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D.O.F.No.334/8/2016-TRU  
New Delhi, the 29th February, 2016.

Dear Principal Chief Commissioner / Chief Commissioner / Principal Commissioner,

The Finance Minister has introduced the Finance Bill, 2016 in Lok Sabha today, i.e., 29th February, 2016. Changes in Customs and Central Excise law and rates of duty have been proposed through the Finance Bill, 2016. In order to prescribe effective rates of duty and to carry out changes in the Rules made under the respective Acts, the following notifications are being issued:

<table>
<thead>
<tr>
<th>CUSTOMS</th>
<th>Notification Nos.</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariff</td>
<td>No.11/2016-Customs to No.23/2016-Customs</td>
<td>1st March, 2016</td>
</tr>
<tr>
<td>Non-Tariff</td>
<td>No.30/2016-Customs (N.T.) to No.33/2016-Customs (N.T.)</td>
<td>1st March, 2016</td>
</tr>
<tr>
<td>CENTRAL EXCISE</td>
<td></td>
<td></td>
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<tr>
<td>Tariff</td>
<td>No.5/2016-Central Excise to No.18/2016-Central Excise</td>
<td>1st March, 2016</td>
</tr>
<tr>
<td>Non-Tariff</td>
<td>No.5/2016-Central Excise (N.T.) to No.21/2016-Central Excise (N.T.)</td>
<td>1st March, 2016</td>
</tr>
<tr>
<td>MISCELLANEOUS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clean Energy Cess</td>
<td>No.1 and No.2/2016-Clean Energy Cess</td>
<td>1st March, 2016</td>
</tr>
<tr>
<td>Infrastructure Cess</td>
<td>No.1/2016-Infrastructure Cess</td>
<td>1st March, 2016</td>
</tr>
</tbody>
</table>

Unless otherwise stated, all changes in rates of duty take effect from the midnight of 29th February / 1st March, 2016. A declaration has been made under the Provisional Collection of Taxes Act, 1931 in respect of clauses 138 (i), 142 (i), 143 (i), 159, 231 and 232 of the Finance Bill, 2016 so that changes proposed therein take effect from the midnight of 29th February / 1st March, 2016.
March, 2016. The remaining legislative changes would come into effect only upon the enactment of the Finance Bill, 2016. These dates may be carefully noted.

2. Important changes in respect of Customs and Central Excise duty and legislative changes are contained in the four Annexes appended to this letter:
   1) Annex I contains Chapter wise changes relating to Customs;
   2) Annex II contains Chapter wise changes relating to Central Excise;
   3) Annex III contains the clarifications being issued on certain matters relating to Customs and Central Excise.
   4) Annex IV provides a bird’s eye view of legislative changes proposed in the Finance Bill, 2016.

2.1 The Annexes provide a summary of the changes made and should not be used in any quasi-judicial or judicial proceedings, where only the relevant legal texts need to be referred to.

2.2 I would also like to bring to your notice that it is quite likely that a commodity may be covered under more than one notification attracting different rates of duties. In such cases, as per various judicial pronouncements on the subject, the benefit of lower rate of duty cannot be denied to the assessee provided he fulfils the conditions prescribed, if any, for such lower rate.

3. There are two important changes in the Central Excise side, which I would like to bring to your special attention:

3.1.1 Excise duty of 2% (without CENVAT credit) or 12.5% (with CENVAT credit) is being levied on readymade garments and made up articles of textiles falling under Chapters 61, 62 and 63 (heading Nos. 6301 to 6308) of the Central Excise Tariff except those falling under 6309 and 6310 of retail sale price (RSP) of Rs.1000 and above when they bear or are sold under a brand name. This optional levy would apply to such readymade garments and made up articles of textiles regardless of the composition of the garment / article. However, in respect of readymade garments and made up articles of textiles other than those mentioned above, the optional levy of ‘Nil (without CENVAT credit) or 6% (with CENVAT credit)’ in case of garments / articles of cotton, not containing any other textile material and ‘Nil (without CENVAT credit) or 12.5% (with CENVAT credit)’ in case of garments / articles of other composition, as the case may be, shall continue. The tariff value for readymade garments and made up articles of textile is also being increased from 30% to 60% which shall apply to all goods mentioned in the notification No.20/2001-CentralExcise (N.T.) dated 30.04.2001. It may be noted that the new levy is similar to the levy of mandatory excise duty of 10% on readymade garments and made up articles of textiles [goods falling under Chapters 61, 62 and 63 (heading Nos. 63.01 to 63.08)] when they bear or are sold under a brand name, which was introduced in the Budget 2011-12, except that:
a. The present levy is an optional levy, that is domestic manufacturers will have the option to pay excise duty of ‘2% (without CENVAT credit) or 12.5% (with CENVAT credit),

b. The levy is restricted to such articles which have RSP of Rs.1000 and above, and
c. The tariff value is being revised from 30% of RSP to 60% of the RSP.

3.1.2 In this regard, I would like to reiterate the instructions issued vide Budget letter F.No.334/3/2011-TRU dated 28.02.2011, Instruction D.O. F.No.334/3/2011-TRU, dated 04.03.2011 and Instruction D.O. F.No. B-1/3/2011-TRU, dated 25.03.2011. The said instructions shall apply mutatis mutandis to the new levy. Salient features of these instructions [suitably modified for the proposed optional levy, as underlined] are as under:

(i) The levy shall not apply to retail tailoring establishments that stitch garments in a customized manner to the size and style specifications of individual customers, whether out of fabric purchased by the customer from the same establishment or fabric supplied by the customer.

(ii) The brand name owner, who gets the goods manufactured on his own account on job work, shall pay the duty leviable on such goods as if the goods were manufactured by him. The brand name owner (and not the job-worker) shall be required to register and comply with all the provisions of Central Excise law. Rule 4 (1A) of the Central Excise Rules, 2001 and Para 1, clause (vi) of notification No.36/2001-C.E. (N.T.), dated 26.06.2001 refers.

(iii) However, the brand name owner will be given the option to authorise his job-worker to pay the duty leviable on the goods. If such an authorisation is given, then the job-worker would have to obtain registration. Proviso to rule 4 (1A) of the Central Excise Rules, 2001 and proviso to Para 1, clause (vi) of notification No.36/2001-C.E. (N.T.), dated 26.06.2001 refers.

(iv) A unit which manufactures goods bearing the brand name of another person out of inputs or raw materials which have been purchased independently and not supplied by the brand owner, does not satisfy the definition of “job-worker” and would, therefore, have to obtain registration and discharge the duty liability.

(v) In cases where the brand name owner gets goods bearing its brand manufactured from other manufacturers (normally small units) without providing the raw materials or inputs, and if the RSP is not affixed or marked on such goods when they are cleared in the course of sale from the factory of a manufacturer to the brand owner, then no excise duty would be payable by such a manufacturers since the RSP of such goods is not disclosed to them by the brand owner. However, since the process of labeling or re-labelling constitutes a process of “manufacture”, duty on the tariff value (based on the RSP) would be payable as and when the brand owner labels the goods with the RSP of Rs.1000 or above and clears them for further sale.
(vi) The value for computing the eligibility as well as the exemption limit for purposes of SSI exemption would be the tariff value of the goods. Explanation (C) to notification No.8/2003-C.E., dated 1st March, 2003 refers.

(vii) The SSI exemption for the month of March, 2016 will be Rs.12.5 lakh, subject to fulfilment of other conditions of the notification No.8/2003-C.E., dated 01.03.2003. For this purpose, notification No.8/2003-C.E., dated 1st March, 2003 is being amended suitably.

(viii) The eligibility for availing of the SSI exemption in 2015-16 for the month of March 2016 is that the value of clearances for home consumption from one or more manufacturer from one or more unit should not have exceeded Rs. 4 crore in the financial year 2014-15. The computation for this purpose shall be done in accordance with the provisions of Para 3A of notification No. 8/2003-C.E. For this purpose, a certificate from a Chartered Accountant based on the books of accounts for 2014-15 shall suffice.

(ix) Excisable goods which were produced on or before 29.02.2016 but lying in stock as on 29.02.2016 shall attract excise duty upon clearance. Manufacturers shall keep a stock declaration of finished goods, goods-in-process and inputs as on 29.02.2016 in their records duly certified by a Chartered Accountant so as to enable the manufacturers to claim CENVAT credit on inputs or inputs contained in goods lying in stock as already provided for in Rule 3(2) of the CENVAT Credit, Rules, 2004, if he so desires. No stock declaration, will, however, be required to be made to the jurisdictional central excise authorities.

(x) Full exemption from Central Excise duty will be available to duty-paid goods returned to the manufacturer during a financial year up to an aggregate ceiling not exceeding 10% of the value of clearances for home consumption made in the preceding financial year. The manufacturer would be required to observe the following procedure for this purpose:

(a) To submit an intimation within 48 hours of the receipt of the returned goods about the value of returned goods received in his factory/registered premises;

(b) To maintain proper accounts/record of the receipt, finishing operations, and dispatch of returned stock indicating the monthly and cumulative value of the returned stock received during the financial year and to produce the same as and when required.

Notification No. 31/2011-C.E., dated 24th March, 2011 refers. This facility has been provided since it is a common practice in this industry that the duty-paid stock cleared to the wholesale dealer/retailer on consignment basis that remains unsold is returned to the manufacturer either at the end of the season or from time to time. Such returned goods are cleared either as such or after ‘re-finishing’ operations to another wholesaler or retailer for sale (often at reduced prices). The
re-finishing operations could involve cleaning, ironing, re-folding, repacking or relabeling, some of which constitute “manufacture” in terms of the relevant Chapter Notes. This facility obviates the need to pay excise duty twice on the same goods.

3.2.1 Excise duty of 1% (without CENVAT credit) or 12.5% (with CENVAT credit) is being levied on articles of jewellery [excluding silver jewellery, other than studded with diamonds/other precious stones] with a higher threshold exemption upto Rs. 6 crore in a year and eligibility limit of 12 crore. Thus, a jewellery manufacturer will be eligible for exemption from excise duty on first clearances upto Rs. 6 Crore during a financial year, if his aggregate domestic clearances during preceding financial year were less than Rs. 12 crore. In other words, jewellery manufacturer having aggregate value of clearances in a financial year exceeding Rs. 12 crore, will not be eligible for this threshold exemption in the subsequent financial year. Necessary amendments have been made in notification No.8/2003-Central Excise, dated 01.03.2003 in this regard.

3.2.2 The SSI exemption for the month of March, 2016 for jewellery manufacturers will be Rs.50 lakh, subject to the condition that value of clearances for home consumption from one or more manufacturer from one or more factory or premises of production or manufacture during the financial year 2014-15 should not be more than Rs. 12 crore. Computation for this purpose shall be done in accordance with the provisions of Para 3A of notification No. 8/2003-CE. For this purpose, a certificate from a Chartered Accountant, based on the books of accounts for 2014-15, shall suffice.

3.2.3 Similarly, for determining the eligibility for availing of the SSI exemption from 2016-17 onwards, a certificate from a Chartered Accountant, based on the books of accounts for 2015-16, shall suffice.

3.2.4 Excisable goods which were produced on or before 29.02.2016 but lying in stock as on 29.02.2016 shall attract excise duty upon clearance. Jewellery manufacturer shall keep a stock declaration of finished goods, goods-in-process and inputs as on 29.02.2016 in their records duly certified by a Chartered Accountant so as to enable the manufacturers to claim CENVAT credit on inputs or inputs contained in goods lying in stock as already provided for in Rule 3(2) of the CENVAT Credit, Rules, 2004, if he so desires. **No stock declaration, will, however, be required to be made to the jurisdictional central excise authorities.**

3.2.5 **Further, the following simplified procedure and guidelines are being issued for strict compliance:**

i. Registration once applied for shall be granted within two working days, along with simplified registration procedure as prescribed under Notification No. 35/2001-CE.
ii. Further, the requirement of post registration physical verification of the premises has been also done away with in this case. Necessary amendments have been made to Notification No. 35/2001-CE for this purpose.

iii. Moreover, documents being maintained by the jewellery manufacturers for State VAT or Bureau of Indian Standards (in the case of hallmarked jewellery) shall suffice for Excise purposes also.

iv. The private records of the jewellery manufacturers, giving details of daily stock for his own purposes, shall be accepted for the purposes of Rule 10 of the Central Excise Rules 2002.

v. A notification, providing for an optional centralized central excise registration for jewellery manufacturers with centralized billing or accounting system is being issued under Rule 9 (2) of the Central Excise Rules, 2002.

vi. Also, jewellery manufacturers will be eligible for a simplified return applicable for optional excise duty of 1%/2% without CENVAT credit under notification No.1/2011-CE, under Rule 12 of the Central Excise Rules, 2002.

vii. Rule 12AA of the Central Excise Rules, 2002 provides that in case of goods falling under chapter heading 7113, every person (not being an EOU or SEZ unit) who gets jewellery made from any other person, and supplies the raw materials such as gold/silver/gemstones to the job-worker for such manufacture, the duty liability would be on such person who gets articles of jewellery made from the job worker. In such cases, the principal manufacturer (and not job worker) will be required to get Central Excise registered, pay duty and follow other compliance requirements. This will ensure that small artisans/goldsmiths are not required to take any excise registration.

viii. The levy is based on self-assessment and therefore, no physical visits shall be made to registered units in the normal course.

4. I would like to emphasise that the Board desires that all necessary steps shall be taken to enable the new taxpayers to comply with these new levies without any difficulty. The thrust of these new levies shall be voluntary compliance. Therefore, visits to such units should not be made in the normal course. These instructions may be disseminated to the field formations for strict compliance.

5. Difficulties faced, if any, in implementation of these new levies which are not covered by the instructions issued in this regard may be communicated to the Board without delay.

6. In order to achieve a sharper focus, I have alluded only to the key highlights of the budgetary changes in this communication. The details are contained in the Finance Bill and notifications which alone have legal force. My team and I have made every possible effort to avoid the occurrence of errors or mistakes in the Budget documents. However, given the scale of changes, inadvertent errors cannot be ruled out. I shall be grateful if the provisions of the
Finance Bill and notifications are studied carefully and feedback on issues that may need clarification is provided urgently.

7. It may kindly be ensured that the changes are implemented in a smooth manner without causing any inconvenience to the taxpayers and other stakeholders. All possible efforts may be made to guide the taxpayers by holding interactive sessions/seminars for their benefit. In case of any doubt or difficulty, I would request you to kindly bring it to my notice immediately or to the notice of Sh. G.G. Pai, Director (TRU) (Tel No. 011-23092753), e-mail: giridhar.pai@nic.in, Sh. Reyaz Ahmad, Director (TRU) (Tel. No. 011-23092236), email: reyaz.ahmad@nic.in or Sh. Himanshu Raina, Budget Officer (TRU) (Tel No. 011-23095547), e-mail: himanshu.raina@nic.in. We can also be reached at budget-cbec@nic.in.

8. Copies of Finance Bill, 2016, Finance Minister’s Budget Speech, Explanatory Memorandum to the Bill, relevant notifications can be downloaded directly from www.indiabudget.nic.in as well as www.cbec.gov.in.

9. To conclude, my team and I would like to express my gratitude to you for the valuable suggestions, feedback and support and would look forward to your comments/suggestions.

With warm regards,

Yours sincerely,

(Alok Shukla)
Joint Secretary (TRU-I)

To,
All Principal Chief Commissioners / Principal Directors General
All Chief Commissioners / Directors General
All Principal Commissioners,
All Commissioners
Director DPPR/ Logistics/Legal Affairs/ Data Management.
ANNEX I

CUSTOMS

Chapter 1 to 7: No change

Chapter 8:
1) Basic Customs Duty on cashew nuts in shell [0801 31 00] is being increased from Nil to 5%. S. No.22 of notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016-Customs, dated 1st March, 2016 refers.

Chapter 9 to 21: No change

Chapter 22:
1) Basic Customs duty on denatured ethyl alcohol (ethanol) [2207 20 00] is being reduced from 5% to 2.5% for manufacture of excisable goods, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.96A] refers.

Chapter 23 to 24: No change

Chapter 25:
1) Basic Customs duty on Silica Sand [2505 10 11, 2505 10 12 and 2505 10 19] is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012, as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.109A] refers.

Chapter 26:
1) Export duty on Iron ore lumps (below 58% Fe content) [2601 11 21 and 2601 11 22] is being reduced from 30% to Nil and Iron ore fines (below 58% Fe content) [2601 11 41 and 2601 11 42] is being reduced from 10% to Nil. S.No.20A of notification No. 27/2011-Customs, dated 01.03.2011 as amended by notification No. 15/2016-Customs, dated 01.03.2016 refers.
2) Export duty on chromium ores and concentrates, all sorts [2610] is being reduced from 30% to Nil. Notification No. 27/2011-Customs, dated 01.03.2011 as amended by notification No. 15/2016-Customs, dated 01.03.2016 [new S. No.24BA refers]
3) Export duty on bauxite (natural), not calcined [2606 00 10] and bauxite (natural) calcined [2606 00 20] is being reduced from 20% to 15%. S.No.24A, 24B of notification No.27/2011-Customs, dated 01.03.2011 as amended by notification No.15/2016-Customs, dated 01.03.2016 refers.
Chapter 27:

1) Basic Customs Duty on all goods falling under 2701, 2702 and 2703 is being rationalized at 2.5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated 1st March, 2016 [New S.Nos.121B, 121C] refer.

2) Basic Customs Duty on all goods falling under 2704, 2705 and 2706 is being rationalized at 5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121D] refers.

3) Basic Customs Duty on all goods falling under 2707 is being rationalized at 2.5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121E] refers.

4) Basic Customs Duty on all goods falling under 2708 is being rationalized at 5% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.121F] refers.

Consequently, S. No. 122, 122A, 123, 124, 124A, 125, 126, 126A, 126B and 126C are being omitted.

Chapter 28:

1) Actual user condition is being prescribed on concessional imports of phosphoric acid for the manufacture of fertilizers. S.No.151 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

2) Actual user condition is being prescribed on concessional imports of anhydrous ammonia for the manufacture of goods falling under Chapter 31 for use as fertilizers. S.No.152 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

3) Basic Customs duty on aluminium oxide [2818 20 90] for use in the manufacture of Wash Coat (3824 90 90), for catalytic converters is being reduced from 7.5% to 5% subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [New S.No.371D] refers.

4) Basic customs duty on import of Medical Use Fission Molybdenum-99 by Board of Radiation and Isotope Technology (BRIT) for manufacture of radio pharmaceuticals is being reduced from 7.5% to Nil. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No 12/2016-Customs, dated the 1st March, 2016 [New S.No. 163A] refers.

Chapter 29:

1) Basic Customs duty on all acyclic hydrocarbons and all cyclic hydrocarbons falling under 2901 and 2902 [except para-xylene (2902 43 00) which attracts Nil BCD (S.No.174) and styrene (2902 50 00) which attracts 2% BCD (S.No.175)] is being rationalized at 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [S.No.172A] refers. Consequently,
S.No.173 is being amended and S.Nos.173A, 173B, 173C, 173D, 173E and 176 are being omitted.

2) Special Additional Duty (SAD) on orthoxylene [2902 41 00] for use in manufacture of phthalic anhydride is being reduced from 4% to 2%, subject to actual user condition. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.16/2016-Customs, dated the 1st March, 2016 [new S.Nos.45AA] refers.

Chapter 30 to 38: No change

Chapter 39:
1) Basic Customs duty on Polypropylene granules / resins [3902] for the manufacture of capacitor grade plastic films is being reduced from 7.5% to Nil, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No. 238A] refers.
2) Basic Customs duty on Super Absorbent Polymer (SAP) [3906 90 90] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 7.5% to 5%, subject to actual user condition. S.No 242 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [S.No. 242] refers.

Chapter 40:
1) Basic Customs duty on Natural latex rubber made balloons [4016 95 90, 4016 99 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural rubber latex made balloons falling under tariff lines 4016 95 90, 4016 99 90.

Chapter 41 to 43: No change

Chapter 44:
1) Basic Customs duty on wood in chips or particles for manufacture of paper, paperboard and news print is being reduced from 5% to Nil subject to actual user condition. Since, there is no excise/CV duty on wood in chips or particles, this will also result in exemption from SAD on such wood chips/particles. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.259A] refers.
Chapter 47:
1) Basic Customs duty on Pulp of wood [4701-4706] for manufacture of goods falling under heading 9619 [sanitary towels, tampons, napkins, diapers etc.] is being reduced from 5% to 2.5% subject to actual user condition. S.No 260 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

Chapter 48:
1) Basic Customs duty on Braille paper [4823 90 11] is being reduced from 10% to Nil. List 32 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 refers.

Chapter 49:
1) Exemption from Basic Customs duty on plans, drawings and designs is being withdrawn. Such goods will now attract 10% BCD. S. No. 275 of notification No.12/2012-Customs, dated 17th March, 2012 is being omitted by notification No. 12/2016-Customs, dated the 1st March, 2016.

Chapter 50, 52, 54, 55 or any other chapter:
1) Basic Customs Duty is being exempted on import of specified fabrics, of value equivalent to 1% of FOB value of exports in the preceding financial year, for manufacture of textile garments for exports, subject to the specified conditions. The entitlement for the month of March 2016 shall be one twelfth of one per cent. of the FOB value of exports in the financial year 2014-15. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No.284A] refers.

Chapter 51 and 53: No change

Chapter 54 and 55:
1) Basic Customs Duty on specified fibres, filaments/yarns is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March, 2016 [new S.No. 290A] of refers.

Chapter 56 to 69: No change

Chapter 70:
1) Exemption from Basic Customs Duty is being withdrawn on solar tempered glass/solar tempered (anti-reflective coated) glass for use in manufacture solar cells/modules/panels. Such solar tempered glass/solar tempered (anti-reflective coated) glass for use in manufacture solar cells/modules/panels will now attract 5% BCD, subject to actual user

2) Basic customs duty exemption is being withdrawn on preform of silica [Chapter 70] for use in manufacture of telecommunication grade optical fibre/cables. It will now attract 10% BCD. S.No. 306 of Notification No.12/2012-Customs, dated 17th March, 2012 is omitted by notification No.12/2016- Customs dated 1st March, 2016 refers.

Chapter 71:

1) Basic Customs duty on imitation jewellery [7113] is being increased from 10% to 15%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

2) Concessional CVD on Gold dore bar is being increased from 8% to 8.75%. S. No 318 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated the 1st March, 2016 refers.

3) Concessional CVD on Silver dore bar is being increased from 7% to 7.75%. S.No 320 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12 /2016-Customs, dated the 1st March, 2016 refers.

Chapters 72 to 73: No Change.

Chapter 74:

1) Basic Customs Duty on brass scrap [7402 00 22] is being reduced from 5% to 2.5%. notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12 /2016-Customs, dated the 1st March, 2016 [new S.No.335C] refers.

Chapter 75: No change.

Chapter 76:

1) Basic Customs duty on primary aluminium products [7601, 7603, 7604, 7605, 7606 and 7607] is being increased from 5% to 7.5%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

2) Basic Customs duty on other aluminium products [7608 and 7609 00 00] is being increased from 7.5% to 10%. S. No. 339 of notification No. 12/2012-Customs as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

Chapters 77 to 78: No change.
Chapter 79:
1) Basic Customs duty on zinc alloys [7901 20] is being increased from 5% to 7.5%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

Chapter 80 to 83: No change.

Chapter 84 and 85:
1) Tariff rate of BCD is being increased from 7.5% to 10% on 206 specified tariff lines falling in Chapters 84 and 85. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. The effective rates for 96 specified tariff lines will be 10%.
2) However, the effective rate for the remaining 110 tariff lines will continue to be 7.5%. S. No 422A to 422H of notification 12/2012- Customs as inserted by notification No. 12/2016 refers
3) CVD exemption on specified machinery required for construction of roads is being withdrawn. S.No.368 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March 2016 refers.
2) Basic Customs duty on industrial solar water heater [8419 19 20] is being increased from 7.5% to 10%. Clause 138 (i) of the Finance Bill 2016 refers. Further, Basic Customs duty of 7.5% is being retained on other water heaters [with other than solar heating source] falling under 8419 19 20.
5) Further, Basic customs duty is also being exempted on specified capital goods for use in manufacture of Micro fuses, Sub-miniature fuses, Resettable fuses, and Thermal fuses. S.No. 64 of Notification No.25/2002-Customs, dated 1st March, 2002 as amended by notification No. 18/2016- Customs dated 1st March, 2016 refers.
6) Exemption from Special Additional Duty (SAD) is being withdrawn on populated printed circuit boards [PCBs] for manufacture of personal computers (laptop or desktop) including tablet computer. Such populated PCBs will now attract 4% SAD. S.No. 14A of Notification No.21/2012-Customs, dated 17th March, 2012 is being omitted by notification No. 16/2016-Customs dated 1st March, 2016 refers. All other goods for manufacture of personal computers (laptop or desktop) including tablet computer will continue to be exempt from SAD under S.No. 14D of Notification No.21/2012-Customs, dated 17th March, 2012.
7) Populated PCBs of mobile phone or tablet computer are being excluded from the purview of Nil SAD under S. No 1 of notification No 21/2012-Customs [which exempts SAD on item,
which are exempt from BCD and CVD]. S. No. 1 of Notification No. 21/2012- Customs dated 17th March, 2012 as amended by notification No. 16/2016- Customs dated 1st March, 2016 refers. Simultaneously, 2% concessional SAD of is being prescribed on populated PCBs for use in manufacture of mobile phone or tablet computer, subject to actual user condition. Notification No. 21/2012- Customs dated 17th March, 2012 as amended by notification No. 16/2016- Customs dated 1st March, 2016 [new S.No. 85A] refers.


9) Basic Customs Duty and Special Additional Duty (SAD) are being exempted on machinery, electrical equipments, other instruments and their parts [except populated PCBs] falling under chapter 84, 85, 90 for assembly, testing, marking and packaging of semiconductor chips (ATMP), subject to actual user condition. Notification No. 12/2012- Customs dated 17th March, 2012 as amended by notification No. 12/2016- Customs dated 1st March, 2016 [new S.No.372B] refers. Notification No. 21/2012- Customs dated 17th March, 2012 as amended by notification No. 16/2016- Customs dated 1st March, 2016 [new S.No. 82B] refers.


11) Further, SAD exemption on charger/Adapter, Battery and Wired Headsets/Speakers for use in manufacture of mobile handsets including cellular phone is being withdrawn. S.No. 14D of Notification No.21/2012- Customs, dated 17th March, 2012 as amended by notification No. 16/2016- Customs dated 1st March, 2016 refers.

12) Further, Basic Customs Duty and Excise Duty [and thus CVD] are being exempted on inputs and parts for manufacture of charger/adapter, battery and wired headsets/speakers of mobile handsets including cellular phone and inputs and sub-parts for use in manufacture of parts of charger/adapter, battery and wired headsets/speaker. Consequently, these goods will also be exempt from SAD, under S. No. 1 of Notification No. 21/2012- Customs. All these exemptions will be subject to actual user condition. Notification No.12/2012- Customs, dated 17th March, 2012 as amended vide notification No. 12/2016- Customs dated 1st March, 2016 [new S. Nos. 431A to 431D] refers.
13) Basic Customs Duty and Excise Duty [and thus CVD] are being exempted on parts, components and accessories for use in the manufacture of Routers, broadband Modems, Set-top boxes for gaining access to internet, set top boxes for TV, digital video recorder (DVR) / network video recorder (NVR), CCTV camera / IP camera, lithium ion battery [other than those for mobile handsets]. Further, Basic Customs Duty and Excise Duty [and thus CVD] are also being exempted on sub-parts for use in manufacture of parts, components and accessories of these Consumer Premise Equipments. Consequently, these goods will also be exempt from SAD, under S. No. 1 of Notification No. 21/2012-Excise. All these exemptions will be subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/2016-Customs, dated 1st March, 2016 [new S.Nos. 431E to 431K] refers.

14) Exemption from BCD under S. No. 372 of Notification No. 12/2012-Customs on specified telecommunication equipment [Soft switches and Voice over Internet Protocol (VoIP) equipment namely VoIP phones, media gateways, gateway controllers and session border controllers, Optical Transport equipment; combination of one / more of Packet Optical Transport Product/Switch (POTP/POTS), Optical Transport Network(OTN) products, and IP Radios, Carrier Ethernet Switch, Packet Transport Node (PTN) products, Multiprotocol Label Switching-Transport Profile (MPLS-TP) products, Multiple Input / Multiple Output (MIMO) and Long Term Evolution (LTE) Products] is being withdrawn. S.No 372 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.12/2016-Customs, dated 1st March, 2016 refers.

15) Basic Custom Duty is being withdrawn on Magnetic Heads (all types), Ceramic / Magnetic cartridges and stylus, Antennas, EHT cables, Level meters/level indicators/ tuning indicators/ peak level meters/ battery meter/VC meters / Tape counters, Tone arms and Electron guns. Items (4), (5), (7), (9), (10), (11) and (17) of List 21 of Notification No.12/2012-Customs, dated 17th March, 2012 as omitted vide notification No. 12/2016-Customs, dated 1st March, 2016 refers.

16) Basic Customs Duty exemption on LCD (Liquid Crystal Display), LED (Light Emitting Diode) or OLED (Organic LED) panels is being restricted to imports for manufacture of TVs, subjected to actual user condition. S.No. 432 of Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No. 12/2016-Customs, dated 1st March, 2016 refers.

17) Basic Customs Duty is being exempted on Neodymium Magnet (before Magnetization) [8505 11 90] and Magnet Resin (Strontium Ferrite compound/before formed, before magnetization) [3824 90 32] for use in manufacture of BLDC motors, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016- Customs dated 1st March, 2016 [new S.No. 230B] refers.

18) Basic Customs Duty exemption on E-Readers [8543] is being withdrawn. They will now attract BCD of 7.5%. S.No.433A of notification No.12/2012-Customs, dated 17th March, 2012 as omitted by notification No. 12/2016-Customs, dated the 1st March 2016 refers. Also,
Basic Customs duty on parts and raw material for manufacture of E-readers is being reduced to 5% subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs, dated the 1st March 2016 [new S.No. 433C] refers.

19) Nil Basic Custom Duty is being extended to magnetron of capacity above 1KW but not exceeding 1.5 KW used for the manufacture of domestic microwave ovens. S. No. 433 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.


21) Basic Custom Duty is being reduced from 2.5% to Nil on electrolyzers, membranes and their parts required by caustic soda / potash unit based on membrane cell technology. S.No.417 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

Chapter 86:
1) Basic Customs duty on refrigerated containers [8609 00 00] is being reduced from 10% to 5%. Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 [new S.No. 435A] refers.

Chapter 87:
1) Basic Customs duty on golf cars [8703] is being increased from 10% to 60%. S. No. 441 of notification No.12/2012-Customs as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) The validity period of exemption granted to specified goods for the use in the manufacture of electrically operated vehicles and hybrid vehicles is being extended without time limit. Clauses (g) and (h) of proviso to notification No. 12/2012-Customs, as omitted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

3) The description “Engine for HV(Atkinson cycle)” appearing in S. No. 440 of notification No. 12/2012-Customs is being changed to “Engine for xEV(hybrid electric vehicle)”. Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

4) The entry of 6% appearing in column 5 of Sl. No. 439 and 440 of notification No. 12/2012-Customs is being omitted. Notification No. 12/2012-Customs as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers. 6% Concessional CVD on imports will, however, continue by virtue of 6% concessional excise duty under S. No. 296 and 297 of the Notification No. 12/2012-Central Excise dated 17.03.2012.
Chapter 88:

1) Basic Customs duty on tools and tool kits for maintenance, repair, and overhauling of aircraft are being exempted. Further, the procedure for availment of the customs duties exemption under S.No.448 of notification No.12/2012-Customs, dated 17.03.2012 is being simplified. Moreover, the restriction of one year for utilization of duty free parts [as also the testing equipment, tools and tool kits] for maintenance, repair and overhaul of aircraft is being done away with. S.No.448 and Condition No.73 of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) S.No.448 of notification No.12/2012-Customs, dated 17.03.2012 prescribes Nil CVD. There is a corresponding excise duty exemption under S.No. 305 of notification No.12/2012-Central Excise, dated 17.03.2012. S.No.448 of notification No.12/2012-Customs is amended so as to remove CVD exemption prescribed therein. CVD exemption, however, will flow from the excise duty exemption under S.No. 305 of notification No.12/2012-Central Excise, dated 17.03.2012. S.No.448 of notification No.12/2012-Customs, dated 17.03.2012 as amended by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

3) The existing condition of stay of foreign aircraft, for maintenance repair and overhaul, upto 60 days is being relaxed, so as to provide for stay up to 6 months of the foreign aircraft for maintenance, repair or overhaul, which can be further extended by DGCA’s as deemed fit. Such aircrafts are also being allowed to carry passengers in the flights at the beginning and end of the stay period in India, but not during the stay period for maintenance, repair or overhaul, servicing. New S.No.448A and Condition No.73A of notification No.12/2012-Customs, dated 17.03.2012 as inserted by notification No. 12/2016-Customs, dated 1st March, 2016 refers.

4) Notification No. 72/94-Customs dated 01.03.1994 provides for import of repaired or overhauled parts of aircraft under exchange / advance exchange as per Standard Exchange Scheme. This notification is being superceded by notification No. 23/2016 – Customs dated 1st March, 2016 so as to provide also for import of air craft parts for repair or overhaul and for export of repaired or overhauled parts of aircraft under said scheme.

Chapter 89: No change.

1) The procedure for availment of exemption from Basic Customs Duty, CVD and SAD by ship repair units is being simplified, by omitting the Condition No.79 under S.No.459A of notification No.12/2012-Customs, dated 17.03.2012. Such imports will now be subject to actual used condition. S.No.459A of notification No.12/2012-Customs, dated 17.03.2012 as amended notification No. 12/2016-Customs, dated 1st March, 2016 refers.

2) CVD is exempted under S.No.459A of notification No.12/2012-Customs, dated 17.03.2012. This CVD exemption is being withdrawn. It will now be available by way of an excise duty exemption, under new S. No. 305A, as inserted in notification No.12/2012-Central Excise,
dated 17.03.2012, vide amending notification No. 12/2016-Central Excise, dated 01.03.2016.

Chapter 90
1) Tariff rate of BCD is being increased from 7.5% to 10% on 5 specified tariff lines falling in Chapter 90. Clause 138 (i) of the Finance Bill refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rates for 5 tariff lines are being maintained at 7.5%. Notification No.12/2012- Customs as amended by notification No. 12/2016 [new S. No. 422I] refers.

Chapter 91 to 94: No change

Chapter 95:
1) Basic Customs duty on natural latex rubber made balloons [9503 00 90, 9505 10 00 & 9505 90 90] is being increased from 10% to 20%. Clause 138 (i) of the Finance Bill 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. Further, Basic Customs duty of 10% is being retained for all goods other than natural rubber latex made balloons falling under tariff lines 9503 00 90, 9505 10 00 & 9505 90 90.

Chapter 96 to 97: No change

Chapter 98:
1) Concessional 5% BCD is being extended to ‘cold chain including pre-cooling unit, packhouses, sorting and grading lines and ripening chambers’ also. S.No. 41 of Notification No. 42/96-Customs, dated 23.07.1996 as amended vide notification No. 21/2016- Customs, dated 1st March, 2016 refers. Consequently, the Project Import Regulations, 1986 is also being amended suitably. Notification No.20/2016-Customs, dated 1st March, 2016 refers.
2) Duty free allowance for bonafide gifts is being increased from Rs. 10,000 to Rs. 20,000. Notification No.171/1993-Customs, dated 16th September, 1993 as amended by notification No. 13/2016-Customs, dated the 1st March, 2016 refers.

Miscellaneous:
1) Disposable sterilized dialyzer and micro barrier [Chapter 84 or 90] of artificial kidney is being exempted from BCD, excise / CVD, and SAD. CVD exemption will flow from excise exemption. Notification No.12/2012- Customs as amended by notification No. 12/2016 [new S. No. 418A] refers.
2) S.No.9, 9A, 10, 10A, of the notification No.39/96-Customs, dated 23.07.1996 are being omitted with effect from 01.04.2016. Consequently, with effect from 01.04.2016, direct
imports by Government of India or State Governments [under S. Nos. 9 and 10] will attract customs duties at applicable rates. Similarly, with effect from 01.04.2016, imports [under S.Nos. 9A and 10A] will also attract BCD. Notification No. 39/96-Customs, dated 23.07.1996 as amended by notification No. 14/2016-Customs, dated the 1st March, 2016 refers.

3) S.Nos.356, 358, 359, 359A and 360 of notification No.12/2012-Customs, dated 17.03.2012 which exempt BCD and CVD on specified goods imported for petroleum exploration under various types of licenses or mining leases, pre-NELP contracts, NELP contracts, Marginal Fields Policy and the Coal Bed Methane Policy are being merged into a single new S.No.357A. Also, the list of specified goods is being unified into a single List 34 and the conditions are also being unified into a single Condition No. 40A. Further, the said exemption is being extended on imports of goods required for exploration & production of hydrocarbon activities undertaken under Petroleum Exploration Licenses (PEL) or Mining Leases (ML) issued or renewed before 1st April 1999 also. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.12/2016-Customs dated 1st March, 2016 [new S.No.357A] refers. Consequently, S.Nos.356, 358, 359, 359A and 360; Condition Nos.41, 43 and 44; and List 13 and 14 are being omitted.

4) In case of power generation project based on municipal and urban waste, valid agreement between producer of power with urban local body for processing of municipal solid waste for not less than ten years from the date of commissioning of project is being prescribed for availing customs and excise duty concessions as an alternative to the existing condition of “production of valid power purchase agreement between the importer/producer of power and the purchaser, for the sale and purchase of electricity generated using non-conventional materials”. Notification No.81/2005-Customs, dated 8th September, 2005 as amended by notification No. 22/2016-Customs, dated 1st March, 2016 refers.

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**EXCISE**

**Chapter 1 to 20:** No change.

**Chapter 21:**
1) Basic Excise Duty is being increased on pan masala [2106 90 20] from 16% to 19%. S.No.35 of notification No.12/2012-Central Excise dated 17th March, 2012 as amended by notification No.12/2016-Central Excise dated 01.03.2016 refers. Accordingly, the duty leviable under the compounded levy scheme has also been modified. Notification No. 30/2008 – Central Excise (N.T.) dated 01.07.2008 as amended by notification No. 9/2016-Central Excise (N.T.) dated 01.03.2016 and notification No.42/2008-Central Excise dated 01.07.2008 as amended by notification No.17/2016-Central Excise dated 01.03.2016 refer.

**Chapter 22:**
1) Excise duty on “waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured” falling under Chapter sub-heading 2202 10 is being increased from 18% to 21%. Clause 143 (i) of the Finance Bill refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect.

**Chapter 23:** No change.

**Chapter 24:**
1) The additional duty of excise levied under the Seventh Schedule to the Finance Act, 2005 on non-filter and filter cigarettes of sub-heading 2402 20 is being increased. Clause 231 of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. There is no change in the Basic Excise Duty leviable under the First Schedule to the Central Excise Tariff Act, 1985 and the NCCD leviable under Seventh Schedule to the Finance Act, 2001. The changes in additional duty of excise rates on cigarettes are summarized below.

<table>
<thead>
<tr>
<th>Tariff Item</th>
<th>Description (length in mm)</th>
<th>Additional Duty of Excise (Rs. per 1000 sticks)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Existing Rate</td>
</tr>
<tr>
<td>2402 20 10</td>
<td>Non filter not exceeding 65</td>
<td>70</td>
</tr>
<tr>
<td>2402 20 20</td>
<td>Non-filter exceeding 65 but not exceeding 70</td>
<td>110</td>
</tr>
<tr>
<td>2402 20 30</td>
<td>Filter not exceeding 65</td>
<td>70</td>
</tr>
<tr>
<td>2402 20 40</td>
<td>Filter exceeding 65 but not exceeding 70</td>
<td>70</td>
</tr>
<tr>
<td>2402 20 50</td>
<td>Filter exceeding 70 but not exceeding 75</td>
<td>110</td>
</tr>
</tbody>
</table>
2) Basic Excise Duty on other tobacco products falling under heading 2402 is being increased as under:

<table>
<thead>
<tr>
<th>Tariff Item</th>
<th>Description</th>
<th>Basic Excise Duty rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2402 10 10</td>
<td>Cigar and cheroots</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>2402 10 20</td>
<td>Cigarillos</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>2402 90 10</td>
<td>Cigarettes of tobacco substitutes</td>
<td>Rs.3375 per thousand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 3755 per thousand</td>
</tr>
<tr>
<td>2402 90 20</td>
<td>Cigarillos of tobacco substitutes</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.5% or Rs. 3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>2402 90 90</td>
<td>Others of tobacco substitutes</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12.5% or Rs. 3755 per thousand, whichever is higher</td>
</tr>
</tbody>
</table>

3) The tariff rate of Basic Excise Duty on Paper rolled biris [whether handmade or machine made] and other biris [other than handmade biris] [2403 19 29] is being increased from Rs.30 per thousand to Rs.80 per thousand. However, there is no change in effective basic excise duty rate on these goods which is presently Rs.21 per thousand.

4) Basic Excise Duty is being increased on unmanufactured tobacco, and jarda scented tobacco, gutkha and chewing tobacco. Clause 143 (i) of the Finance Bill, 2016 refers. These changes will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931. There is no change in NCCD and Health Cess rates. The changes in basic excise duty rates are summarized below. Accordingly, the duty leviable under the compounded levy scheme has also been modified. Further, the speed slabs and the deemed production and duty payable per month on chewing tobacco without lime tube / lime pouches and jarda scented tobacco are being aligned. Notification No. 11/2010 – Central Excise (N.T.) date 27.02.2010 as amended by notification No.10/2016-Central Excise (N.T.) dated 01.03.2016 and notification No. 16/2010-Central Excise dated 27.02.2010 as amended by notification No.16/2016-Central Excise dated 01.03.2016 refer.
<table>
<thead>
<tr>
<th>Commodity</th>
<th>Current rate of BED (%)</th>
<th>Proposed rate of BED (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gutkha</td>
<td>70</td>
<td>81</td>
</tr>
<tr>
<td>Unmanufactured Tobacco</td>
<td>55</td>
<td>64</td>
</tr>
<tr>
<td>Chewing Tobacco (including filter khaini)</td>
<td>70</td>
<td>81</td>
</tr>
<tr>
<td>Zarda Scented Tobacco</td>
<td>70</td>
<td>81</td>
</tr>
</tbody>
</table>

5) The Seventh Schedule to the Finance Act, 2001 which provides for levy on NCCD of excise on specified goods is being amended so as to align the tariff lines under Chapter 24 with the First Schedule to the Central Excise Tariff Act, 1985. Relevant Clause of Finance Bill, 2016 refers. Also, notification No. 6/2005-Central Excise dated 01.03.2005 is being amended so as to align the tariff lines under Chapter 24 with the First Schedule to the Central Excise Tariff Act, 1985. Notification No. 6/2005-Central Excise dated 01.03.2005 as amended by notification No.18/2016-Central Excise, dated 01.03.2016 refers.

Chapter 25 to 26: No change

Chapter 27:
1) Oil Industries Development Cess levied on domestically produced crude oil under the Oil Industry (Development) Act, 1974 is being reduced from Rs.4500 PMT to 20% ad valorem. This change will come into force with effect from the date of assent to the Finance Bill, 2016. Till the enactment of the Finance Bill, 2016, Notification prescribing 20% effective rate of OID Cess will be issued by Ministry of Petroleum & Natural Gas.

2) The Basic Excise Duty rate on aviation turbine fuel [ATF] [2710 19 20] is being increased from 8% to 14%. However, ATF for supply to Scheduled Commuter Airlines [SCA] from the Regional Connectivity Scheme [RCS] airports shall attract 8%. The rate of 14% will operate through the tariff and the rate of 8% will operate through S. No. 77 of notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No.12/2016-Central Excise dated 1st March, 2016.

3) The Schedule Rate of Clean Energy Cess, levied on coal, lignite and peat, is being increased from Rs.300 per tonne to Rs.400 per tonne. Clause 232 of the Finance Bill, 2016 refers. The increase in rate of Clean Energy Cess will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931. Accordingly, notification No.1/2015-Clean Energy Cess, dated 1st March, 2015 is being rescinded, vide notification No. 1/2016-Clean Energy Cess, dated 1st March, 2016 and the rate of Rs. 400 per tonne will operate through the Schedule. Further, the Clean Energy Cess is being renamed as Clean
Environment Cess. This change will come into force with effect from the date of enactment of the Finance Bill, 2016.

4) Clean Energy Cess on all goods produced or extracted as per traditional and customary rights enjoyed by local tribals without any license or lease in the State of Nagaland is being fully exempted. Notification No. 5/2010-Clean energy Cess, dated 22.06.2010 as amended by notification No. 2/2016-Clean Energy Cess dated 1st March, 2016 refers.

**Chapter 28, 29 or 38:**

1) Basic Excise Duty on micronutrients falling under Chapter 28, 29 or 38, which are covered under Sr. No. 1(f) of Schedule 1 Part (A) of the Fertilizer Control Order, 1985 and are manufactured by the manufacturers which are registered under FCO, 1985, is being reduced from 12.5% to 6%. Notification No.12/2012- Central Excise, dated 17 March, 2012 as amended by notification No. 12/2016- Central Excise dated 1st March, 2016 [New S. No. 109A] refers.

**Chapter 30:** No change

**Chapter 31:**

1) Basic Excise Duty on mixture of fertilizers, made by physical mixing of chemical fertilizers on which appropriate duty of excise has been paid, by Co-operative Societies, holding certificate of manufacture for mixture of fertilizers under the Fertilizer Control Order 1985, for supply to the members of such Co-operative Societies, is being fully exempted. Notification No. 12/2012- Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016- Central Excise dated 1st March, 2016 [New S. No. 128A] refers.

**Chapter 32 to 33:** No change

**Chapter 34:**


The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein all goods falling under heading 3401 and 3402. Clause 142(i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

**Chapter 35 to 37:** No change
Chapter 38:
1) Ready Mix Concrete [3824 50 10] manufactured at the site of construction for use in construction work at such site is being fully exempted from excise duty. Also, the expression ‘site’ is being defined in the exemption notification. S. No. 144 of notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

Chapter 39:

Chapter 40:
1) Basic Excise Duty on rubber sheets & resin rubber sheets for soles and heels [4008 29 10] is being reduced from 12.5% to 6%. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise, dated the 1st March, 2016 [new S. No 152A] refers.

Chapter 41 to 53: No change.

Chapter 54 and 55:
1) Basic excise duty on PSF / PFY manufactured from plastic scrap or plastic waste including waste PET bottles is being changed from ‘2% without CENVAT credit or 6% with CENVAT credit’ to ‘2% without CENVAT credit or 12.5% with CENVAT credit’. S. No. 172A of notification No.12/2012- Central Excise, dated 17th March, 2012 as omitted by notification No. 12/2016-Central Excise dated 1st March, 2016. The rate of 12.5% will now operate through tariff.

Chapter 56 to 60: No change

Chapter 61 to 63:
1) Basic Excise Duty of ‘2% (without CENVAT credit) or 12.5% (with CENVAT credit)’ is being imposed on readymade garments and made up articles of textiles falling under Chapters 61, 62 and 63 (heading Nos. 6301 to 6308) of the Central Excise Tariff, except those falling under 6309 00 00 and 6310, of retail sale price (RSP) of Rs. 1000 and above when they bear or are sold under a brand name. This optional levy would apply to such readymade garments and made up articles of textiles regardless of the composition of the garment / made up article. However, in respect of readymade garments and made up articles of textiles other than those mentioned above, the optional levy of Nil (without CENVAT
credit) or 6% (with CENVAT credit) in case of garments / articles of cotton, not containing
any other textile material and Nil (without CENVAT credit) or 12.5% (with CENVAT credit)
in case of garments / made up articles of other composition, as the case may be, shall
continue. S. No. 16 of Notification No. 30/2004-CE dated the 9th July, 2004 as amended by
notification No. 15/2016-Central Excise dated the 1st March, 2016 and S. No. 7 of
Notification No. 7/2012-Central Excise dated 17th March, 2012, as amended by notification
No. 7/2016-Central Excise dated the 1st March, 2016 refer.
The tariff value for readymade garments and made up articles of textiles is also being
increased from 30% to 60% which shall apply to all goods mentioned in the notification No.
(N.T.) dated 30.04.2001 as amended by Notification No. 11/2016–Central Excise (N.T)
refers. Further, the SSI exemption is being restricted for the month of March, 2016 to Rs.12.5
lakh, subject to the condition that the turnover during financial year 2014-15 has not
exceeded Rs. 4 crore. Notification No.8/2003-CE dated 01.03.2003 as amended by
Notification No. 8/2016-Central Excise dated 01.03.2016 refers.

Chapter 64:
1) Abatement rate from RSP, for all categories of footwear is being increased from 25% to
30%.  S. No. 56 of Notification No. 49/2008-Central Excise (N.T.), dated 24th December,
2008 as amended by Notification No. 12/2016-Central Excise (N.T.), dated the 1st March,
2016 refers.

Chapter 65 to 70: No change

Chapter 71:
1) Basic Excise Duty of 1% (without Cenvat Credit) and 12.5% (with Cenvat Credit) is being
imposed on Articles of Jewellery [excluding articles of silver jewellery, other than those
studded with diamonds, ruby, emerald or sapphire].  S. No. 199 of Notification No. 12/2012-
2) SSI threshold exemption for Articles of Jewellery [excluding articles of silver jewellery,
other than those studded with diamonds, ruby, emerald or sapphire] is being increased to Rs.
6 crore in a year, with an eligibility limit of Rs. 12 crore in the preceding financial year. For
the month of March, 2016, the SSI exemption for such articles of jewellery is being restricted
to Rs. 50 lakh. Notification No. 8/2003-Central Excise, dated 1st March, 2003 as amended by
notification No. 8/2016-Central Excise dated 1st March, 2016 refers.
3) Optional centralized registration is being extended to manufacturers of Articles of Jewellery
[excluding articles of silver jewellery, other than studded with diamonds, ruby, emerald or
4) Requirement of post registration physical verification for manufacturers of Articles of Jewellery [excluding articles of silver jewellery, other than studded with diamonds, ruby, emerald or sapphire] is being done away with. Notification No. 35/2001-Central Excise (N.T.), dated 26th June, 2001 is being amended suitably by notification No. 6/2016- Central Excise (N.T.) dated 1st March, 2016 refers.

5) Basic Excise duty on Gold Bars manufactured from gold ore or concentrate; gold dore bar and silver dore bar is being increased from 9% to 9.5%. S. No. 189 of Notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016- Central Excise dated 1st March, 2016 refers.

6) Basic Excise duty on Gold bars and gold coins of purity not below 99.5%, produced during the process of copper smelting is being increased from 9% to 9.5%. S. No. 191 (i) of Notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016- Central Excise dated 1st March, 2016 refers.

7) Basic Excise duty on silver manufactured from silver ore or concentrate; silver dore bar and gold dore bar is being increased from 8% to 8.5%. S. No. 190 of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

8) Basic Excise duty on silver in any form, except silver coins of purity below 99.9%, produced during the process of copper smelting is being increased from 8% to 8.5%. S. No. 191 (ii) of Notification No. 12/2012- Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016- Central Excise dated 1st March, 2016 refers.

9) Basic Excise duty on silver produced during the process of zinc or lead smelting is being increased from 8% to 8.5%. S. No. 191A of Notification No. 12/2012- Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

Chapters 72 to 75: No Change.

Chapters 76:

The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein all goods falling under Chapter heading 7607. Clause 142 (i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

2) The excise duty structure on ‘disposable aluminium foil containers’ is being changed from ‘2% without CENVAT credit and 6% with CENVAT credit’ to ‘2% without CENVAT credit
and 12.5% with CENVAT credit’. S. No. 53 of notification No. 2/2011-Central Excise dated 01.03.2011 as amended by notification No. 10/2016-Central Excise, dated 1st March, 2016 refers.

**Chapter 77 to 83:** No change.

**Chapter 84 and 85:**
1) Basic Excise Duty on 5 specified parts required for the manufacture of centrifugal pump is being reduced from 12.5% to 6%, subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by Notification No. 12/2016-Central Excise dated 1st March, 2016 [New S. No. 235A] refers.

2) Accessories of goods falling under tariff item 8426 41 00, heading 8427, 8429 and sub-heading 8430 10 are being included for the purposes of RSP based assessment of excise duty. S. No. 109 of Notification No.49/2008-Central Excise (N.T.), dated 24th December, 2008 as amended vide notification No. 12/2016-Central Excise (N.T.), dated 1st March, 2016 and Clause 142 (i) of the Finance Bill, 2016 refer.

The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein these accessories. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.


The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein such wrist wearable devices (commonly known as ‘smart watches’). Clause 142 (i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.

4) Excise duty exemption is being withdrawn on charger/adapter, battery and wired headsets/speakers for use in manufacture of mobile handsets including cellular phones. S. No. 272 of Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No. 12/2016-Central Excise dated 1st March, 2016 refers.

5) Excise duty of ‘2% without CENVAT credit / 12.5% with CENVAT credit’ is being prescribed for charger/adapter, battery and wired headsets/speakers, for manufacture of mobile handsets including cellular phone, subject to actual user condition. Notification No. 12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2016-Central Excise dated 1st March, 2016 [new S.Nos.263B, 263D, 263F, 263H] refers.

6) Further, excise duty is being exempted on inputs and parts for use in manufacture of charger/adapter, battery and wired headsets/speakers of mobile handsets including cellular phone. Excise duty is also being exempted on inputs and sub-parts for use in manufacture of

7) Excise duty of ‘4% without CENVAT credit / 12.5% with CENVAT credit’ is being prescribed for the following Consumer Premise Equipments (CPEs).
   (i) Routers [ tariff item 8517 69 30]
   (ii) Broadband Modems [tariff item 8517 62 30]
   (iii) Set-top boxes for gaining access to internet [tariff item 8517 69 60]
   (iv) Reception apparatus for television but not designed to incorporate a video display[tariff item 8528 71 00]
   (v) Digital Video Recorder (DVR)/Network Video Recorder (NVR) [tariff item 8521 90 90]
   (vi) CCTV Camera/IP Camera [tariff item 8525 80 20]
   (vii) Lithium-ion batteries, other than those for mobile handsets including cellular phones [tariff item 8507 60 00]


8) Further, excise duty is being exempted on parts, components and accessories for use in manufacture of Routers, broadband Modems, Set-top boxes for gaining access to internet, set top boxes for TV, digital video recorder (DVR) / network video recorder (NVR), CCTV camera / IP camera, lithium ion battery [other than those for mobile handsets]. Further, Excise Duty is also being exempted on sub-parts for use in manufacture of parts, components and accessories of the aforesaid Consumer Premise Equipments. These exemptions are subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No.12/2016-Central Excise dated 1st March, 2016 [new S. Nos.262B, 263K, 263M, 263O, 263Q, 263S, 263U] refer.

Chapter 86:

1) Basic Excise duty on all goods falling under 8607 (parts of railway or tramway locomotives or rolling stock) and 8608 (railway or tramway track fixtures and fitting, etc.) is being reduced to 6%. Notification No. 12/2012-Central Excise as amended by notification No. 12/2016-Central Excise, dated 1st March, 2016 [new S. No.272A, 272B] refers.

2) Basic Excise duty on refrigerated containers [8609 00 00] is being reduced from 12.5% to 6%. Notification No. 12/2012-Central Excise as amended by notification No.12/2016-Central Excise, dated 1st March, 2016 [new S. No. 272C] refers.
Chapter 87:

1) The validity period of concessional excise duty of 6% granted to specified goods for the use in the manufacture of electrically operated vehicles and hybrid vehicles is being extended without time limit. First proviso to notification No. 12/2012-Central Excise, as omitted by notification No. 12/2016 dated 1st March, 2016 refers.

2) The description “Engine for HV (Atkinson cycle)” appearing in S. No. 297 of notification No. 12/2012-Central Excise is being changed to “Engine for xEV (hybrid electric vehicle)”. Notification No. 12/2012-Central Excise as amended by notification No. 12/2016-Central Excise, dated 1st March, 2016 refers.

3) An Infrastructure Cess, as a duty of excise, is being imposed on motor vehicles falling under heading 8703. Clause 159 read with the Eleventh Schedule of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this Cess will come into force with immediate effect. The effective rates of the Infrastructure Cess are being prescribed vide notification No. 1/2016-Infrastructure Cess dated 1st March, 2016, as under:

   a) Nil on:
      i. Three wheeled vehicles,
      ii. Electrically operated vehicles,
      iii. Hybrid vehicles,
      iv. Hydrogen vehicles based on fuel cell technology,
      v. Motor vehicles which after clearance have been registered for use solely as taxi (subject to prescribed conditions),
      vi. Cars for physically handicapped persons(subject to prescribed conditions), and
      vii. Motor vehicles cleared as ambulances or registered for use solely as ambulance(subject to prescribed conditions);

   b) 1% on Petrol/LPG/CNG driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1200cc;

   c) 2.5% on Diesel driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1500cc;

   d) 4% on all categories of motor vehicles other than those listed at (a), (b) and (c) above;

   Further, the Cenvat Credit Rules are being amended to provide that CENVAT credit cannot be utilised for payment of this Infrastructure Cess. Further, no credit of this Cess would be available under the Cenvat Credit Rules, 2004. Notification No.13/2016-Central Excise (N.T.) dated 01.03.2016 refers.

4) Accessories of certain vehicles falling under Chapter 87 are being included for RSP based assessment. S. No. 108 of Notification No.49/2008-Central Excise (N.T.), dated 24th December, 2008 as amended vide notification No.16/2016-Central Excise (N.T.), dated 1st March, 2016 refers. Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein such accessories. Clause 142(i) of the Finance Bill, 2016 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this change will come into force with immediate effect.
Chapter 88:
1) Excise duty on tools and tool kits for maintenance, repair, and overhauling of aircraft is being exempted. Further, the exemption under S.No.305 of notification No.12/2012-Central Excise, dated 17.03.2012, is being made subject to actual user condition, along with simplified procedure.

Chapter 89:
1) Excise duty on Capital goods and spare thereof, raw materials, parts, material handling equipment and consumable for repairs of ocean-going vessels by a ship repair unit is being exempted subject to actual user condition. New S.No.305A of notification No.12/2012-Central Excise, dated 17.03.2012 as inserted by notification No.12/2016-Central Excise, dated 1st March, 2016 refers.

Chapter 90 to 93: No change

Chapter 94: No change
1) Solar lamp [tariff item 9405 50 40] is being exempted from excise duty. List-8 of Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No.12/2016-Central Excise dated 1st March, 2016 refers.

Chapter 95 to 96: No change.

Miscellaneous:
1) Disposable sterilized dialyzer and micro barrier [Chapter 84 or 90] of artificial kidney is being exempted from excise. Notification No.12/2012- Central Excise, dated 17.03.2012 as amended by notification No. 12/2016-Central Excise, dated 1st March, 2016 [new S. No. 315A] refers.
2) Excise duty exemption on remnant kerosene, presently available for manufacture of Linear alkyl Benzene [LAB] and heavy alkylate [HA] is being extended to N-paraffin arising in the course of manufacture of LAB and HA also. S.No.68 of notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No.12/2016-Central Excise, dated 1st March, 2016 refers.
3) Excise duty exemption on 5 specified items for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators is being withdrawn. They will now attract a concessional excise duty of 6%, for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2016-Central Excise dated 1st March, 2016 [New S. No.327A, List 9A] refers.
4) Basic Excise Duty on Carbon pultrusions, for manufacture of rotor blades and intermediates, parts and sub-parts of rotor blades for wind operated electricity generators, is being reduced from 12.5% to 6%, subject to actual user condition. Notification No.12/2012-Central Excise,
dated 17\textsuperscript{th} March, 2012 as amended vide notification No.12/2016-Central Excise dated 1\textsuperscript{st} March, 2016 [New S. No. 327A, List 9A] refers.

5) Excise duty on improved cook stoves including smokeless chulhas for burning wood, agrowaste, cowdung, briquettes, and coal in being exempted unconditionally. List-8 of Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended vide notification No.12/2016-Central Excise dated 1st March, 2016 [new item 22, List-8] refers. As a result, parts of such cook stoves will also be exempt from excise duty subject to actual user condition. Consequently, notification No 62/91-CE dated 25.07.1991 is rescinded by notification No 13/2016-CE dated 01.03.2016.

6) The excise duty exemption under the existing area based exemptions for production of gold and silver from gold dore, silver dore or any other raw material is being prospectively withdrawn. Thus, a new industrial unit engaged in production of refined gold from gold dore, silver dore or any other raw material, which commences commercial production on or after 1\textsuperscript{st} day of March, 2016, shall not be eligible for the said excise duty exemption. Also, an existing industrial unit as on 1\textsuperscript{st} of March, 2016, which undertakes substantial expansion of existing capacity or installs fresh plant, machinery or capital goods for production of gold or silver from gold dore, silver dore or any other raw material, by using such expanded capacity or such fresh plant, machinery or capital goods, and commences commercial production from such expanded capacity or such fresh plant, machinery or capital goods, on or after 1\textsuperscript{st} March, 2016, shall not be eligible for the said excise duty exemption. [Amending Notifications No.5/2016 –CE dated 1.03.2016 and No.6/2016 –CE dated 1.03.2016 refers]

7) In case of power generation project based on municipal and urban waste, valid agreement between importer with urban local body for processing of municipal solid waste for not less than ten years from the date of commissioning of project is being prescribed for availing customs and excise duty concessions as an alternative to the existing condition of “production of valid power purchase agreement between the importer/producer of power and the purchaser, for the sale and purchase of electricity generated using non-conventional materials”. Notification No.33/2005- Central Excise, dated 8th September, 2005 as amended vide notification No.14/2016-Central Excise dated 1st March, 2016 refers.

8) Consequent upon abolition of the Duty Refund Procedure for exports to Nepal, notification No.8/2003-Central Excise dated 01.03.2003 is being amended so as to exclude value of clearances made for export to Nepal from the definition of ‘clearances for home consumption’ under the said notification. Notification No. 8/2003-Central Excise, dated 1\textsuperscript{st} March, 2003 as amended by notification No. 8/2016-Central Excise dated 1\textsuperscript{st} March, 2016 refers.

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ANNEX III

CLARIFICATION

CUSTOMS

1) Notification No.51/96-Customs dated 23.07.1996, inter alia, exempts specified goods from the whole of the additional duty leviable thereon under section 3 of the Customs Tariff Act. Section 3 includes levy of additional duty of customs under Section 3(1) [commonly known as CVD] and additional duty of customs levied under Section 3(5) [commonly known as SAD]. Therefore, such goods are exempt from CVD as well as SAD. Representations have been received to make a provision in notification No.102/2007-Customs dated 14.09.2007, which provides for refund of SAD in cases where VAT is paid on the subsequent sales of imported goods. In this context, it is clarified that since the imports under notification No.51/96-Customs, dated 23.07.1996 is ab initio exempt from SAD, there is no requirement to make a provision for refund of SAD in notification No.102/2007-Customs dated 14.09.2007.

2) Doubts have been raised as to whether any Power Project listed for exemption from BCD and CVD [under list 32A of S.No. 507 of notification No.12/2012-Customs] and awarded under International Competitive Bidding (ICB) will be eligible for excise duty exemption under S.No. 336 of notification No. 12/2012-Central Excise [which is for goods supplied against ICB procedure] even if such Power Project is separately listed in List 10 [S.No. 337] or List 11 [S.No. 338] of notification No. 12/2012-Central Excise. In this regard, it is hereby clarified that a project which is listed in List 32A of S. No. 507 of Notification No. 12/2012-Customs, [which exempts goods for such project from BCD and CVD], as a corollary, will also be exempted from excise duty under S. No. 336 of Notification No. 12/2012-CE subject to following conditions:
   i. if said project has been awarded based on International Competitive Bidding [ICB]; and
   ii. the conditions mentioned in S. No. 507 of Notification No 12/2012-Customs are fulfilled,

3) S.No.138A of notification No.12/2012-Customs, dated 17.03.2012 exempts Liquefied Natural Gas (LNG) imported for consumption in the C2-C3 Plant of M/s Oil and Natural Gas Corporation Limited located in the Dahej SEZ [hereinafter referred to as the SEZ unit] for the purposes of authorized operations in the SEZ unit subject to the condition [No.8A] that the importer produces a certificate from the jurisdictional Specified Officer of the SEZ unit certifying that the quantity of LNG for which exemption is being claimed has actually been consumed in terms of equivalent quantity by the SEZ unit for the purposes of authorized operations during the preceding month. In this context, references
have been received regarding the scope of the phrase ‘preceding month’. In this regard, it is clarified that S.No.138A of notification No.12/2012-Customs dated 17.03.2012 seeks to exempt LNG with reference to the consumption of an equivalent quantity for authorized operations in the SEZ unit during any one of the preceding months against which no duty free import has been claimed by the SEZ under the said S.No.138A and that the expression ‘preceding month’ shall be construed accordingly.

4) S.No. 399B of notification No. 12/2012-Customs prescribes 5% concessional BCD was prescribed on Over Load Protector (OLP) and positive thermal coefficient relays for use in the manufacture of refrigerator compressor. Classification mentioned in this entry is 8536 20 90. As Positive Thermal Coefficient (relays) are classified under 8536 49 00, trade has represented that concessional BCD was being denied on them. In this context, it is clarified that since Positive Thermal Coefficient (relays) were specifically covered by description in the said S. No. 399B of notification no. 12/2012-customs dated 17.03.2012, and therefore be eligible for the exemption for the past period. Prospectively, tariff item 8536 49 00 is being included in aforesaid S. No. 399B. [S.No. 399B of notification No. 12/2012-Customs as amended by Notification No. 12/2016-Customs refers]

5) Representations have been received regarding the eligibility of aircraft engines and parts thereof, for customs duty exemption under S.No. 448 and 456 of notification No.12/2012-Customs, dated 17th March, 2012. It is, hereby, clarified that aircraft engines and parts thereof are eligible for customs duty exemption under the aforementioned S.Nos. of notification No. 12/2012-Customs dated 17.03.2012, subject to fulfillment of conditions mentioned therein.

EXCISE

1) Notification No.10/97-CE dated 01.03.1997 grants exemption from excise duty to scientific and technical instruments, apparatus, equipment (including computers) and accessories, parts and consumables, supplied to specified institutions, subject to certification by the Head of the Research Institution that the said goods are essential for research purposes and will be used for the stated purpose only, and will not be transferred or sold by the institution for a period of 5 years from the date of installation, and such institutions are registered with Department of Scientific and Industrial Research (DSIR). Representations have been received seeking clarification as to whether engineering goods such as switchboards, switchgears, electrical motors, automation products etc. are covered within the scope of the said notification. It is clarified that the scope of the exemption under notification No.10/97-Central Excise covers engineering goods also, subject to fulfillment of other conditions prescribed in the said notification.

2) NCCD is presently leviable under section 136 of the Finance Act, 2001 on pan masala, tobacco products, crude petroleum, mobile phones and motor vehicles. Rule 3(1) of the CENVAT Credit Rules provides the duties [which includes BED and NCCD] in respect of which a manufacturer or a service provider is allowed to take input credit. Further,
Rule 3(4) of the said Rules provides that the CENVAT credit may be utilized, inter alia, for payment, of any duty of excise. There is, however, one restriction in respect of NCCD. The 5th proviso to rule 3(4) provides that CENVAT credit of any duty except NCCD cannot be utilized for payment of NCCD on goods falling under tariff items 8517 12 10 and 8517 12 90 [mobile phones]. Thus, at present there is no restriction on utilization of credit of basic excise duty for payment of NCCD levied on other goods, namely, pan masala, tobacco products, crude petroleum, and motor vehicles. In this context, for the past period it is clarified that credit of basic excise duty can be utilized for payment of NCCD on all goods, other than those falling under tariff items 8517 12 10 and 8517 12 90 [mobile phones].

However, with effect from 01.03.2016, the 5th proviso to rule 3(4) of the CENVAT Credit Rules, 2004 is being amended so as to provide that CENVAT credit of any duty specified in sub-rule (1) except NCCD cannot be utilized for payment of NCCD leviable under section 136 of the Finance Act, 2001 on any product. Notification No.13/2016-Central Excise (N.T.) dated 01.03.2016 refers.

3) A doubt has been raised with reference to the area based excise duty exemption for the North Eastern Region including Sikkim vide notification No.20/2007-CE dated 25.04.2007, as to whether an industrial unit which is presently availing of the said excise duty exemption, again undertakes substantial expansion by not less than 25% before 31.03.2017 and satisfies the conditions as stipulated under Para 5 and Para 6 of the said notification, will again be eligible for excise duty exemption from such expanded capacity with effect from the date commencement of commercial production for a further period of 10 years. It is clarified that in absence of a provision to the contrary, the area based excise duty exemption presently available to the North Eastern States including Sikkim vide notification No.20/2007-CE dated 25.04.2007 [for which the sunset clause is 31.03.2017] will be available to an existing unit on second substantial expansion as well, provided that the concerned unit commences commercial production from such expanded capacity not later than 31.03.2017.

4) Notification No.108/95-CE, dated 28th August, 1995 provides full exemption from excise duty to goods supplied to the projects financed by the UN or an international organization and approved by the Government of India subject to certification by the authorities concerned that the said goods are required for the execution of the said project. A doubt has been raised as to whether the benefit of excise duty exemption is intended to be restricted to direct supplies by the contractor to the project. In this regard, it is clarified that the exemption from excise duty, under notification No.108/95-CE dated 28.08.1995 is also available to sub-contractors for manufacture and supply of goods for or on behalf of the main contractor (who has won the contract for the supply of goods to the projects financed by the UN or an international organization and approved by the Government of India) for execution of the said project, subject to compliance of other specified conditions, if any.
5) S.No. 232 of notification No. 12/2012-Central Excise, dated 17.03.2012 exempts excise duty on specified goods intended to be used for the installation of a cold storage, cold room or refrigerated vehicle, for the preservation, storage, transport or processing of agricultural, apiary, horticultural, dairy, poultry, aquatic & marine products and meat, subject to observance of the procedure under the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001. Circular No.672/63/2002-CX dated 23.10.2002, issued with regard to similar exemption under notification No. 6/2006-CE dated 23.10.2012, clarified that so long as the procedural requirements of the afore mentioned rules are complied with, the benefit of such exemption should not be denied solely on the ground that the person receiving the specified goods is not a manufacturer of excisable goods. It is hereby, reiterated, that the clarification issued vide the Circular No.672/63/2002-CX dated 23.10.2002, applies *mutatis mutandis* to Condition No. 2 for exemption under S.No. 232 of notification No. 12/2012-Central Excise dated 17.03.2012 also.
### AMENDMENTS IN THE CUSTOMS ACT, 1962:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>1.</td>
<td>Subsection (43) of Section 2 is being amended so as to add a new class of warehouses for enabling storage of specific goods under physical control of the department, as control over the other types of warehouses would be only record based.</td>
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<tr>
<td>2.</td>
<td>Subsection (45) of Section 2 which defines “warehousing station” is being omitted.</td>
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<td>3.</td>
<td>Chapter heading of Chapter III is being amended to omit the word “warehousing station”.</td>
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<tr>
<td>4.</td>
<td>Section 9 is being omitted.</td>
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<tr>
<td>5.</td>
<td>Section 25 is being amended so as to omit the requirement of publishing and offering for sale any notification issued, by the Directorate of Publicity and Public Relations of CBEC.</td>
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| 6.     | Sections 28, 47, 51 and 156 are being amended so as to:  
|        | a) increase the period of limitation from one year to two years in cases not involving fraud, suppression of facts, willful mis-statement, etc.  
|        | b) provide for deferred payment of customs duties for importers and exporters to certain class of importers and exporters. |
| 7.     | Section 53 is being amended so as to enable the Board to frame regulations for allowing transit of certain goods and conveyance without payment of duty. |
| 8.     | Sections 57 and 58 are being substituted to provide for licensing by the Principal Commissioner or Commissioner, in place of Deputy/Assistant Commissioner, subject to such conditions as may be prescribed. |
| 9.     | New section 58A is being inserted to provide for a new class of warehouses which require continued physical control and will be licensed for storing goods, as may be specified. |
| 10.    | New section 58B is being inserted so as to regulate the process of cancellation of licences which is a necessary concomitant of licensing. |
| 11.    | The existing section 59 governing warehousing bonds submitted by importers availing duty deferred warehousing is being substituted so as to fix the bond amount at thrice the duty involved and to furnish security as prescribed. |
| 12.    | The existing section 60 is being substituted to define the date of removal of goods from a customs station and deposit thereof in a warehouse. |
| 13.    | The existing section 61 is being substituted to extend the period of warehousing to all goods used by Export Oriented Undertakings, Units under Electronic Hardware Technology Parks, Software Technology Parks, Ship Building Yards and other units manufacturing under bond; empower Principal Commissioners and Commissioners to extend the warehousing period upto one year at a time. |
14. **Section 62** relating to physical control over warehoused goods is being omitted since the conditions for licensing different categories of warehouses and exercising control over the same are being provided under sections 57, 58 and 58A.

15. **Section 63** relating to payment of rent and warehouse charges is being omitted in view of the privatization of services, and free market determination of rates, including those by facilities in the public sector.

16. The existing **section 64** relating to owner’s rights to deal with warehoused goods is being substituted so as to rationalize the facilities and rights extended under the section.

17. **Section 65** is being amended to delete the payment of fees to Customs for supervision of manufacturing facilities under Bond; and empower Principal Commissioner or Commissioner of Customs to licence such facilities.

18. **Section 68** is being amended to omit rent and other charges on account of omission of section 63.

19. **Section 69** is being amended to omit rent and other charges on account of omission of section 63.

20. **Section 71** is being amended so as to substitute the word “exportation” with the word “export” to align with definition contained in sub section (18) of section 2.

21. **Section 72** is being amended to delete clause (c) regarding improper removal of samples.

22. **Section 73** is being amended to provide for cancellation bond in case of transfer of ownership of the goods, and is thus aligned with sub-section (5) of section 59.

23. New **section 73A** is being inserted so as to provide for custody of warehoused goods and responsibilities including the liabilities of warehouse keepers.

### RETROSPECTIVE AMENDMENT

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>1.</td>
<td>Various notifications pertaining to Advance Licence and Duty Free Import Authorization Schemes are being amended retrospectively, to correct the reference to “section 8” in such notifications to “section 8B” so as to clearly provide that exemption from safeguard duty under section 8B of the Customs Tariff Act, 1975 was/is available under these notifications on imports under Advance Licence and Duty Free Import Authorization Schemes.</td>
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### AMENDMENT IN THE CUSTOMS TARIFF ACT, 1975

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<tr>
<td>1.</td>
<td><strong>Section 8C</strong> [Power of Central Government to impose transitional product specific safeguard duty on imports from People’s Republic of China] is being omitted.</td>
</tr>
</tbody>
</table>
### AMENDMENT IN THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Amendments not affecting rates of duty</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Editorial changes in the Harmonized System of Nomenclature (HSN) in certain chapters are being incorporated in the First Schedules, to be effective from 01.01.2017.</td>
</tr>
<tr>
<td>2.</td>
<td>To:</td>
</tr>
<tr>
<td></td>
<td>1) Amend supplementary notes (e) and (f) Chapter 27 so as to change the reference:</td>
</tr>
<tr>
<td></td>
<td>a) from IS:1460:2000 to IS:1460:2005 for high speed diesel (HSD) and</td>
</tr>
<tr>
<td></td>
<td>b) from IS:1460 to IS: 15770:2008 for light diesel oil (LDO);</td>
</tr>
<tr>
<td></td>
<td>2) Substitute Tariff line 5901 39 10 with description “Warp pile fabrics, uncut” in place of tariff line 5801 37 11 [with description Warp pile fabrics ‘epingle’ uncut velvet] and 5801 37 19 [with description Warp pile fabrics ‘epingle’ uncut other];</td>
</tr>
<tr>
<td></td>
<td>3) Prescribe separate tariff lines for laboratory created or laboratory grown or manmade or cultured or synthetic diamonds;</td>
</tr>
<tr>
<td></td>
<td>4) Delete Tariff line 8525 50 50, relating to Wireless microphone.</td>
</tr>
<tr>
<td><strong>B Amendments affecting rates of duty</strong></td>
<td>From</td>
</tr>
<tr>
<td><strong>Articles of rubber</strong></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Natural latex rubber made balloons falling under specified headings</td>
</tr>
<tr>
<td><strong>Metals</strong></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Primary aluminium</td>
</tr>
<tr>
<td>5</td>
<td>Zinc alloys</td>
</tr>
<tr>
<td><strong>Jewellery</strong></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Imitation jewellery</td>
</tr>
<tr>
<td><strong>Renewable Energy</strong></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Industrial solar water heater</td>
</tr>
<tr>
<td><strong>Capital goods and parts thereof</strong></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Increase in the tariff rate of BCD for 211 specified tariff lines in Chapters 84, 85 and 90. Out of which:</td>
</tr>
<tr>
<td></td>
<td>a) On 96 specified tariff lines, the effective rate is being increased from 7.5% to 10%.</td>
</tr>
<tr>
<td></td>
<td>b) On remaining 115 tariff lines the effective rate will remain unchanged at 7.5%.</td>
</tr>
</tbody>
</table>
The amendments involving increase in the duty rates will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

**AMENDMENTS IN THE CENTRAL EXCISE ACT, 1944:**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Section 5A is being amended so as to omit the requirement of publishing and offering for sale any notification issued, by the Directorate of Publicity and Public Relations of CBEC.</td>
</tr>
<tr>
<td>2.</td>
<td>Section 11A is being amended so as to increase the period of limitation from one year to two years in cases not involving fraud, suppression of facts, willful mis-statement, etc.</td>
</tr>
<tr>
<td>3.</td>
<td>Section 37B is being amended so as to empower the Board for implementation of any other provision of the said Act in addition to the power to issue orders, instructions and directions.</td>
</tr>
</tbody>
</table>
| 4.     | The Third Schedule is being amended so as to: 
  a) make some editorial changes, consequent to 2017 Harmonized System of Nomenclature. 
  b) include therein: 
    1) All goods falling under heading 3401 and 3402; 
    2) Aluminium foils of a thickness not exceeding 0.2 mm; 
    3) Wrist wearable devices (commonly known as ‘smart watches’); and 
    4) Accessories of motor vehicle.  
*The amendment at b) will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.*

**AMENDMENTS IN THE FIRST SCHEDULE TO THE CENTRAL EXCISE TARIFF ACT, 1985**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Amendments not affecting rates of duty</td>
</tr>
<tr>
<td>1.</td>
<td>Editorial changes in the Harmonized System of Nomenclature (HSN) in certain chapters are being incorporated in the First and Second Schedules, to be effective from 01.01.2017.</td>
</tr>
</tbody>
</table>
| 2.     | To: 
  a) Amend supplementary notes (e) and (f) Chapter 27 so as to change the reference: 
    i. from IS:1460:2000 to IS:1460:2005 for high speed diesel (HSD) and 
    ii. from IS:1460 to IS: 15770:2008 for light diesel oil (LDO) 
  b) Substitute Tariff line 5901 39 10 with description “Warp pile fabrics, uncut” in place of tariff line 5801 37 11 [with description Warp pile fabrics ‘epingle’ uncut velvet] |
and 5801 37 19 [with description Warp pile fabrics ‘epingle’ uncut other];
c) Prescribe separate tariff lines for laboratory created or laboratory grown or manmade or cultured or synthetic diamonds;
d) Delete Tariff line 8525 50 50, relating to Wireless microphone.

<table>
<thead>
<tr>
<th>B. Amendments involving change in the rate of duty</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerated Beverages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavoured</td>
<td>18%</td>
<td>21%</td>
</tr>
<tr>
<td>Tobacco and Tobacco Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Cigar and cheroots</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>3 Cigarillos</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>4 Cigarettes of tobacco substitutes</td>
<td>Rs.3375 per thousand</td>
<td>Rs.3755 per thousand</td>
</tr>
<tr>
<td>5 Cigarillos of tobacco substitutes</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>6 Others of tobacco substitutes</td>
<td>12.5% or Rs.3375 per thousand, whichever is higher</td>
<td>12.5% or Rs.3755 per thousand, whichever is higher</td>
</tr>
<tr>
<td>7 Gutkha, chewing tobacco (including filter khaini) and jarda scented tobacco</td>
<td>70%</td>
<td>81%</td>
</tr>
<tr>
<td>8 Unmanufactured tobacco</td>
<td>55%</td>
<td>64%</td>
</tr>
<tr>
<td>9 Paper rolled biris [whether handmade or machine made] and other biris [other than handmade biris]</td>
<td>Rs.30 per thousand</td>
<td>Rs.80 per thousand</td>
</tr>
</tbody>
</table>

However, the effective rate of basic excise duty of Rs.21 per thousand shall remain unchanged.

The amendments involving increase in the duty rates will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.
MISCELLANEOUS

1) The Oil Industry (Development) Act, 1974 is being amended so as to reduce the rate of Oil Industries Development Cess, on domestically produced crude oil, from Rs. 4500 PMT to 20% ad valorem. The amendment in the Act will be effective from the date of assent to the Finance Bill, 2016. Till the enactment of the Finance Bill, 2016, Notification prescribing 20% effective rate of OID Cess will be issued by Ministry of Petroleum & Natural Gas.

2) The Seventh Schedule to the Finance Act, 2005 is being amended so as to increase the excise duty across all lengths of non-filter and filter cigarettes as under:

<table>
<thead>
<tr>
<th>Cigarettes</th>
<th>From Rs. Per thousand</th>
<th>To Rs. Per thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non filter not exceeding 65</td>
<td>70</td>
<td>215</td>
</tr>
<tr>
<td>Non-filter exceeding 65 but not exceeding 70</td>
<td>110</td>
<td>370</td>
</tr>
<tr>
<td>Filter not exceeding 65</td>
<td>70</td>
<td>215</td>
</tr>
<tr>
<td>Filter exceeding 65 but not exceeding 70</td>
<td>70</td>
<td>260</td>
</tr>
<tr>
<td>Filter exceeding 70 but not exceeding 75</td>
<td>110</td>
<td>370</td>
</tr>
<tr>
<td>Other</td>
<td>180</td>
<td>560</td>
</tr>
</tbody>
</table>

3) The Clean Energy Cess is being renamed as Clean Environment Cess. Also, the Tenth Schedule to the Finance Act, 2010 dealing with Clean Energy Cess is being amended so as to increase the Scheduled rate of Clean Energy Cess from Rs.300 per tonne to Rs.400 per tonne. The effective rate of Clean Energy Cess is being increased from Rs.200 per tonne to Rs.400 per tonne

4) **Infrastructure Cess** is being levied on motor vehicles, of heading 8703, as under:
   b) Petrol/LPG/CNG driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1200cc – 1%
   c) Diesel driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1500cc – 2.5%
   d) Other higher engine capacity motor vehicles and SUVs and bigger sedans – 4%

   Three wheeled vehicles, Electrically operated vehicles, Hybrid vehicles, Hydrogen vehicles based on fuel cell technology, Motor vehicles which after clearance have been registered for use solely as taxi, Cars for physically handicapped persons and Motor vehicles cleared as ambulances or registered for use solely as ambulance will be exempt from this Cess.
No credit of this Cess will be available, and credit of no other duty can be utilized for payment of this Infrastructure Cess.

[Clause 159]

The increase in duty rates under 2), 3) and imposition of Cess at 4) above will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931.

RULES AND REGULATIONS UNDER THE CUSTOMS ACT, 1962

1) The existing Baggage Rules, 1998 are being substituted with the Baggage Rules, 2016, so as to simplify and rationalize multiple slabs of duty free allowance for various categories of passengers. The new Rules are effective from 01.04.2016.

2) The existing Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 1996 are being substituted with the Customs (Import of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2016 with a view to simplify the rules, including allowing duty exemptions to importer/manufacturer based on self-declaration instead of obtaining permissions from the Central Excise authorities. Need for additional registration is also being done away with. The new Rules will be effective from 01.04.2016.

3) Interest rates on delayed payment of Customs duty under section 28AA are being rationalized at 15%.

4) The Customs Baggage Declaration Regulations, 2013 is being amended so as to prescribe filing of Customs declaration only for those passengers who carry dutiable or prohibited goods.

AMENDMENTS IN THE CENTRAL EXCISE RULES, 2002 AND THE CENVAT CREDIT RULES, 2004

1) The Central Excise Rules, 2002 are being amended so as to:
   (a) reduce the number of returns to be filed by a central excise assessee above a certain threshold from 27 to 13, that is, one annual and 12 monthly returns. Monthly returns are already being e-filed. CBEC will provide for e-filing of annual return also. This annual return will have to be filed by service tax assessees also, above a certain threshold, taking total number of returns to three in a year for them,
   (b) extend the facility for revision of return, hitherto available to a service tax assessees only, to manufacturers also.
   (c) provide that in cases where invoices are digitally signed, the manual attestation of copy of invoice, meant for transporter, is done away with.
   (d) provide that in case of finalization of provisional assessment, the interest will be chargeable from the original date of payment of duty.
2) The CENVAT Credit Rules, 2004 are being amended, so as to improve credit flow, reduce the compliance burden and associated litigations, particularly those relating to apportionment of credit between exempted and non-exempted final products / services. Changes are also being made in the provisions relating to input service distributor, including extension of this facility to transfer input services credit to outsourced manufacturers, under certain circumstances. The amendments in these Rules will also enable manufacturers with multiple manufacturing units to maintain a common warehouse for inputs and distribute inputs with credits to the individual manufacturing units.

3) Instructions are being issued to Chief Commissioners of Central Excise to file application to Courts to withdraw prosecution in cases involving duty of less than rupees five lakh and pending for more than fifteen years.

4) The existing Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules, 2001 are being substituted with the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules, 2016, so as to simplify the rules, including allowing duty exemptions to importer/manufacturer based on self-declaration instead of obtaining permissions from the Central Excise authorities.

**AMENDMENTS TO OTHER ACTS**

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td><strong>THE FINANCE ACT, 2001</strong></td>
</tr>
<tr>
<td>(i)</td>
<td>The Seventh Schedule which provides for levy on NCCD of excise on specified goods is being amended so as to align the tariff lines with the First Schedule to the Central Excise Tariff Act, 1985.</td>
</tr>
<tr>
<td>(ii)</td>
<td>The Seventh Schedule which provides for levy on NCCD of excise on specified goods is being amended so as to include 2017 Harmonized System of Nomenclature (HSN) editorial changes. These changes will be effective from 01.01.2017.</td>
</tr>
</tbody>
</table>