

EASTER ON A "GOOD" FRIDAY!

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Year 2007, spelt doom for the Settlement Commission, in an attempt to pluck the feathers, the wings were clipped, and the Commission limped. By taking away the powers to settle Clandestine cases in Central Excise and smuggling cases in Customs, the lifeline of the Commission was cut. The Court halls of the Commission, across India were so empty with eerie silence and decorated with spider's web.

We sincerely hope, this Budget, by its proposed amendments to Section 35 E, 32 F and 32 O of Central Excise Act, 1944, would certainly resurrect the Commission after its – "2007 Crucifixion!".

By a crucial amendment to Section 32 E (1) Central Excise Act, whereby, the words "or otherwise" has been substituted for the words "but excluding the goods in respect of which no proper record has been maintained by the assessee in his daily stock register", thereby bring the "Clandestine cases under the purview of the Commission". Similarly, Section 127 B of the Customs Act has been amended by substituting the words "but excluding the goods not included in the entry made under this Act". There by, bringing the "Smuggling cases under the purview of the Commission".

Further, an amendment has been proposed to Section 32 F (6) of the Central Excise Act and Section 127 C (6) of the Customs Act, whereby, the time limit prescribed to the Settlement Commission to decide the cases within 9 months from the last date of the month in which the application was made has been extended for a further period of 3 months. In effect, the commission has a time limit of "1 year" to decide the applications filed before the Commission.

In another significant amendment to Section 32 O (6) of the Central Excise Act and Section 127 L (6) of the Customs Act, the bar on subsequent application by an applicant, has been taken away, by omitting the bar contained under section 32 O (2) of the Central Excise Act and 127 of the Customs Act. Now, after the present amendment, the "OTS" scheme has become "MTS" scheme, means, One Time Settlement scheme has become a Multiple Time Settlement scheme.