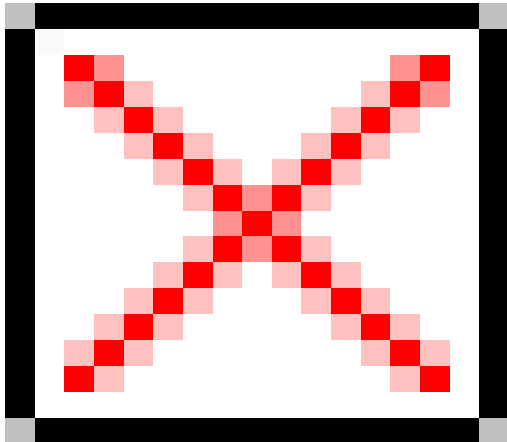


Payment of Tax can be made with Old Currency



TIOL-DDT 2997

23 12 2016

Friday

THE

Central Government has decided that up to 30.12.2016, the payment towards tax, surcharge, penalty and deposit under the Pradhan Mantri Garib Kalyan Yojana (PMGKY), can be made in Old Bank Notes of Rs. 500 and Rs.1,000 denomination issued by the RBI.

What is this tax? Does it include Service Tax and Central Excise?

As per Rule 6(2) of the Service Tax Rules,

(2) Every assessee shall electronically pay the service tax payable by him, through internet banking:

Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit the service tax by any mode other than internet banking .

As per Rule 8(1B) of the Central Excise Rules,

Every assessee shall electronically pay duty through internet banking:

Provided that the Assistant Commissioner or the Deputy Commissioner of Central Excise, for reasons to be recorded in writing, allow an assessee payment of duty by any mode other than internet banking .

As per Notification No. [83/2012-Cus \(NT\)](#) dated 17.09.2012,

Importers paying customs duty of one lakh rupees or more per bill of entry shall pay customs duty electronically .

So, perhaps the government's decision to allow payment of taxes with old currency notes does not apply to Customs, Excise and Service Tax. Or maybe the Assistant Commissioner can permit cash payment for Excise and Service Tax. But time is running out - the scheme ends next Friday.

Please also see [DDT 2994Â 20 12 2016Â](#)

GST Council Meeting - Jurisdiction Discussion Today

THE

GST Council Meeting yesterday is understood to have cleared most of the legislative work - that is approving the laws, but the all important jurisdiction and cross empowerment issue still remains, which is to be discussed today. Unless this issue is cleared, there is no march ahead.

DRI Vs Customs - Loser, the Importer

THEY say when elephants fight, it is the grass that suffers. And this case amply proves the proverb.

The High Court had directed the Customs Authorities to release the seized goods. It might be easy to get an order from the High Court but getting that order implemented is a different game altogether. The goods were not released because there was a Show Cause Notice pending and that the documents to the goods, which were seized by the DRI, have not been made over by the DRI to the Customs Authorities.

The importer has challenged the Show Cause Notice in the High Court.

The DRI submitted that the show-cause is still alive; that the show-cause was issued on the basis of fresh evidences and, therefore, the DRI should be allowed to proceed with the show-cause; that the petitioner may be directed to approach the deciding authority with objection, which the deciding authority will decide in accordance with law.

The High Court noted that:

1. The High Court had directed the authorities to release the goods.
2. It appears that, the DRI had issued show-cause dated August 18, 2009 in respect of the very same goods directed to be released.
3. The DRI had also applied for permission before the Division Bench to proceed with the show-cause. By an order dated October 16, 2012 such permission was denied and the application of the DRI for such purpose was dismissed.
4. The order dated October 16, 2012 allows the DRI to take appropriate action as may be advised.
5. No material has been placed on record to suggest that, the DRI has taken any steps subsequent to the show-cause dated August 18, 2009.
6. In view of the order dated October 16, 2012 passed by the Division Bench in relation to the show-cause dated August 18, 2008, the DRI is no longer in a position to proceed with such show-cause.
7. In such circumstances, the question of the petitioner being asked to reply thereto and the authorities deciding on such objection, does not arise.

The High Court ordered,

1. In view of the order dated October 16, 2012 passed by the Division Bench, the show-cause dated August 18, 2009 is quashed.
2. The DRI not having taken any further steps in terms of the order dated October 16, 2012, it would be appropriate to direct the DRI to make over the documents of title to the goods to the customs.

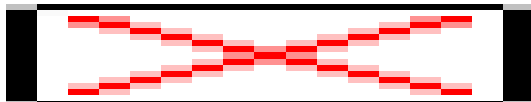
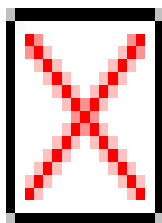
3. The customs authorities on receipt of the same will make over the goods to the petitioner forthwith thereafter.
4. The DRI will do so within a period of four weeks from date.
5. The customs authorities will make over the goods to the petitioner within two weeks thereafter.
6. In the event , the DRI claims that, it does not have any documents of title to the goods lying with it, the Customs Authorities will proceed to release the goods to the petitioner on the expiry of four weeks from date.

Please see [2016-TIOL-3087-HC-KOL-CUS](#)

DDT - The Dose Ends

NEXT

week DDT will be completing 3000 editions. It doesn't exactly give me pleasure to announce that it is proposed to end the doses by the end of the year - the last DDT will come on 30th December.



Until Monday with more DDT

Have a nice weekend.

Mail your comments to vijaywrite@tiol.in