

(2021) 01 CESTAT CK 0017

In the Customs, Excise And Service Tax Appellate Tribunal

Case No : Customs Appeal Nos. 54064, 54065, 54066, 54067, 54068, 54069, 54070, 54071, 54072, 54073, 54074, 54075, 54076, 54077, 54078, 54079, 54080, 54081, 54082, 54089, 54090, 54091, 54092, 54093, 54094, 54095, 54096, 54097, 54098, 54099, 54100, 54102, 54103, 5410

Jet Airways (India) Ltd. @Hash Commissioner Of Customs

Date of Decision : 13-01-2021

Acts Referred:

Customs Tariff Act 1975 — Section 2, 3, 3(1), 3(7), 3(8), 3(9), 3(11), 3(12)
Integrated Goods and Service Tax Act, 2017 — Section 5, 5(1)
Customs Act, 1962 — Section 2(15), 12, 12(1), 14, 14(1), 14(2), 19, 25, 25(1), 32K(1), 32O(1)(i)
Goods and Services Tax (Compensation to States) Cess Act, 2017 — Section 5, 8
Central Excises and Salt Act, 1944 — Rule 8(1)
Finance Act, 1963 — Section 68(1)

Citation : (2021) 01 CESTAT CK 0017

Hon'ble Judges : Delip Gupta, J; P.V. Subba Rao, Technical Member

Bench : Division Bench

Advocate : Tarun Kumar Govil, Sunil Kumar

Final Decision : Allowed

Judgement

“

1. All these 60 appeals have been filed by M/s Jet Airways (India) Limited the Appellant. The issue raised in all these appeals is about the availability,,

of Integrated Goods and Service Tax the Integrated Tax exemption provided at serial no. 2 in the General Exemption Notification No.45/2017 dated,,

June 30, 2017 the Exemption Notification, as amended by Corrigendum Notification dated July 22, 2017, to aircrafts and parts thereof that are re-“,,

imported into India after repairs. The Appeals seek the quashing of the order dated September 12, 2018 passed by the Commissioner of Customs“,,

(Appeals) the Commissioner that upholds the orders of assessment of Bills of

Entry, as a result of which all the appeals have been dismissed by the",,,
Commissioner (Appeals).,,

2. The Appellant is a scheduled airline operator, engaged in the business of transportation of passengers and goods by air. In order to carry out the",,,
scheduled operations in India, the Appellant imported aircrafts and it is stated that when the engines/ auxiliary power units or other parts of the",,,
aircrafts began to develop defects, they were exported out of India for repairs. It is further stated that at times, the aircrafts also have to be exported",,,
out of India for repairs and maintenance. The repaired parts/ aircrafts are thereafter re-imported into India and at the time of reimport, Bills of Entry",,,
are filed. These Bills of Entry are assessed to basic customs duty and integrated tax at the applicable rates. The dispute in all these appeals is as to,,
whether the Appellant is justified in claiming exemption from payment of integrated tax under the Exemption Notification on re-import of repaired,,
parts/ aircrafts into India during the period commencing August, 2017 to March, 2019.",,

3. The Appellant had claimed exemption at the time of re-import from payment of basic customs duty for aircrafts/ parts under a Notification No.,,
50/2017 dated June 30, 2017. There is no dispute in these appeals with regard to this exemption. The dispute is in regard to the levy of integrated tax",,,
on the re-import of aircrafts/ parts. The Appellant had claimed exemption from payment of integrated tax under the Exemption Notification for the,,
reason that the importer is required to only pay duty of customs on the fair cost of repairs and the cost of insurance and freight charges, both ways.",,
The Customs Authorities, however, did not agree on this issue with the Appellant, as according to them the Appellant was not entitled to full",,,
exemption from payment of integrated tax since the phrase duty of customs at serial no.2 of the Exemption Notification, includes both the basic",,,
customs duty as also integrated tax. Thus, according to the Authorities, the appellant was required to pay integrated tax, in addition to the basic",,,
customs duty, on the fair cost of repairs and the cost of insurance and freight charges, both ways.",,
4. The Commissioner, therefore, disallowed the integrated tax exemption claimed by the Appellant on all the Bills of Entry and integrated tax was",,,
levied on the fair cost of repairs and the cost of insurance and freight charges,

both ways. It is against the aforesaid assessment that the Appellant had",,,
filed appeals before the Commissioner (Appeals). The Commissioner (Appeals)
upheld the assessments and, accordingly, rejected all the appeals.",,,

5. To appreciate the contentions advanced by Shri Tarun Kumar Govil, learned
Counsel appearing for the Appellant and Shri Sunil Kumar, learned",,,

Authorised Representative of the Department, it is necessary to examine certain
sections of The Customs Tariff Act 1975 [the Tariff Act] and the",,,

Exemption Notification that are relevant for the purpose of deciding these
appeals.,,,

6. Section 2 of the Tariff Act provides that the rates at which duties of customs
shall be levied under the Customs Act 1962 [the Customs Act] have,,

been specified in the First and Second Schedules. It is reproduced below:,,

2. Duties specified in the Schedules to be levied.,,,

â??The rates at which duties of customs shall be levied under the Customs Act,
1962 (52 of 1962) are specified in the First and Second",,,

Schedules.â??.",,,

7. Section 3 of the Tariff Act provides for levy of additional duty equal to excise
duty, sales tax, local taxes and other charges. Subsections (1), (7),,,

(8), (9), (11) and (12) of section 3 are relevant and are reproduced below. It
needs to be noted that sub-section (7) of section 3 of the Tariff Act was",,,

substituted with effect from July 1, 2007.",,,

â??Section 3. Levy of additional duty equal to excise duty, sales tax, local taxes
and other charges.-",,,

(1) Any article which is imported into India shall, in addition, be liable to a duty
(hereafter in this section referred to as the additional duty)",,,

equal to the excise duty for the time being leviable on a like article if produced or
manufactured in India and if such excise duty on a like,,

article is leviable at any percentage of its value, the additional duty to which the
imported article shall be so liable shall be calculated at",,,

that percentage of the value of the imported article.,,,

Provided xxxx xxxx xxxx,,

Explanation- xxxx xxxx xxxx,,

(7) Any article which is imported into India shall, in addition, be liable to
integrated tax at such rate, not exceeding forty per cent as is",,,

leviable under section 5 of the Integrated Goods and Service Tax Act, 2017 on a like article on its supply in India, on the value of the",,,

imported article as determined under sub-section(8).,,

(8) For the purposes of calculating the integrated tax under sub-section (7) on any imported article where such tax is leviable at any,,

percentage of its value, the value of the imported article shall, notwithstanding anything contained in section 14 of the Customs Act, 1962,",,

be the aggregate ofâ?" (a) the value of the imported article determined under sub-section (1) of section 14 of the Customs Act, 1962 or the",,,

tariff value of such article fixed under sub-section (2) of that section, as the case may be; and (b) any duty of customs chargeable on that",,,

article under section 12 of the Customs Act, 1962, and any sum chargeable on that article under any law for the time being in force as an",,,

addition to, and in the same manner as, a duty of customs, but does not include the tax referred to in subsection (7) or the cess referred to in",,,

sub-section.,,,

(9) Any article which is imported into India shall, in addition, be liable to the goods and services tax compensation cess at such rate, as is",,,

leviable under section 8 of the Goods and Services Tax (Compensation to States) Cess Act, 2017 on a like article on its supply in India, on",,,

the value of the imported article as determined under sub-section (10).,,

(11) The duty or tax or cess, as the case may be, chargeable under this section shall be in addition to any other duty or tax or cess, as the",,,

case may be, imposed under this Act or under any other law for the time being in force.",,

(12) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to",,,

drawbacks, refunds and exemption from duties shall, so far as may be, apply to the duty or tax or cess, as the case may be, chargeable",,,

Sl No.,Description of goods,Conditions

(1),(2),(3)

1.,xxxx xxxx xxx,xxxx xxxx xxxx

2., "Goods, other than those falling

under Sl No. 1 exported for

repairs abroad", "Duty of customs which would be leviable if the value of re-imported goods after repairs were made up of the fair cost of repairs carried out including cost of materials used in repairs (whether such costs are actually incurred for not), insurance and freight charges, both ways.

substituted. To appreciate this issue, reliance can be placed on the earlier Customs Notification No.94 of 96. The subsequent Exemption Notification is",,, almost a replica, since after the introduction of Goods and Service Tax, CVD has been replaced by integrated tax;","

(iii) An assessee cannot pick and choose Notifications to unlawfully enrich himself and if a narrow interpretation is given to the submissions made by,, the learned Counsel for the Appellant, there will be large revenue implications; and",,,

(iv) Though the Exemption Notification is clear, but even if it is assumed that there is any ambiguity, then too the benefit should go the Revenue as",,, was observed by the Supreme Court in Commissioner of Customs (Import) Mumbai versus Dileep Kumar and Company, 2018 (361) ELT 577 (S.C)",,, and in M/s LR Brothers India Overseas Limited, 2020-TIOL-145-SC-CUS.",,,

11. The submissions advanced by the learned Counsel for the Appellant and the learned Authorised Representatives of the Department have been,, considered.,,,

12. Section 25 of the Customs Act deals with power to grant exemption from duty. Sub-section (1) of section 25 of the Customs Act is reproduced,, below:,,

â??25. Power to grant exemption from duty.â?',",,

(1) If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification in the Official Gazette, exempt",,, generally either absolutely or subject to such conditions (to be fulfilled before or after clearance) as may be specified in the notification goods of any,, specified description from the whole or any part of duty of customs leviable thereon.â?',",,

(2) xxxxxx,,

13. It is in exercise of the power conferred by sub-section (1) of section 25 of the Customs Act that the Exemption Notification has been issued. The,,

Central Government exempted the goods falling within any Chapter of the First Schedule to the Tariff Act and specified in column (2) of the Table,,

when re-imported into India, from so much of the duty of customs leviable thereon which is specified in the First Schedule, and the integrated tax",,,

compensation cess leviable thereon respectively under sub-sections (7) and (9) of section 3 of the Tariff Act, as is in excess of the amount indicated in",,,

the corresponding entry in column (3) of the Table.,,

14. The Exemption Notification makes reference to the Tariff Act. Section 12 of the Customs Act also provides that duties of customs on goods,,

imported into India shall be levied at such rates as may be specified under the Tariff Act. Section 2 of the Tariff Act provides that the rates at which,,

duties of customs shall be levied under the Customs Act are specified in the First and the Second Schedules. Section 3 of the Tariff Act deals with,,

levy of additional duty equal to excise duty, sales tax, local taxes and other charges. Sub-section (1) provides that any article which is imported into",,,

India, shall in addition, be liable to a duty to be called as additional duty, which would be equal to the excise duty for the time being leviable on a like",,,

article if produced or manufactured in India. Sub-section (7) provides that any article which is imported into India shall, in addition, be liable to",,,

integrated tax at such rate, not exceeding 40 per cent as is leviable under section 5 of the Integrated Goods and Services Tax Act, Integrated Tax Act",,,

on the value of the imported article. Sub-section (9) provides that any article which is imported into India shall, in addition, be liable to goods and",,,

services tax compensation cess on the value of the imported articles. Sub-section (11) provides that the duty, or tax or cess chargeable under section 3",,,

shall be in addition to any other duty or tax or cess, imposed under the Tariff Act or any other law for the time being in force. Sub-section (12) states",,,

that the provision of the Customs Act and the rules and regulations made thereunder, including those relating to exemption from duty shall, so far as",,,

may be, apply to the duty or tax or cess, as the case may be, chargeable under section 3 as they apply in relation to the duties leviable under that Act.",,,

15. There is no dispute that it is serial no. 2 of the Exemption Notification that is applicable to aircrafts/ parts re-imported into India after repairs. What,,

would, therefore, be payable in terms of serial no. 2 would be the duty of customs on the fair cost of repairs carried out including cost of materials",,,

used in repairs, insurance and freight charges, both ways.",,,

16. The Exemption Notification does not define the phrase duty of customs. However, section 2(15) of the Customs Act defines "duty" to mean",,,

duty of customs leviable under the Customs Act. The said section 2(15) of the Customs Act is reproduced below:,,

"2(15). "duty" means a duty of customs leviable under this Act;,,

17. Section 12 of the Customs Act deals with dutiable goods. Sub-section (1) of section 12 is reproduced below:,,

"Section 12. Dutiable goods.-(1) Except as otherwise provided in this Act, or any other law for the time being in force, duties of customs",,,

shall be levied at such rates as may be specified under the Customs Tariff Act, 1975 or any other law for the time being in force, on goods",,,

imported into, or exported from India.",,,

18. A bare perusal of section 12(1) of the Customs Act shows that duties of customs shall be levied at such rates as are specified under the Tariff,,

Act or any other law for the time being in force, on goods imported into, or exported from India. The contention of learned Authorized Representatives",,,

of the Department is that section 12(1) of the Customs Act leaves no manner of doubt that duties of customs are levied not only under the provisions,,

of the Customs Act and the Tariff Act but also under "any other law for the time being in force". Thus, the integrated tax leviable on imported",,,

goods by the Integrated Tax Act would also be a duty of customs and, therefore, the Appellant was correctly denied exemption from integrated tax",,,

leviable under section 3(7) of the Tariff Act.,,,

19. It is not possible to accept this contention of the learned Authorized Representatives of the Department. Section 2(15) of the Customs Act defines,,

"duty" to mean duty of customs leviable under the Customs Act. Section 12(1) provides that the duties of customs shall be levied at such rates,,

as may be specified in the Tariff Act or any other law for the time being in force. It only means that the rates for duties of customs can be specified,,

either under the Tariff Act or any other law for the time being in force. It does not expand the meaning of "duties of customs". What is,,

important to notice is that whereas section 2 of the Tariff Act refers to "duties

of customsâ??, section 3 of the Tariff Act does not refer to",,,

â??duties of customsâ??. It only provides for levy of additional duty equal to the excise duty, sales tax, local taxes and other charges. Additional duty",,,

is levied under section 3(1) of the Tariff Act, whereas integrated tax and compensation cess are levied under sub-sections (7) and (9) of section 3 of",,,

the Tariff Act. Sub-section (11) of section 3 also refers to duty or tax or cess chargeable under section 3.,,,

20. The Supreme Court in *Prestige Engineering (India) Limited vs. Collector of C., Excise, Meerut*, 1994 (73) E.L.T. 497 (S.C) observed that once an",,,

expression is defined in the Act, that expression, wherever it occurs in the Act, Rules or Notifications issued thereunder, should be understood in the",,,

same sense. It is for this reason that it has been contended by learned Counsel for the Appellant that the expression â??duty of customsâ? appearing",,,

at serial no. 2 of the Exemption Notification can have only that meaning which is assigned to it under section 2(15) of the Customs Act, which would",,,

be the â??dutyâ? leviable under the Customs Act and any other duty or tax which is not levied under the Customs Act, but levied under other",,,

enactments cannot be treated as a â??duty of customsâ?? for the purpose of customs notification.,,,

21. It is also relevant to refer to the judgment of the Supreme Court in *Collector of Customs, Madras vs. Indian Organic Chemicals Limited*, 2000",,,

(118) ELT 3 (S.C). Section 19 of the Customs Act relates to determination of duty where goods consist of articles liable to different rates of duty.,,,

Section 3 of the Tariff Act deals with levy of additional duty equal to excise duty. The Supreme Court held that since section 19 of the Customs Act,,

applies to determination of â??dutyâ?, it would only relate to â??dutyâ? under the Customs Act as is clear from section 2(15) of the Customs Act",,,

and not the additional duty under section 3 of the Tariff Act. The relevant portion of the judgement is reproduced below:,,

â??3. In the first place, Section 19 of the Customs Act is inapplicable to the assessment of additional duty under the Customs Tariff Act.",,,

Section 19 applies to â??dutyâ? that is, â??duty under the Customs Actâ?, as is clear from Section 2(15) of the Customs Act. The method of",,,

determination of Customs duty thereunder where goods consist of articles liable to different rates of Customs duty is not applicable for the,,

purposes of assessment of additional duty under the Customs Tariff Act.â??,,
(emphasis supplied),,

22. It is, therefore, clear that even the levy of additional duty under section 3 of the Tariff Act, which is in addition to the duty of customs under",,,
section 2 of the Tariff Act, would not be duty of customs for the purpose of Notifications issued under the Customs Act.",,,

23. The Bombay High Court in Ceat Tyres of India Limited vs. Union of India, 1992 (57) ELT 221 (BOM.)also held that the expression duty of",,,

customs covered only the basic customs duty and not the additional duty. The observations are as follows:,,

â??2. By a Notification issued under section 25(1) of the Customs Act, 1962, the goods specified in the Table thereto were, when imported",,,

into India, exempted â??from so much of that portion of the duty of Customs leviable thereonâ? as was in excess of the rates specified in",,,

the corresponding column of the Table. The argument on behalf of the petitioners was that the expression â??duty of customsâ?? covered not,,

only the basic customs duty but also additional and auxiliary duty. A Single Judge of this Court has taken the view that â??duty of,,

customsâ? covers only basic customs duty and not additional or auxiliary duty. The Kerala High Court has taken the same view. A special,,

Leave Petition was filed before the Supreme Court against this judgment of the Kerala High Court and it was dismissed by order dated 12th,,

September, 1984 in SLP (C) 16629/44, M/s Kathayee Cotton Mills Ltd. vs. Union of IndiaT. his point must, therefore, be decided against the",,,

petitioners.â??,,

(emphasis supplied),,

24. In this connection, the judgment of the Supreme Court in M/s Unicorn Industries vs. Union of India & Others, 2019 (12) TMI 28 6â?"Supreme",,,

Court also needs to be referred to. The Supreme Court held that National Calamity Contingency Duty, Education Cess and Secondary and Higher",,,

Education Cess are in the nature of additional excise duty and when an exemption notification exempts duty of excise it would not automatically mean,,

that these additional excise duties are also exempted. Thus, it was held that these additional duties do not come within the scope of the term â??duty",,,

of exciseâ?.,,,

25. Integrated Tax has been defined under section 2(12) of the Integrated Tax Act to mean the integrated goods and services tax levied under the,,

Integrated Tax Act. Section 5 of the Integrated Tax Act deals with levy and collection. It provides that there shall be levied a tax called the integrated,,

goods and services tax on all inter-State supplies of goods or services or both on the value as determined under section 15 of the Central Goods and,,

Services Act and at such rates, not exceeding 40 per cent as may be notified by the Government. The proviso stipulates that the integrated tax on,,

goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Tariff Act on the value as determined,,

under the Tariff Act at the point when duties of customs are levied on the said goods under section 12 of the Customs Act. Section 5 of the Integrated,,

Tax Act is reproduced below:-,,

Section 5. Levy of collection - (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the integrated goods and,,

services tax on all inter-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the,,

value determined under section 15 of the Central Goods and Services Tax Act and at such rates, not exceeding forty per cent., as may be,,

notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by,,

the taxable person:,,

Provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of,,

the Customs Tariff Act, 1975 (51 of 1975) on the value as determined under the said Act at the point when duties of customs are levied on,,

the said goods under section 12 of the Customs Act, 1962 (52 of 1962).,,

26. It is, therefore, clear that though integrated tax is levied under section 5 of the Integrated Tax Act, but it is collected in accordance with the,,

provisions of section 3 of the Tariff Act on the value as determined under the Tariff Act and at the point when duties of customs are levied under,,

section 12 of the Customs Act. Thus, integrated tax is levied under section 5(1) of the Integrated Tax Act and only the procedure for collection has,,

been provided under section 3 of the Tariff Act.,,

27. It also needs to be noted that the term integrated tax has not been

defined either under the Customs Act or the Customs Tariff Act or under,,
the Exemption Notification. As integrated tax is not levied under section 12 of the
Customs Act, it cannot be called "duty of customs". The,,
charging section for integrated tax, in terms of which it is levied, is section 5 of
the Integrated Tax Act and not section 3(7) of the Tariff Act. Section,,
3(7) of the Tariff Act only provides for the manner of collection of the said
integrated tax to be done by the Customs Authorities in case of import of,,
goods. This is what was observed by the Madras High Court in Vedanta limited
vs. Union of India, 2018 (19) GSTL 637 (Mad.).",,,

28. Thus, what follows from the aforesaid discussion is;,,

(1) Though the expression duty of customs has not been defined under the
Exemption Notification but it can only have that meaning which has been,,
assigned to the meaning of "duty" under section 2(15) of the Customs Act.
It would, therefore, mean the "duty of customs" leviable under,,
the Customs Act and any other duty not levied under the Customs Act, would not
be duty of customs for the purposes of any Notification issued under,,
the Customs Act.,,,

(2) Integrated tax has also not been defined under the Exemption Notification. It
has been defined under section 2(12) of the Integrated Tax Act to,,
mean the tax levied under the Integrated Tax Act. Integrated Tax is levied under
section 5 of the Integrated Tax Act and not under section 12 of the,,
Customs Act, and therefore, cannot be called as duty of customs; and",,,

(3) Section 3(7) of the Tariff Act only provides the manner of collection of the
integrated tax by the customs authorities in case of import of goods.,,,

29. It is in the light of the aforesaid discussion that the meaning assigned to duty
of customs in the Exemption Notification has to be understood.,,,

30. A perusal of the main body of the Exemption Notification would indicate that
it refers not only to duty of customs leviable thereon which is,,

specified in the First Schedule to the Tariff Act, but also to integrated tax and
compensation cess which are leviable thereon respectively under sub-",,,

sections (7) and (9) of section 3 of the Tariff Act. However, column (3) of the
Table accompanying the main Notification for serial no.2 refers to only",,,

duty of customs (without mentioning "leviable thereon which is specified in the
First Schedule"), on the fair cost of repairs carried out with",,,

insurance and freight charges.,,,

31. It is for this reason that it has been contended by the learned Authorised Representatives of the Department that omission to mention "specified",

in the said First Schedule in the conditions set out in column (3) of the Table for serial no.2 after "Duty of customs", would mean that the",

Government intended to include integrated tax and compensation cess in the expression duty of customs.,,

32. It is not possible to accept this reasoning advanced by the learned Authorised Representatives of the Department. In the first instance, the",

meaning assigned to duty of customs, as discussed above, is the meaning assigned to "duty" under section 2(15) of the Customs Act, which",

would be the duty leviable under section 12 of the Customs Act. Mere omission to mention "specified in the First Schedule to the Tariff Act",

after "Duty of customs" in the conditions set out in column (3) of the Table for Serial No. 2 cannot lead to an inference that duty of customs,,

would include integrated tax and compensation cess. Column (3) of the Table refers to "Duty of customs" which would be leviable. Section 2(15),,

of the Customs Act defines "duty" to mean a duty of customs leviable under the Customs Act. It is section 12 of the Customs Act which,,

provides that the duties of customs shall be levied at such rates as may be specified under the Tariff Act. Section 2 of the Tariff Act also provides,,

that the rates at which duty of customs shall be levied under the Customs Act are specified in the First and Second Schedules to the Tariff Act. It,",

therefore, inevitably follows that the expression duty of customs occurring in the column (3) of the Table at serial no.(2) of the Exemption Notification",

would only mean the duty of customs leviable under the Customs Act as have been specified in the First and Second Schedules to the Tariff Act and,,

not to integrated tax, which is levied under section 5 of the Integrated Tax Act.",

33. This apart, it is also necessary to consider whether omission to add "specified in the First Schedule" after "Duty of Customs" in the",

conditions set out in column (3) of the Table at serial number 2 is deliberate or unintentional. To appreciate this, it would be necessary to examine",

whether it was at all necessary to add "leviable thereon which is specified in the said First Schedule" after "duty of customs" in the main,,

body of the Exemption Notification. As noticed above, even if "leviable thereon which is specified in the said First Schedule" after "duty of",

customsâ?? in the main body of the Exemption Notification, had not been added, it would have necessarily meant duty of customs that is defined",,,

under section 2(15) of the Customs Act read with section 12 of the Customs Act and section 2 of the Tariff Act. This in turn, would relate to the First",,,

Schedule of the Tariff Act. It, therefore, follows that it is only as a matter of abundant caution and only to make the intention clear beyond any doubt",,,

that the main body of the Exemption Notification includes duty of customs specified in the First Schedule. Thus, no significance can be attached to the",,,

fact that â??specified in the First Scheduleâ?? has not been mentioned after â?? Duty of customsâ?? in the conditions set out at column no.(3) in the",,,

Table for serial number 2 of the Exemption Notification.,,,

34. This precise issue was considered by the Supreme Court in Union of India and others vs. Modi Rubber Limited and Others, 1986 (25) ELT 849",,,

(S.C), though it is in the context of duty of excise levied under the Central Excises & Salt Act, 1944. The Supreme Court noticed that in some of the",,,

exemption notifications, the Central Government used specific language indicating that the exemption granted was in respect of the excise duty",,,

leviable under the Central Excises & Salt Act, 1944, but in some exemption notifications only â??duty of exciseâ?? was mentioned without specifying",,,

â??leviable under Central Excises & Salt Act, 1944â??. The Supreme Court observed that it is not uncommon that at times the Legislature, with a",,,

view to making its intention clear beyond doubt, uses words which may not be strictly necessary to be added since without them the same intention",,,

can be spelt out as a matter of judicial construction and this would be more so in the case of subordinate legislation by the executive. It often happens",,,

that the officer may employ words with a view to leaving no scope for possible doubts or even for greater completeness, though these words may not",,,

add anything to the word or scope to the subordinate legislation. Therefore, even if the words â??duty of exciseâ?? leviable under the Central",,,

Excises and Salt Act, 1944 did not find place, as in the some exemption notifications, it would not necessarily lead to an inference that the expression",,,

â??duty of exciseâ?? was intended to refer to all duties of excise, including the special auxiliary duties of excise. The Supreme Court emphasised that",,,

the expression â??duty of exciseâ?? has to be interpreted bearing in mind the context in which it occurs. The Supreme Court, therefore, concluded",,,

that the expression "duty of excise" must bear the same meaning which it has in Rule 8(1), which is excise duty payable under Central Excises,,

and Salt Act, 1944 and cannot bear an extended meaning so as to include special excise duty and auxiliary excise duty. The relevant paragraph of the,,

judgment is reproduced below:,,

"9..... Now, it is no doubt true that in these various notifications referred to above, the Central Government has, while,,

granting exemption under Rule 8(1), used specific language indicating that the exemption, total or partial, granted under each such,,

notification is in respect of excise duty leviable under the Central Excises and Salt Act, 1944. But, merely because, as a matter of drafting,,

the Central Government has in some notifications specifically referred to the excise duty in respect of which exemption is granted as `duty of,,

excise" leviable under the Central Excises and Salt Act, 1944, it does not follow that in the absence of such words of specificity, the,,

expression `duty of excise" standing by itself must be read as referring to all duties of excise. It is not uncommon to find out that the,,

legislature sometimes, with a view to making its intention clear beyond doubt, uses language ex abundanti cautela though it may not be,,

strictly necessary and even without it the same intention can be spelt out as a matter of judicial construction and this would be more so in,,

case of subordinate legislation by Executive. The officer drafting a particular piece of subordinate legislation in the Executive Department,,

may employ words with a view to leaving no scope for possible doubt as to its intention or sometimes even for greater completeness, though,,

these words may not add anything to the meaning and scope of the subordinate legislation. Here, in the present notifications, the words,,

`duty of excise leviable under the Central Excises and Salt Act, 1944" do not find a place as in the other notifications relied upon by the,,

respondents. But, that does not necessarily lead to the inference that the expression `duty of excise" in these notifications was intended,,

to refer to all duties of excise including special and auxiliary duties of excise. The absence of these words does not absolve us from the,,

obligation to interpret the expression `duty of excise" in these Notifications. We have still to construe this expression what is its meaning,,

and import and that has to be done bearing in mind the context in which it occurs. We have already pointed out that these notifications,,

having been issued under Rule 8(1), the expression `duty of excise` in these notifications must bear the same meaning which it has in",,,

Rule 8(1) and that meaning clearly is excise duty payable under the Central Excises and Salt Act, 1944 as envisaged in Rule 2 clause (v). It",,,

cannot in the circumstances bear an extended meaning so as to include special excise duty and auxiliary excise duty.â?,,

(emphasis supplied),,,

Sl No.,Description of goods,Conditions

(1),(2),(3)

1.,xxxx xxxx xxx,xxxx xxxx xxxx

2., "Goods, other than those falling

under Sl No. 1 exported for

repairs abroad", "Duty of customs which would be leviable if the value

of re-imported goods after repairs were made up of

the fair cost of repairs carried out including cost of

materials used in repairs (whether such costs are

actually incurred or not), insurance and freight

charges, both ways.