A2Z TAXCORP LLP
NEW DELHI, INDIA

Indirect Tax and Other Laws Communique
5rd May, 2015

This bulletin brings to you the highlights of recent updates and important judgments in the field of indirect taxation along with key inputs from other fields to keep you abreast of all the latest happenings.

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Case Laws

THE FINANCE BILL, 2015 PASSED BY LOK SABHA ON APRIL 30, 2015

The Lok Sabha passed the Finance Bill, 2015 which includes various tax proposals presented in the Union Budget, 2015, by a voice vote on Thursday, April 30, 2015. The Hon'ble Finance Minister, Shri. Arun Jaitley made certain announcements in the Lok Sabha and promised the required Notifications to be followed soon.

In this regard, the Central Government issued various Notifications under the Customs, the Central Excise and the Service Tax as follows:

Service Tax	
Notification No. 12/2015 - Service Tax	Amends Notification No. 25/2012-ST dated the June 20, 2012 so as to exempt certain specified services. Life Insurance business provided under Pradhan Mantri Jeevan Jyoti Bima Yojana (**"PMJJBY"**), Pradhan Mantri Jan Dhan Yojana (**"PMJDY"**), General Insurance business provided under Pradhan Mantri Suraksha Bima Yojana (**"PMSBY"**), collection of contribution under Atal Pension Yojana (**"APY"**).
Central Excise	
Notification No. 23 /2015 - CE - Tariff	Amends Notification No. 62/95–CE, dated March 16, 1995 and Notification No. 63/95-CE, dated March 16, 1995 - exemption to Ordnance Factories & Defence PSUs is withdrawn. These changes will be effective from June 01, 2015.
Notification No. 24 /2015 - CE - Tariff	Amends Notification No. 12/2012-CE, dated March 17, 2012 - Excise duty exemption on finishing agents, dye carriers to accelerate the dyeing or fixing of dye-stuffs, printing paste and other products and preparations of any kind used in the same factory for the manufacture of textiles and textile articles has been withdrawn.
Notification No. 25/2015 - CE - Tariff	Amends Notification No. 16/2010-CE, dated February 27, 2010 – Substitutes the table for determining rate of duty on Chewing Tobacco based on capacity of packing

	machine.
Notification No. 26/2015 - CE - Tariff	Amends Notification No. 14/2015-CE dated March 1, 2015 - Exemption from Education cess on DTA clearances from EOUs.
Notification No. 27/2015 - CE - Tariff	Amends Notification No. 15/2015-CE dated March 1, 2015 exemption from Secondary and Higher Education cess on DTA clearances from EOUs.
Notification No. 12/2015 - CE (N.T.)	Amends Cenvat Credit Rules, 2004 - Cenvat credit of Education Cess and Secondary & Higher Education Cess on Inputs, Capital Goods and Input Services received after 28-02-2015 for payment of basic excise duty.
Notification No. 13/2015 - CE (N.T.)	Amends the Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010
Customs	
Notification No. 28 /2015 - Customs - Tariff	Amends Notification No. 12/2012-Customs, dated March 17, 2012 - Customs duty increased on sugar and many other changes.
Notification No. 29 /2015 - Customs - Tariff	Amends Notification No. 39/96-Customs, dated July 23, 1996 - Exemption from additional duty of customs levied under section 3 of the Customs Tariff Act (both CVD and SAD) in respect of certain entries of Notification No.39/96-Customs, dated July 23, 1996 are withdrawn
Notification No. 30 /2015 - Customs - Tariff	Amends Notification No. 27/2011-Customs, dated March 1, 2011 - export duty on iron ore fines reduced from 30% to 10%.

SERVICE TAX

RECENT CASE LAWS

➢ **Where pre-deposit of principal demand of Service tax is waived off, CESTAT cannot order pre-deposit of consequential interest component as a condition precedent for hearing appeal**

Punjab Chemicals & Corp Protection Ltd. Vs. Commissioner of Central Excise, Chandigarh-II [(2015) 56 taxmann.com 119 (Punjab & Haryana)]

In the instant case, the Hon'ble CESTAT disposed off the Stay Application filed by Punjab Chemicals & Corp Protection Ltd. (**"the Appellant"**) and stayed the entire demand of Service tax amounting to Rs. 35,14,534/-. However, the Appellant was directed to pay interest component on the Service tax amount within four weeks failing which the appeal shall be rejected.

The Hon'ble High Court Punjab & Haryana held that once the realization of the principal liability was stayed and condition of pre-deposit was waived off, it would not be proper to direct that the entire interest component on the Service tax assessed be deposited as a condition precedent for hearing of the appeal.

Hence, pre-deposit of interest was set aside.

➢ **Larger Bench decides five key issues in respect of Turnkey Projects - Non-commercial EPC are not taxable**

Lanco Infratech Limited and others Vs. CC,CE & ST, Hyderabad [2015-TIOL-768-CESTAT-BANG-LB]

In this case, the Hon'ble Larger Bench of the CESTAT, Bangalore has decided five key issues relating to levy of Service tax on various infrastructure projects undertaken for Government in the following manner:

- Laying of pipelines/ conduits for lift irrigation systems for transmission of water or for sewerage disposal, undertaken for Government/ Government undertakings and involving associated activities like trenching, soil preparation and filling, supporting masonry work, jointing of pipes, electro-mechanical works or pumping stations and like activity, is classifiable only under Commercial or Industrial Construction Service (**"CICS"**) for the period up to June 1, 2007 and not under Erection, Commissioning or Installation Service (**"ECIS"**);

- Construction of canals for irrigation or water supply; construction or laying of pipelines/ conduits for lift irrigation conceived and integrated into a dam project, must be classified as Works Contract 'in respect of dam' and is thus excluded from the scope of 'Works Contract service' defined in erstwhile Section 65(105)(zzzza) of the Finance Act, in view of the exclusionary clause in the provision;

- Turnkey/ EPC project contracts, enumerated in clause (e), Explanation

(ii) in Section 65(105)(zzzza) of the Finance Act is a descriptive and ex abundant cautela drafting methodology. In the light of the decision in ***Alstom Projects India Ltd. Vs. Commissioner of Service Tax, Delhi [2011-TIOL-459-CESTAT-DEL]***, fortified by the Special Bench decision in ***Larsen & Toubro Ltd Vs CST Delhi [2015-TIOL-527-CESTAT-DEL-LB]***, a turnkey/ EPC contract is taxable prior to June 1, 2007 as well. Since June 1, 2007, turnkey/ EPC contracts must be classified on the basis of the essential character of the service provided thereby, with the aid of classification guidelines set out in erstwhile Section 65A(2) of the Finance Act.

Consequently, a turnkey/ EPC contract must be classified under any of the clauses (a) to (d), Explanation (ii) in Section 65(105)(zzzza) of the Finance Act. The bundled bouquet of services provided as turnkey/ EPC contract, classifiable as CICS prior to June 1, 2007, would be classifiable under clause (b), Explanation (ii), Section 65(105)(zzzza) of the Finance Act on and from June 1, 2007 and would not be exigible to Service tax if the rendition of service thereby is primarily for non-commercial, non-industrial purpose, in view of the exclusionary clause in clause (b) of the definition of Works Contract service;

This is the only possible and harmonious interpretation possible of the several clauses under Explanation (ii) of Section 65 (105)(zzzza) of the Finance Act, a distinct taxable service defined with constituent elements thereof substantially drawn from elements of pre-existing taxable services like ECIS, CICS or COCS; and other services when bundled to amount to turnkey/ EPC;

- Construction of canals/ pipelines/ conduits to support irrigation, water supply or for sewerage disposal, when provided to Government/ Government undertakings would be for non-commercial, non-industrial purposes, even when executed under turnkey/ EPC contractual mode and would fall within the ambit of clause (b), Explanation (ii) of Section 65(105)(zzzza) of the Finance Act and would consequently not be exigible to Service tax, in view of the exclusion enacted in clause (b) thereof; and

Where under an Agreement, whether termed as Works Contract, turnkey or EPC, the principal contractor, in terms of the Agreement with the employer/ contractee, assigns the works to a sub-contractor and the transfer of property in goods involved in the execution of such works passes on accretion to or incorporation into the works on the property belonging to the employer/ contractee, the principal contractor cannot be considered to have provided the taxable (Works Contract) service enumerated and defined in Section 65(105)(zzzza) of the Finance Act.

CENTRAL EXCISE

RECENT CASE LAWS

- **Cenvat credit cannot be denied merely on the basis of the statement of supplier unless it is substantiated through corroborative evidence by the Department**

Cords Cable Industries Ltd. Vs. Commissioner of Central Excise [2015 (4) TMI 960 - CESTAT NEW DELHI]

In the instant case, Cords Cable Industries Ltd. (**"the Appellant"**) was denied Cenvat credit on PVC compound (**"the goods"**) procured from Kashish Products Impex Pvt. Ltd. (**"KPIL"** or **"the Supplier"**) during the period April, 2005 to November, 2005 on the premise that KPIL has stated that they have neither manufactured the goods nor supplied the goods to the Appellant and were issuing only invoices to avail Cenvat credit.

Being aggrieved, the Appellant preferred an appeal before the Hon'ble CESTAT, Delhi.

The Hon'ble Tribunal relied upon the case of ***Rajan Engineering Works [2011 (7) TMI 626 - CESTAT, DELHI]*** and held that when the Appellant was having supporting evidence in the form of check post endorsement, proof of Sales tax payment etc., demand cannot be confirmed only on the basis of statement of the supplier as it had not been substantiated through corroborative evidence by the Department.

- **Assessee is entitled to utilise Cenvat credit balance lying unutilized for payment of duty re-introduced on exempted goods**

Suraj Vanaspati Ltd. Vs. CCE. Noida [2015 (4) TMI 959 - CESTAT NEW DELHI]

In the instant case, Suraj Vanaspati Ltd. (**"the Appellant"**) was manufacturing Vanaspati Oil and accordingly was availing Cenvat credit on Inputs. On July 22, 1996, Vanaspati Oil was declared as exempted good. However, the Appellant was having Cenvat credit balance as on July 22, 1996 lying utilised which was later on utilized in May 2004 when duty on Vanaspati Oil was re-introduced on March 1, 2003.

The Department sought to deny Cenvat credit alleging that the Appellant cannot use Cenvat Credit lying unutilized in their Cenvat credit account as on July 23, 1996 for the clearance of May 2004 since the Inputs were not same.

On appeal being filed to the Hon'ble CESTAT, Delhi, and the Hon'ble Tribunal relying upon the following case laws:

- ***Rasoi Ltd. Vs. UOI [2004 (176) E.L.T. 101 (Cal.)] which was affirmed by Hon'ble Apex Court reported in 2005 (185) E.L.T. A170 (SC).***
- ***C.C.E. Hyderabad Vs. Agarwal Industries Pvt. Ltd.-2006 [(73) R.L.T. 49 (CESTAT-Bangalore])***

Held that contention of the Department

cannot be accepted as this is not the scheme of Government for availment of Cenvat credit. Accordingly, the accumulated money credit would not lapse and the Appellant is rightly entitled to use unutilized Cenvat credit for payment of duty on Vanaspati Oil from the date of re-introduction of duty.

- **Section 11AA of the Excise Act providing for interest on delayed payment of duty is prospective in nature; not applicable prior to April 8, 2011**

CCE, Bangalore - 1 Commissionerate Vs. Araco Automative India Pvt. Ltd. [(2015) 56 taxmann.com 144 (Karnataka High Court)

In the instant case, Araco Automative India Pvt. Ltd. (**"the Respondent"**) paid differential duty arising due to price escalation/ re-classification of goods, but did not pay interest thereon. The Department demanded interest on differential payment under Rule 173G of the erstwhile Central Excise Rules, 1944 from 'date of clearance' of goods.

The Hon'ble High Court of Karnataka held that Section 11AA of the Excise Act providing for interest on delayed payment is prospective in nature and has no applicability prior to April 8, 2011. Thus, in case of differential duty arising due to price escalation/ re-classification, due date for payment of duty is determined with reference to 'date of supplementary invoice'; hence, no interest can be demanded on differential duty under erstwhile Rules.

CUSTOMS

NOTIFICATIONS/CIRCULARS

- **Revision in Rate of Exchange for valuation of exported and imported goods**

In exercise of the powers conferred under Section 14 of the Customs Act, CBEC *vide* ***Notification No. 41/2015-Customs (N.T.) dated April 30, 2015*** has revised Rate of Exchange applicable with effect from May 1,2015 to determine the Assessable Value in respect of imported and exported goods.

- **Revision in Tariff value of specified Imported Goods**

In exercise of the powers conferred under Section 14(2) of the Customs Act, the CBEC vide the ***Notification No. 42/2015-Customs (N. T.) dated April 30, 2015*** has revised Tariff value in respect of imported goods such Crude Palm Oil, RBD Palm Oil, Others - Palm Oil, Crude Palmolein, RBD Palmolein, Others – Palmolein, Crude Soya bean Oil, Brass Scrap (all grades), Poppy seeds, Areca nuts etc. applicable with effect from April 30, 2015.

RECENT CASE LAWS

- **Time taken to pursue appeal in wrong forum to be excluded while determining limitation period for filing an appeal under Section 128 of the Customs Act**

MP. Steel Corporation Vs. Commissioner

of Central Excise[2015-TIOL-89-SC-CUS]

The Hon'ble Supreme Court allowed the appeal in favour of the Appellant and held that the Principle of Section 14 of the Limitation Act, 1963 which is a principle based on advancing the cause of justice would certainly apply to exclude time taken in prosecuting proceedings which are bona fide and with due diligence pursued, which ultimately end without a decision on the merits of the case. Thus, time taken to pursue the appeal in the wrong forum is to be excluded while determining limitation period under Section 128 of the Customs Act.

- **Arbitrary loading of 1% F.O.B. value as loading, unloading and handling charges is unsustainable when actual charges are ascertainable**

Wipro Ltd. Vs. Asstt Collector of Customs & Ors [2015-TIOL-79-SC-CUS]

In this case issue before the Hon'ble Supreme Court is that whether Proviso (ii) to sub-rule (2) of Rule 9 of the erstwhile Customs Valuation (Determination of Price of Imported Goods) Rules, 1988 ("**Impugned Rule**") [Rule 10 of the Customs Valuation (Determination Of Value Of Imported Goods) Rules, 2007] introduced *vide* Notification No. 39/90-Cus (N.T.) dated July 5, 1990 is sustainable or not. In other words, whether loading, unloading and handling charges forming part of Assessable value will constitute 1% of the free on board value of the goods irrespective of the fact whether actual cost is ascertainable or not.

The Hon'ble Supreme Court held that the Impugned Rule is unsustainable and has to be made applicable only when actual loading, unloading and handling charges associated with the delivery of the imported goods at the place of importation are not ascertainable.

VALUE ADDED TAX

NOTIFICATIONS/ CIRCULARS

- **Instruction to Special Objection Hearing Authorities authorised for the disposal of the objections filed on account of mismatch of Annexure 2A/2B**

The Department of Trades & Taxes *vide* ***Circular No. 5 of 2015-16 dated April 28, 2015*** has issued the direction to the Special Objection Hearing Authorities (**"SOHA"**) to pass the objection hearing order through Computer System developed for the same in Form – DVAT 40 to avoid the hardship of the Dealer. These orders can be modified thereafter wherever required.

It is clarified that review of assessment, reassessment or order can only be done by ward authorities if the Dealer so applies in Form 38C as per Section 74B(5) of DVAT Act, provided the application is made within 30 days of passing of an assessment, reassessment or order.

Similarly, SOHAs have to dispose objections which are filed in DVAT Form 38 under Section 74 of the DVAT Act. It is also made clear that where a Dealer has made an application for review of assessment, reassessment or order, intends to file an objection under Section 74 of the DVAT Actor on appeal under Section 76 of the DVAT Act, the Dealer shall withdraw the said application for review before filing the objection or the appeal.

- **Simplification of the procedure of getting Registration Certificate under DVAT Act and the CST Act**

The Department of Trades & Taxes *vide* ***Circular No. 3 of 2015-16 dated April 27, 2015*** has simplified the procedure of registration under the DVAT Act and the CST Act. The Department had provided the following procedure:

1. The registrant will intimate PAN and other brief particulars including email, mobile phone etc., on line to begin with.
2. The PAN no. will be verified online from the base of NSDL.
3. After the successful PAN verification, user ID and password would be communicated to the registrant on the same day.
4. Now the Dealer would file online registration application under DVAT and/ or CST along with the scanned copy of the requisite documents and fees for the registration.
5. After the successful submission of the online application Provisional Registration Number would be granted on the same day. This number would be valid till physical verification made.
6. The Application(s) would be available to the concerned ward Value Added Tax Officer (**"VATO"**) who will examine the application documents and get the physical verification done through ward Value Added Tax Inspector (**"VATI"**) as per the instructions already issued on the subject, within 7 days.
7. After the satisfactory inspection and due verification of requisite documents, signed copy of the Registration Certificate (**"the RC"**) would be dispatched to the dealer.
8. In case of adverse report, Show Cause Notice in form DVAT-10 would be issued and disposed of.
9. In the aforesaid process, Registration number/TIN would be issued within a day to the dealer pending physical verification.
10. The procedure as detailed above shall taken effect from April 30, 2015.

- **Filing of online return for 4th quarter of 2014-15 extended to May 15, 2015**

The Department of Trades & Taxes *vide* ***Circular No. 2 of 2014-15 dated April 27, 2015*** has extended the last date of filing of online/ hard copy of 4thquarter return for the year 2014-15, in Form DVAT-16, DVAT-17 and DVAT-48 along with required annexure to May 15, 2015.

However, the dealers filing the returns through digital signature need not be required to file hard copy of the return / Form DVAT-56.

- **Upgradations/ Changes made in the existing modules under DVAT**

The Department of Trades & Taxes *vides* Circular No. 1 dated April 24, 2015 has made certain upgradation/ changes in the following existing modules under DVAT:

(1) Item add link (for dealers)

(2) Change of Part A/B Option in the DVAT -17 (for dealers, department)

(3) Composition applications Form WC 01 (for dealer)

(4) Updation of Tax Challans (for dealer, department)

(5) Processing of Refund (for Department)

RECENT CASE LAWS

- **Amount paid as pre-condition for appeal against tax imposed for violation of certain conditions of Scheme is liable to be refunded on withdrawal of such conditions retrospectively**

Saboo Cement Industries Vs. Assistant Commercial Tax Officer, Ward-5, Ajmer [(2015) 56 taxmann.com 258 (Rajasthan)]

The Assessing Officer passed an assessment order on September 22, 2006 and imposed tax upon Saboo Cement Industries (**"the Appellant"**) on the ground that it had violated certain condition of the Sales Tax Incentive Scheme, 1987 (**"the disputed Condition"**). Thereafter, the Appellant filed an appeal before the Deputy Commissioner (Appeals) and deposited an amount of Rs. 2.90 Lakhs as a pre-condition of appeal.

Subsequently the State Government had withdrawn the Disputed Condition with retrospective effect from May 23, 1987. Thereafter the Appellant filed refund application of an amount Rs. 2.90 lakhs deposited as pre-condition of appeal to the Assessing Officer. However, all the three lower Authorities rejected the refund application.

The Hon'ble High Court of Rajasthan relied upon the following case laws:

- ***New Delhi Municipal Committee Vs. Kalu Ram [AIR 1976 SC 1637]; and***
- ***State of Rajasthan Vs. Ghasilal [AIR 1965 SC 1454]***

and held that once the disputed Condition is deleted with retrospective effect from May 23, 1987, the benefits accrued to the Appellant from May 23, 1987 and no tax was payable by the Appellant on the date of Assessment. Therefore, the Appellant was entitled to refund of Rs. 2.90 Lakhs deposited as a pre-condition of appeal.

- **While making the classification of goods, Specific Entry prevails over the General Entry**

Madras Auto Glass Vs. the State of Tamil Nadu [(2015) 4 TMI 963 - MADRAS HIGH COURT]

In this case, inspection was carried out by the Assessing Officer at the premises of Madras Auto Glass (**"the Appellant"**), a dealer of automobile glasses. The Assessing Officer disputed the classification of Windscreen Glasses and classified it under Entry 11 of Part E of I Schedule to Tamil Nadu General Sales Tax Act, 1959 (**"the TN Sales Tax Act"**) [**"Entry 11"**] taxable at the rate of 12%, while the Appellant classified it under Entry 43(ii) of Part D of I Schedule of the TN Sales Tax Act, taxable at 8% (**"Entry 43"**).

The Hon'ble High Court of Madras relied on the judgment of the Hon'ble Apex Court in the case of ***Atul Glass Industries Private LTD.: Hindustan Safety Glass Works LTD. Vs. Collector Of Central Excise: Union Of India [(1986) 63 STC 322]*** and held that Entry 43 specifically deals with parts and accessories of motor vehicle, while Entry 11 deals with general Glass and Glassware, hence when there is a Specific Entry in the statute, the same would prevail over General Entry.

FOREIGN TRADE POLICY

NOTIFICATIONS/ CIRCULARS

- **Industrial Urea / Technical Grade Urea made freely importable with Actual User condition**

In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, the Central Government *vide* ***Notification No. 04/2015-2020 dated April 28, 2015*** has amended the Import Policy of Urea under ITC (HS) code 3102 1000 of Chapter 31 of ITC (HS), 2012 - Schedule - 1 (Import Policy). Hence, Industrial Urea / Technical Grade Urea is being made freely importable with Actual User condition.

FOREIGN EXCHANGE MANAGEMENT ACT

NOTIFICATIONS/ CIRCULARS

- **Duration of Industrial License for Defence Sector revised to seven years – a measure towards ease of doing business**

In view of the long gestation period of Defense Contracts to mature, the initial validity of Industrial License for Defense Sector is being revised vide ***Press Note No. 5 (2015 Series) dated April 27, 2015*** to seven years, further extendable upto three years for existing as well as future Licenses as a measure for ease of doing business. Earlier, initial validity of Industrial License for Defense Sector was three years in terms of **Press Note 5 (2014 series) dated July 2, 2014** which was further extendable to seven years in terms of **Press Note 9 (2014 series) dated October 20, 2014**.

- **Merchanting Trade to Nepal and Bhutan qualify as traffic-in-transit if provisions of**

-India- Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit are adhered

In terms of ***A.P. (DIR Series) Circular No. 97 dated April 30, 2015***, RBI in consultation with Government of India had clarified that the goods consigned to the importers of Nepal and Bhutan from third countries under merchanting trade from India would qualify as traffic-in-transit, if the goods are otherwise compliant with the provisions of the India-Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit respectively.

NEWS FLASH

- **Government agrees, Lok Sabha to take up GST after Finance Bill**

The Government on April 27, 2015 acceded to the Congress-led opposition's demand in Parliament to defer a discussion on the GST constitutional amendment bill after the passage of the Finance bill in the Lok Sabha.

The Congress and some other parties had protested and staged a walkout when the Government moved the GST constitutional amendment bill on April 24, 2015. They had argued that the Lok Sabha traditionally took up the other legislative agenda only after discussion on the demands for grants of various Ministries and the Finance bill.

A Minister said the Lok Sabha would now take up for discussion and passage the bills on unaccounted money, land acquisition and GST from May 5 to 8.

- **Opposition strategy is to corner Government on key Bills**

When Congress president Sonia Gandhi led the Opposition walkout over the GST Bill in the Lok Sabha, it was indicative of an increasing tendency of political opponents to close ranks making Government functioning difficult. Not only did the Congress, Trinamool Congress, the Left parties and the Nationalist Congress Party walk out, even otherwise 'friendly' parties of the Bharatiya Janata Party (BJP)-led Government such as the All India Anna Dravida Munnetra Kazhagam (AIADMK) and Biju Janata Dal, too, opposed the consideration of the GST Bill. For the Narendra Modi-led Government, the second half of the Budget session is proving to be a navigation through choppy waters with the GST Bill running into rough weather and the contentious land Bill yet to come up. Both the Bills (Land Bill and GST Bill) are critical for the National Democratic Alliance's reforms agenda.

- **Government shows intent to pass GST Bill this session**

The Government on April 30, 2015 listed the GST constitutional amendment Bill as part of its legislative agenda for the Lok Sabha when the House meets on Tuesday, after a four-day break.

The fate of the GST constitutional amendment Bill seems uncertain, with the Congress and some other parties, including the All India Anna Dravida

Munnetra Kazhagam, the Left parties, the Biju Janata Dal and the Trinamool Congress, likely to insist it be referred to a parliamentary standing committee.

The Government is, however, confident of mustering two-thirds majority to ensure passage of the Bill in the Lower House. It needs 361 votes to ensure the Bill is passed, if all 542 MPs (excluding the Speaker) vote. A constitutional amendment needs two-thirds majority, as well as the presence of more than half of the current strength of a House.

BJP president Amit Shah on April 30,2 015 said he was confident Opposition parties would vote for the Bill.

- **Parliament may see face-off between Government, Congress over GST Bill**

Another face-off between Government and opposition could be seen in Parliament with Congress sticking to its demand for referring the long pending GST bill to the Standing Committee for scrutiny.

"GST is our baby. We do not oppose as a matter of policy. What we are opposing is the procedure. The Standing Committee route is being bypassed," Party spokesperson Sushmita Dev said.

- **Truce with Congress may allow Narendra Modi Government to ensure passage of GST Bill**

A possible truce with the Congress may allow the Government to ensure passage of the GST Bill in the ongoing session of Parliament, perhaps this week itself.

The Congress appears positively inclined after Finance Minister Arun Jaitley reached out to the party leadership over the weekend for ironing out differences over the proposed law.

There are indications that the Congress could give up its demand of referring the bill again to the standing committee.

Jaitley has been in touch with several other parties as well, including chief Ministers and after the discussions, influential Congress leaders have toned down their opposition to the bill, saying that the new amendments reflect the unanimous suggestions made by the empowered committee of the State Finance Ministers, including those of Congress-ruled States.

- **Cong in talks with regional parties to corner Government on GST Bill**

With the National Democratic Alliance Government making it clear it will go ahead with its reforms agenda and get the Constitution amendment Bill on GST cleared in Parliament in the current session, the Congress has demanded greater 'deliberation' and scrutiny of the Bill.

However, the Government is hopeful of getting support from some opposition parties for the Bill. The Government has said that it will take the concerns of opposition-ruled States on board.

Glossary

Finance Act, 1994	**Finance Act**
Service Tax (Determination of Value) Rules, 2006	**Service Tax Valuation Rules**
Service Tax Rules, 1994	**Service Tax Rules**
Show Cause Notice	**SCN**
Central Excise Act, 1944	**Excise Act**
Central Excise Tariff Act, 1985	**Excise Tariff Act**
Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000	**Excise Valuation Rules**
Customs Act, 1962	**Customs Act**
Customs Tariff Act, 1975	**Customs Tariff Act**
Central Board of Excise and Customs	**CBEC**
Goods and Services Tax	**GST**
Central Sales Tax Act, 1956	**CST Act**
Cenvat Credit Rules, 2004	**Credit Rules**
Delhi Value Added Tax Act, 2004	**DVAT Act**

ABOUT US

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