporters under Rule 5 of the CENVAT Credit Rules, 2004.

### Judgements

- In the case of Suresh Kumar Bansal vs UOI { appeal no.- W.P.(C) 2235/2011} it has been held by Delhi High Court that no Service tax on sale of under construction flats if contract price includes land value
- In the case of Sourav Ganguly Vs. UOI, {71 taxmann.com 60 (Calcutta)} it has been held by the High Court of Calcutta, that remuneration received by cricketers for writing articles or anchoring TV shows or playing IPL matches, cannot be charged to service tax under Business Auxiliary Services or Business Support Services.
- Service tax on transportation charges paid to sister concer is elegible under CCR-2004, as the sister concern registered seperatly and paying its' own sercve tax. {2016-TIOL-1328-CESTAT-MAD}

## CUSTOM

### Notifications and Circulars

- Vide notification no. 36/2016 Customs Dt. 1.6.2016, CBEC notified some new ports to allow import/export under EP schemes from these ports.
- CBEC, vide notification no. 37/2016 Customs Dt. 16.6.2016 impose 20% custome duty on raw sugur, white or refined sugar.
- CBEC issued a Notification 38/2016 Dt. 17.06.2016 and extended the BCD of 25% on wheat beyond 30.06.2016, as imposed by notification no. 12/2012 Dt. 17.03.2012 without and time limit.
- Vide Notification no. 40/2016 Dt. 21.6.2016, CBEC provided deeper tariff concessions in respect of specified goods imported from Malaysia under the India Malaysia Comprehensive Economic Co-operation Agreement w.e.f 30.6.2016.
- CBEC issued a Circular Circular No. 28/2016-Custums for Simplification of procedure in SWIFT for clearance of consignments related to drugs & cosmetics.

### Case laws

- In the case of Veritas Vs. Bank of Baroda, {71 Taxmann.com 9 (Bombay)} it has been held by the Bombay High Court that in case bank frozen the bank account of the assessee according to the instruction received from Customs Department, then, in the absence of valid directons from the assessee to make FD of said amount, assesee can not claim “unearned interest” on frozen amounts.
- In the case of Sree Sai Enterprises Vs. Customs Central Excise & Service Tax Settelment Commission {71 taxmann.com 80 (Madras)}, it has been held by the Madras High Court that remitting matter back to adjudicating authority by the Settelement Commission, after recodring the face that assessee was not co-operating to dispose of the matter is valid.
- In the case of Bhatia Global Trading Ltd. Vs Commissioner of Customs {71 taxmann.com 67 (Karnataka)} it has been held by the high Court that if assesee deposited excess payment and request to treat the same as pre-deposit for purpose of filing of appeal, then department should pass a reasoned order disposing of such claim.

# VERENDRA KALRA & CO

CHARTERED ACCOUNTANTS

## CONTACT DETAILS:

### Head Office

75/7 Rajpur Road, Dehradun

T +91.135.2743283, 2747084, 2742026

F +91.135.2740186

E [info@vkalra.com](mailto:info@vkalra.com)

W [www.vkalra.com](http://www.vkalra.com)

### Branch Office

80/28 Malviya Nagar, New Delhi

E [info@vkalra.com](mailto:info@vkalra.com)

W [www.vkalra.com](http://www.vkalra.com)

For any further assistance contact our team at

[kmt@vkalra.com](mailto:kmt@vkalra.com)

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