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- Customs, Central Excise and Service Tax Drawback (Amendment) Rules, 2016 notified.
- Anti-dumping duty of goods exported from China continues.

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EXCISE LAWS

Judgements

- In the case of Gujrat Narmada Valley Fertilizers Co. Ltd. v. Union of India {[2016] 74 Taxmann.com 257 (Gujarat)}, The assessee purchased Low Sulphur Heavy Stock (LSHS) at concessional rate of duty for manufacture of 'fertilizers' but used it for generation of steam. Thereupon department demanded unpaid excise duty with interest. Assessee challenged demand of interest on ground that section 11AA was introduced from 26-5-1995 and therefore; it could not apply for demand pertaining to period prior to 26-5-1995. It was held that as per section 11AA, all cases of non-payment of duty are covered and interest commences after three months of determination of demand and said section applies even if liability to pay duty arose before introduction of said section. Hence, section 11AA ibid would have retrospective effect and interest would be payable thereunder in this case. Fact that section 11AA was 'subject to' section 11AB does not

mean that section 11AA would not apply after introduction 11AB; it merely means that in case of conflict, section 11AB would apply and in case of no conflict with section 11AB, section 11AA would continue to apply.



SERVICE TAX

Judgements

- In the case of State of Rajasthan v. Union of India, {[2016] 75 taxmann.com 10(SC)}, Rajasthan Police was providing/deploying additional police force at various Banks/Institutions/Organisations and at various events and was also doing work of character verification and providing security. Service Tax Department demanded service tax thereon. Rajasthan Police filed appeal before Commissioner (Appeals) and filed further appeal before CESTAT. Meanwhile, State of Rajasthan filed civil suit against Centre, before Supreme Court arguing that activities in question are sovereign function and not taxable. Department argued that suit was not maintainable, as State of Rajasthan was availing appeal remedy under service tax law. It was held that even if suit was maintainable, at same time State of Rajasthan also had remedy of filing statutory appeals etc. under service tax law and it chose to avail said remedy.

Hence, Doctrine of Election would become applicable in this case and after choosing one particular remedy, State of Rajasthan cannot avail other remedy as well, in respect of same relief founded on same cause of action - Hence, suit was rejected under Order VII rule 11 ibid. [thus, was In favour of revenue].



CUSTOMS

Notifications and Circulars

- Notification No. 56/2016-Cus dated 03.10.2016 seeks to amend Notification No. 57/2000-Customs,



dated 08.05.2000. In the former notification exemption was given to gold, silver and platinum imported under specified schemes. The new notification seeks to amend the earlier notification so as to change the second proviso of the opening paragraph to reduce the time for furnishing the undertaking to the Assistant / Deputy Commissioner of Customs from 120 days to 90 days under the scheme of 'Export against Supply by Nominated Agencies'.

- As per Notification No. 130/2016-Cus(NT) dated 25.10.2016 rescinds the notification No. 66/1996 dated 02.09.1996.
- Notification No. 132/2016-Cus dated 31.10.2016 notified the Customs, Central Excise Duties and Service Tax Drawback (Amendment) Rules, 2016. The same shall come into force on 15.11.2016/
- Notification No. 50/2016-Cus (ADD) dated 06.10.2016 seeks to impose anti-dumping duty on Narrow woven Fabrics [Hook and Loop Velcro Tapes] of specified types, originating in or exported from People's Republic of China for a period of five years.

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