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## Union Budget 2015-16: An Exercise in Cut-Paste

-Arun Goyal -

Diwali is the time when business closes accounts to distribute wealth to family and friends. Budget day is also the day for the Union Government to close its accounts for the financial year ending 31 March. It takes stock of its revenue and inflows and the expenditure and outflows on the other side of the ledger to find ways to balance the two.

My experience of handling the detail during the course of editing this year's customs tariff book shows little effort to start the new year on a fresh page. The education cess of 3 percent on excise has been merged in the basic excise of 12 percent in the new rate of 12.5 percent (The customs are still charging the cess due to wrong information on ICEGATE website).

Service tax is up to a stiff 14 percent with a promise of another two percent rise in the near future. All in the name of the forthcoming GST. Business sees only debits of taxes in the books but tax credit are a distant dream.

The excise duty hikes are transferred to the road cess to kick start the Highway projects. The consumer does not really benefit from the halving of crude, the State has taken away the surpluses in the name of "infrastructure development". The bounties of the falling price could have gone to the industrial and individual consumer to fuel demand and pull growth.

In my opinion, there are few seasoned economists left in the Government system in Modi rule, the new migrants from US are new to the game. In any case, the Modi- Jaitley duo have little time or space for dissent.

The over protected auto sector gets further protection with a doubling of the import duty of commercial vehicles to a steep 20 percent. This is good news for the auto industry in India which comes on top of falling fuel price.

### False Nationalism, Manufacturing at Gun Point!

The "Make in India" programme is false nationalism, the Budget has proved this. The moves to promote LED by concessions to parts will only promote the manufacture screw drivers. The conclusion on screw drivers holds true for the initiatives to push manufacturing of mobile phones and tablets. The duty difference between imports and domestic production is a stiff 11.5 in mobile phones case and 10.5 percent for tablets. Is it possible to manufacture sophisticated hi tech goods at gun point? The results on the ground of the five percent differential first announced by the erstwhile Finance Minister P Chidambaram in February Budget last year has showed nil result. In fact, the manufacturing sector shrank with Nokia, the world's largest factory, closing shop after income tax raids following retrospective amendment of software import rules. The grey market for mobiles at Gaffar Market in Karol Bagh is celebrating the Modi- Jaitley budget. The 12.5 percent CVD on imports is on top of 15 percent State VAT, the days of smuggling in the early part of the 2010 decade are on the return path.

### The saving Grace – Pay Tax up on Demand to Avoid Dispute

One of the major plus points of the Budget is that the customs and excise law is being amended to stop penalty proceedings will be deemed to be concluded if the duty in the notice is paid within 30

days along with interest. Similarly, Court judgement will be implemented without delay. These measure are welcome to the harassed assessee.

He seems to prefer the cold of New York to the rains in the capital. He did hold the traditional press conference after the Budget.

The order from Modi to the North Block was to kill any suggestion however good which was losing revenue. The Budget was not about fairness, it was not about investing for future gains. In conclusion, it was a cut-paste job performed by a tired and terrified Finance Minister.

**Tailpiece:** Less than 48 hours after releasing his 190 page budget, India's Finance Minister Arun Jaitley was on a jet heading to New York to discuss with Columbia university students how the new government will reform the country.

### Now on Sale

#### 37th Budget Edition of BIG's Easy Reference Customs Tariff 2015-16



- 12.5% of CVD of Excise
- Duty Exemption
- SAD Exemption and Refunds
- Total Calculated Duty
- IT Agreement, Mobile Exemption
- Second Hand Machinery Import
- Customs, DGFT Procedure
- FSSAI Food Standards
- BIS/CRO Quality Standards
- Animal/Plant Quarantine/Sanitary Rules
- Legal Metrology Labelling
- Baggage/Courier Imports
- Gold Imports Conditions with Duties
- Compulsory Registration of Electronic Products
- Amended and Updated Anti-Dumping Duty and Safeguards Duty
- 19 FTA Country Preferences: Japan, Malaysia, Singapore, ASEAN, Thai, SAFTA, SAPTA, Sri Lanka, Nepal, Chile, LDCs, Afghanistan, APTA, Korea
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## Frequently Used Duty Ready Reckoner 2015-2016

**Please Note: Education Cess is exempted on Excise w.e.f. 01.03.2015)**

Assume Value (AV) of Goods = 100

Basic Customs	CVD of Excise Sec 3(1) of CTA	Total Duty w/o SAD and Edu Cess	2% Edu Cess	1% Sec Edu Cess	Total 2+1% Edu Cess Incidence	SAD under Sec 3(5) of CTA	SAD Incidence	Total Duty (Basic+CVD+Edu Cess+SAD)
A	B	C	D	E	F	G	H	I
<b>12.5</b>	<b>8</b>	<b>21.5</b>	<b>0.43</b>	<b>0.215</b>	<b>0.645</b>	<b>4</b>	<b>4.8858</b>	<b>27.0308</b>
12.5	6	19.25	0.385	0.1925	0.5775	4	4.7931	24.6206
12.5	0	12.5	0.25	0.125	0.375	4	4.515	17.39
10	24	36.4	0.728	0.364	1.092	4	5.49968	42.99168
10	14	25.4	0.508	0.254	0.762	4	5.04648	31.20848
10	14	25.4	0.508	0.254	0.762	0	0	26.162
10	13	24.3	0.486	0.243	0.729	4	5.00116	30.03016
<b>10</b>	<b>12.5</b>	<b>23.75</b>	<b>0.475</b>	<b>0.2375</b>	<b>0.7125</b>	<b>4</b>	<b>4.9785</b>	<b>29.441</b>
10	12.5	23.75	0.475	0.2375	0.7125	0	0	24.4625
10	8	18.8	0.376	0.188	0.564	4	4.77456	24.13856
<b>10</b>	<b>6</b>	<b>16.6</b>	<b>0.332</b>	<b>0.166</b>	<b>0.498</b>	<b>4</b>	<b>4.68392</b>	<b>21.78192</b>
10	6	16.6	0.332	0.166	0.498	1	1.17098	18.26898
10	6	16.6	0.332	0.166	0.498	0	0	17.098
10	2	12.2	0.244	0.122	0.366	0	0	12.566
10	0	10	0.2	0.1	0.3	4	4.412	14.712
<b>7.5</b>	<b>12.5</b>	<b>20.9375</b>	<b>0.41875</b>	<b>0.20938</b>	<b>0.62813</b>	<b>4</b>	<b>4.862625</b>	<b>26.42825</b>
7.5	12.5	20.9375	0.41875	0.20938	0.62813	0	0	21.565625
7.5	12.5	20.94	0	0	0	4	4.8375	25.775
<b>7.5</b>	<b>8</b>	<b>16.1</b>	<b>0.322</b>	<b>0.161</b>	<b>0.483</b>	<b>4</b>	<b>4.66332</b>	<b>21.24632</b>
7.5	6	13.95	0.279	0.1395	0.4185	4	4.57474	18.94324
7.5	2	9.65	0.193	0.0965	0.2895	4	4.39758	14.33708
7.5	2	9.65	0.193	0.0965	0.2895	0	0	9.9395
7.5	1	8.575	0.1715	0.08575	0.25725	0	0	8.83225
7.5	0	7.5	0.15	0.075	0.225	4	4.309	12.034
5	14	19.7	0.394	0.197	0.591	4	4.81164	25.10264
5	14	19.7	0.394	0.197	0.591	0	0	20.291
<b>5</b>	<b>12.5</b>	<b>18.125</b>	<b>0.3625</b>	<b>0.18125</b>	<b>0.54375</b>	<b>4</b>	<b>4.74675</b>	<b>23.4155</b>
5	12.5	18.125	0.3625	0.18125	0.54375	0	0	18.66875
<b>5</b>	<b>8</b>	<b>13.4</b>	<b>0.268</b>	<b>0.134</b>	<b>0.402</b>	<b>4</b>	<b>4.55208</b>	<b>18.35408</b>
5	6	11.3	0.226	0.113	0.339	4	4.46556	16.10456
5	6	11.3	0.226	0.113	0.339	0	0	11.639
5	2	7.1	0.142	0.071	0.213	4	4.29252	11.60552
5	2	7.1	0.142	0.071	0.213	0	0	7.313
5	1	6.05	0.121	0.0605	0.1815	0	0	6.2315
5	0	5	0.1	0.05	0.15	4	4.206	9.356
3	12.5	15.36	0	0	0	4	4.6144	19.9744
2.5	14	16.85	0.337	0.1685	0.5055	4	4.69422	22.04972
2.5	14	16.85	0.337	0.1685	0.5055	0	0	17.3555
<b>2.5</b>	<b>12.5</b>	<b>15.3125</b>	<b>0.30625</b>	<b>0.15313</b>	<b>0.45938</b>	<b>4</b>	<b>4.630875</b>	<b>20.40275</b>
2.5	12.5	15.3125	0.30625	0.15313	0.45938	0	0	15.771875
2.5	12.5	15.3125	0.30625	0.15313	0.45938	2	2.315438	18.0873125
<b>2.5</b>	<b>8</b>	<b>10.7</b>	<b>0.214</b>	<b>0.107</b>	<b>0.321</b>	<b>4</b>	<b>4.44084</b>	<b>15.46184</b>
2.5	6	8.65	0.173	0.0865	0.2595	4	4.35638	13.26588
2.5	6	8.65	0.173	0.0865	0.2595	0	0	8.9095
<b>2.5</b>	<b>2</b>	<b>4.55</b>	<b>0.091</b>	<b>0.0455</b>	<b>0.1365</b>	<b>4</b>	<b>4.18746</b>	<b>8.87396</b>
2.5	2	4.55	0.091	0.0455	0.1365	0	0	4.6865
2.5	1	3.525	0.0705	0.03525	0.10575	0	0	3.63075
2.5	0	2.5	0.05	0.025	0.075	4	4.103	6.678
<b>2</b>	<b>12.5</b>	<b>14.75</b>	<b>0.295</b>	<b>0.1475</b>	<b>0.4425</b>	<b>4</b>	<b>4.6077</b>	<b>19.8002</b>
0	12.5	12.5	0.25	0.125	0.375	4	4.515	17.39
0	8	8	0.16	0.08	0.24	4	4.3296	12.5696
0	6	6	0.12	0.06	0.18	4	4.2472	10.4272
0	6	6	0.12	0.06	0.18	0	0	6.18
0	2	2	0.04	0.02	0.06	4	4.0824	6.1424

# Budget 2015-2016 Circular from TRU, Department of Revenue

[D.O.F.No. 334/5/2015- TRU dated 28.02.2015]



The Finance Minister has introduced the Finance Bill, 2015 in Lok Sabha today, i.e., 28th February, 2015. Changes in Customs and Central Excise law and rates of duty have been proposed through the Finance Bill, 2015 (clauses 80 to 89, 163, 164 for Customs and clauses 90 to 104, 163, 164, 184 and 188 for Central Excise). 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:

	Notification Nos.	Date
<b>Customs</b>		
Tariff	No.6/2015-Customs to No.11/2015-Customs	1st March, 2015
Non-Tariff	No.27/2015-Customs (NT)	1st March, 2015
<b>Central Excise</b>		
Tariff	No.5/2015-CE to No.17/2015-CE	1st March, 2015
Non-Tariff	No.3/2015-CE (NT) to No.11/2015-CE (NT)	1st March, 2015
<b>Clean Energy Cess</b>	No.1/2015-Clean Energy Cess	1st March, 2015
<b>M&amp;TP Act</b>	No.1/2015-M&TP	1st March, 2015

Unless otherwise stated, all changes in rates of duty take effect from the midnight of 28th February/ 1st March, 2015. A declaration has been made under the Provisional Collection of Taxes Act, 1931 in respect of clauses 89, 90, 103, 104, 163, 164 and 188 of the Finance Bill, 2015 so that changes proposed therein take effect from the midnight of 28th February / 1st March, 2015. The remaining legislative changes would come into effect only upon the enactment of the Finance Bill, 2015. Retrospective amendment in the notification issued under the Central Excise Act shall have the force of law only upon the enactment of the Finance Bill, 2015 but with effect from the date indicated in the relevant clause or Schedule. 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:

(i) Annex I contains Chapter wise changes relating to Customs;

(ii) Annex II contains Chapter wise changes relating to Central Excise:

Education Cess and Secondary & Higher Education Cess leviable on all excisable goods are being fully exempted. Simultaneously, the standard ad valorem rate of duty of excise (i.e. CENVAT) is being increased from 12% to 12.5%. Details of the consequential changes are enlisted in the aforesaid Annex.

Also, maximum speed of packing machine for packages of notified goods of various retail sale prices is being specified as a factor relevant to production for determining excise duty payable under the Compounded Levy Scheme presently applicable to pan masala, gutkha and chewing tobacco. The deemed production and duty payable per machine per month are accordingly being notified in respect of these goods with reference to the speed range in which the maximum speed of a packing machine for packages of various retail sale prices falls. Consequential amendments are being carried in the Pan Masala Packing machines (Capacity Determination and Collection of Duty) Rules, 2008 and Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010 to enable the AC / DC, as the case may be, to re-determine the annual capacity of production for the period 1st March,

2015 onwards within 3 working days of the coming into force of the Packing machines (Capacity Determination and Collection of Duty) Amendment Rules, 2015 and Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Amendment Rules, 2015. Details of changes in this regard enlisted in the aforesaid Annex may be studied carefully.

(iii) Annex III contains the clarifications being issued on certain matters.

(iv) Annex IV provides a bird's eye view of legislative changes proposed in the Finance Bill, 2015.

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 differ-

ent 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. 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.

4. 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. Amitabh Kumar, OSD (TRU) (Tel No.011-23092236); Sh. G.G. Pai, Director (TRU) (Tel No. 011-23092753), e-mail: giridhar.pai@nic.in or Sh. Malay Samir, Budget Officer (TRU) (Tel No. 011-23094819), e-mail: malay.samir@nic.in. We can also be reached at budget-cbec@nic.in.

5. Copies of Finance Bill, 2015, Finance Minister's Budget Speech, Explanatory Memorandum to the Bill, relevant notifications can be downloaded directly from [www.indiabudget.nic.in](http://www.indiabudget.nic.in) as well as [www.cbec.gov.in](http://www.cbec.gov.in).

6. 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.

## Annex I – Customs

**Chapter 1 to 24:** No change

**Chapter 25:**

1) Basic Customs Duty on ulexite ore is being reduced from 2.5% to Nil. Notification No.12/2012-Customs, dated 17<sup>th</sup> March, 2012 as amended by notification No.10/2015- Customs, dated 1<sup>st</sup> March, 2015 [new S.No.113A] refers.

**Chapter 26:**

1) Export duty on ilmenite, upgraded (beneficiated ilmenite including ilmenite ground) is being reduced from 5% to 2.5%. S.No.24D of notification No.27/2011-Customs, dated 1st March, 2011 as amended by notification No.8/2015-Customs, dated 1<sup>st</sup> March, 2015 refers.

**Chapter 27:**

1) The tariff rate of Basic Customs Duty on Bituminous coal [2701 12 00] is being reduced from 55% to 10%. A suitable amendment has been proposed in the Customs Tariff Act, 1975. Clause 89 of the Finance Bill, 2015 refers. However, the effective rate of Basic Customs Duty on Bituminous coal continues to be 2.5%.

2) Basic Customs Duty on metallurgical coke [2704 00] is being increased from 2.5% to 5%. S.No.125 of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated 1st March, 2015 refers.

3) Special Additional Duty (SAD) on Naphtha [2710] for use in manufacture of excisable goods is being reduced from 4% to 2%. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.11/2015-Customs, dated the 1st March, 2015 [new S.No.45A] refers.

4) Basic Customs Duty on liquefied butanes [2711 13 00] is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [new S.No.142C] refers.

5) Scheduled rate of Additional Duty of Customs levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] is being increased from Rs.2 per litre to Rs.8 per litre. A suitable amendment has been proposed in the Second Schedule to the Finance (No.2) Act, 1998 and Second Schedule to the Finance Act, 1999. Clause 163 and 164 of the Finance Bill, 2015 refer. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect. However, the effective rate of Additional Duty of Customs levied on imported Motor Spirit [Petrol] and High Speed Diesel Oil [commonly known as Road Cess] is being increased from Rs.2 per litre to Rs.6 per litre. Notification No.6/2015-Customs and notification

No.7/2015-Customs both dated the 1st March, 2015 refer.

#### **Chapter 28:**

1) Basic Customs duty on sulphuric acid [2807 00 10] for the manufacture of fertilizers is being reduced from 7.5% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [new S.No.157A] refers.

#### **Chapter 29 and 30:**

1) Basic Customs duty on isoprene [2901 24 00] is being reduced from 5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [S.No.173D] refers.

2) Basic Customs duty on styrene [2902 50 00], ethylene dichloride (EDC) [2903 15 00] and Vinyl Chloride Monomer (VCM) [2903 21 00] is being reduced from 2.5% to 2%. S.Nos.175, 177 and 178 Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 refers.

3) Special Additional Duty (SAD) on styrene [2902 50 00], ethylene dichloride (EDC) [2903 15 00] and Vinyl Chloride Monomer (VCM) [2903 21 00] for use in manufacture of excisable goods is being reduced from 4% to 2%. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.11/2015-Customs, dated the 1st March, 2015 [new S.Nos.45B, 45C and 45D] refers.

4) Basic Customs duty on anthraquinone [2914 61 00] is being reduced from 7.5% to 2.5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [new S.Nos.181A] refers.

5) Basic Customs duty on butyl acrylate [2916 12 10] is being reduced from 7.5% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [new S.No.181B] refers.

#### **Chapter 31 to 71:** No change

#### **Chapters 72 & 73:**

1) Tariff rate of Basic Customs Duty on iron and steel (Chapter 72) and articles of iron or steel (Chapter 73) is being increased from 10% to 15%. Clause 89 of the Finance Bill 2015 refers. However the existing effective rate of BCD on these goods are being retained. S.Nos.329A and 334A of notification No.12/2012-Customs, dated 17th March, 2012 as inserted by notification No.10/2015-Customs, dated 1st March, 2015 refer. Further, it is clarified that the existing concessional rates of Basic Customs Duty in respect of goods falling under Chapters 72 & 73 under S.Nos. 330, 331, 332, 333 & 334 and other similar entries of notification No.12/2012-Customs dated 17th March, 2012 will continue.

#### **Chapter 74 & 76:**

1) Special Additional Duty of Customs (SAD) on melting scrap of iron or steel, stainless steel scrap for the purpose of melting, copper scrap, brass scrap and aluminium scrap is being reduced from 4% to 2%. Notification No.21/2012-Customs, dated 17th March, 2012 as amended by notification No.11/2015-Customs, dated the 1st March 2015 [new S. Nos. 78A, 79A and 79B] refers.

#### **Chapter 75, 77 to 80:** No change.

#### **Chapter 81:**

1) Basic Customs duty on antimony metal [8110 10 00] and antimony waste and scrap [8110 20 00] is being reduced from 5% to 2.5%. Notification

No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March, 2015 [new S.No.344A] refers.

#### **Chapter 82, 83:** No change.

#### **Chapter 84:**

1) Basic Customs Duty on C- Block Compressor [8414 90 11], Crank Shaft [8414 90 11] and Over Load Protector (OLP) & Positive thermal coefficient [8536 20 90] for use in the manufacture of Refrigerator compressors is being reduced from 7.5% to 5%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015- Customs, dated the 1st March 2015 [new S. Nos. 399A and 399B] refers.

2) Basic Customs Duty on specified components [8537 10 00] of CNC Lathe machines and Machining Centres, namely Ball screws [8483 40 00], Linear Motion Guides [8466 93 90] and CNC Systems is being reduced from 7.5% to 2.5%, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated the 1st March 2015 [new S. Nos. 406B, 406C and 406D] refers.

3) Basic Customs Duty on ceria zirconia compounds [2825 60 20], cerium compounds [2846 10 90] and zeolite [3824 90 90] is being reduced from 7.5% to 5% for use in manufacture of washcoat, which is used in catalytic converters, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015- Customs, dated the 1st March 2015 [new S. Nos. 371A, 371B and 371C] refers.

4) Parts and components of cash dispenser and automatic bank note dispensers [heading 8473 40] are exempt from Basic Customs Duty. However, since the classification of parts was not mentioned in the relevant notification, there were doubts about the scope of the exemption for parts of cash dispenser and automatic bank note dispensers. As the 'parts and components of cash dispensers and automatic bank note dispensers' were specifically included in the description of goods even though their classification was not, it is clarified that the benefit of exemption from Basic Customs Duty was available to parts and components of cash dispenser and automatic bank note dispensers, in accordance with CBEC circular 9/96- Customs dated 13.2.96 [F.No.528/4/96-Customs (TU)]. Prospectively, the S. No. 408 of the Notification No. 12/2012- Customs dated 17-3-2012 is being amended to include the classification [8473 40] of parts and components of cash dispensers and automatic bank note dispensers. S. No. 408 of Notification No. 12/2012-Cus, as amended vide notification No.10/2015-Customs dated 1st March, 2015 refers.

5) Basic Custom Duty is being exempted on evacuated tubes with three layers of solar selective coating for use in the manufacture of solar water heater and system, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.399C] refers.

6) Basic Custom Duty and CVD are being exempted on parts, components and accessories for use in the manufacture of tablet computer. Also, Basic Custom Duty and CVD are being exempted on sub-parts for use in manufacture of parts, components and accessories of tablet computers. Both BCD and CVD being exempt, vide S. No. 1 of notification No.21/2012- Customs, dated 17-3-2012, the SAD on these goods will also be exempt. These exemptions are subject to

actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.407A] refers.

#### **Chapter 85**

1) Basic Custom Duty is being exempted on High Density Polyethylene (HDPE) for manufacture of telecommunication grade optical fibres or optical fibre cables. Item-11 of List-5 of notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 refers.

2) Basic Custom Duty is being reduced from 10% to 7.5% on Water Blocking Tape, Ethylene-propylene-non-conjugated diene rubber (EPDM) and Mica glass tape for use in the manufacture of insulated wires and cables (except sub-heading 8544 11), subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015-Customs, dated 1st March, 2015 [new S.Nos.247A-247C] refers.

3) Basic Custom Duty is being reduced from 10% to 7.5% on metal parts for use in manufacture of electrical insulators, subject to actual user condition. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.334B] refers.

4) Concessional Basic Custom Duty of 5% is being extended to AEC (Active Energy Controller) for manufacture of Renewable Power System (RPS) inverters, subject to certification by Ministry of New and Renewable Energy [MNRE]. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.424A and Condition No. 46] refers.

5) Basic Custom Duty is being reduced from 10% to Nil on Digital Still Image Video Cameras capable of recording video with minimum resolution of 800x600 pixels, at minimum 23 frames per second, for at least 30 minutes in a single sequence, using the maximum storage (including the expanded) capacity. Notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 [new S.No.428A] refers. Basic Custom Duty is also being also reduced from 5% to Nil on parts and components for use in the manufacture of such Digital Cameras. S.No.429 of notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015- Customs, dated 1st March, 2015 refers.

6) Basic Custom Duty is being reduced on Organic LED (OLED) TV panels from 10% to Nil. S.No.432 of notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 refers.

7) Basic Custom Duty is being exempted on Black Light Unit Module also for manufacture of LCD/LED TV panels, subject to actual user condition. S.No.432B of notification No.12/2012-Customs, dated 17th March, 2012 as amended by notification No.10/2015- Customs, dated 1st March, 2015 refers.

8) Basic Custom Duty is being reduced from 5% to Nil on magnetron (upto 1 KW) used for the manufacture of domestic microwave oven. S. No. 433 of notification No.12/2012-Customs, dated 17th March, 2012 as amended vide notification No.10/2015-Customs, dated 1st March, 2015 refers.

9) Special Additional Duty (SAD) is being exempted on all goods [except populated PCBs] for use in the manufacture of ITA bound goods

covered by Notification Nos. 25/1998-Customs dated 2nd June, 1998, 24/2005-Customs dated 1st March, 2005, 25/2005-Customs dated 1st March, 2005, subject to actual user condition. Notification No.21/2012-Customs, dated 17<sup>th</sup> March, 2012 as amended *vide* notification No.11/2015-Customs, dated 1st March, 2015 [new S.No. 14D] refers.

10) Special Additional Duty (SAD) is being exempted on all inputs for use in the manufacture of LED driver and MCPCB for LED lights and Fixtures & LED Lamps, subject to actual user condition. Notification No.21/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.11/2015-Customs, dated 1st March, 2015 [new S.No.14F] refers.

**Chapter 86:** No change.

#### **Chapter 87**

1) Tariff rate of BCD on import of vehicles falling under headings 8702 or 8704 (commercial vehicles) is being increased from 10% to 40%. Clause 89 of the Finance Bill 2015 refers. By virtue of the Provisional Collection of Taxes Act, 1931, this increase will come into force with immediate effect. An effective BCD rate of 10% is being prescribed on vehicles falling under headings 8702 or 8704 (commercial vehicles) when imported in a Completely Knocked Down (CKD) kit. All such vehicles when imported in any other form will attract BCD of 20%. Notification No.12/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.10/2015-Customs dated 1st March, 2015 [new S. No 436A] refers. However, electrically operated vehicles including in CKD condition, for transport of persons falling under heading 8702 would continue to attract 10% BCD. Notification No.12/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.10/2015-Customs dated 1st March, 2015

[new S. No. 436B] refers.

2) The validity period of exemption granted to specified goods for use in the manufacture of hybrid and electrically operated vehicles is being extended by one more year up to 31st March, 2016. Clauses (g) and (h) of proviso to notification No. 12/2012-Customs, as amended by notification No. 10/2015-Customs, dated the 1st March 2015 refers.

**Chapter 88, 89:** No change.

#### **Chapter 90:**

1) CVD is being exempted on specified raw materials for use in the manufacture of pacemakers, subject to actual user condition. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.10/2015- Customs, dated 1st March, 2015 [new S. No. 488A] refers. Further, these goods are also being exempted from SAD subject to actual user condition. Notification No. 21/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.11/2015- Customs, dated 1st March, 2015 [new S. No. 14E] refers.

2) Basic Customs Duty on specified inputs for use in the manufacture of flexible medical video endoscope is being reduced from 5% to 2.5%. Notification No. 12/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.10/2015-Customs, dated 1st March, 2015 [new S. No. 474A] refers.

3) Basic Customs Duty and CVD is being fully exempted on artificial hearts (left ventricular assist device). S.No.480 of notification No. 12/2012-Customs, dated 17th March, 2012 as amended *vide* notification No.10/2015- Customs, dated 1st March, 2015 refers.

**Chapter 91 to 98:** No change.

tral Excise dated 1st March, 2015 refers.

7) The rate of excise duty applicable to goods covered by the Medicinal and Toilet Preparations Act, 1955 is being increased from 12% to 12.5% ad valorem. In this regard, notification No.1/2015-M&TP dated 1st March, 2015 refers.

8) There is no change in Education Cess leviable on imported goods under section 91 read with section 94 of the Finance Act, 2004 as a duty of customs and Secondary & Higher Education Cess leviable on imported goods under section 136 read with 139 of the Finance Act, 2007 as a duty of customs. These Cesses shall continue to be levied on imported goods.

**Chapter 1 to 3:** No change.

#### **Chapter 4:**

1) Excise duty of 2% without CENVAT credit or 6% with CENVAT credit is being levied on condensed milk [0402 91 10 and 0402 99 20] put up in unit containers. Notification No.1/2011-Central Excise, dated 1st March, 2011 as amended by notification No.7/2015- Central Excise dated 1st March, 2015 [new S.No.1A] and notification No.2/2011-Central

Excise, dated 1st March, 2011 as amended by notification No.8/2015-Central Excise dated 1st March, 2015 [new S.No.1A] refer. Condensed milk [0402 91 10 and 0402 99 20] is also being notified under section 4A of the Central Excise Act for the purpose of valuation with reference to the Retail Sale Price, with an abatement of 30%. Notification No.49/2008- Central Excise (N.T.), dated 21.12.2008 as amended by notification No.3/2015-Central Excise (N.T.) dated 1st March, 2015 [new S.No.1A] refers. Condensed milk, other than put up in unit containers will continue to be exempt from excise duty. S.No.1 of notification No.12/2012-Central Excise, dated 17th March, 2012, as amended by notification No.12/2015-Central Excise dated 1st March, 2015 refers.

**Chapter 5 to 19:** No change.

#### **Chapter 20:**

1) Excise duty of 2% without CENVAT credit or 6% with CENVAT credit is being levied on peanut butter [2008 11 00]. S.No.14 of notification No.1/2011-Central Excise, dated 1st March, 2011 and S.No.13A of notification No.12/2012-Central Excise, dated 17th March, 2012 as omitted by notification No.12/2015-Central Excise dated 1st March, 2015 refers.

#### **Chapter 21:**

1) All goods falling under Chapter sub-heading 2101 20, including iced tea, are being notified under section 4A of the Central Excise Act for the purpose of assessment of Central Excise duty with reference to the Retail Sale Price with an abatement of 30%. Notification No.49/2008-Central Excise (N.T.), dated 21.12.2008 as amended by notification No.3/2015- Central Excise (N.T.) dated 1st March, 2015 [new S.No.16A] refers. The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include therein all goods falling under Chapter sub-heading 2101 20, including iced tea. Clause 103 of the Finance Bill, 2015 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

#### **Chapter 22:**

1) All goods falling under heading 2202 [other than mineral waters and aerated waters which attract abatement of 45% and 40% respectively] are being notified under section 4A of the Central Excise Act for the purpose of assessment of Central Excise duty with reference to the Retail Sale Price with an abatement of 35%. Notification

## **Annex II – Excise**

General:

#### **Cenvat rate:**

1) Education Cess levied on all excisable goods as a duty of excise under section 91 read with section 93 of the Finance Act, 2004 is being fully exempted. In this regard, notification No.14/2015-Central Excise dated 1st March, 2015 refers. Similarly, Secondary & Higher Education Cess leviable on excisable goods as a duty of excise under section 136 read with 138 of the Finance Act, 2007 is also being fully exempted. In this regard, notification No.15/2015-Central Excise dated 1st March, 2015 refers.

2) Simultaneously, the standard ad valorem rate of duty of excise (i.e. CENVAT) is being increased from 12% to 12.5%. Specific rates of Basic Excise Duty on petrol, diesel, cement, cigarettes & other tobacco products (other than biris) are also being suitably changed. In this regard, the First Schedule to the Central Excise Tariff Act, 1985 as amended by Clause 104 of the Finance Bill, 2015 refers. These changes will come into force with immediate effect owing to a declaration under the Provisional Collection of Taxes Act, 1931. Also, see S.Nos.42, 43, 45, 50, 51, 52, 53, 90, 107, 205A, 244, 273, 278, 279, 281, 285, 286, 287, 288 and 289 of notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 refers.

3) Other Basic Excise Duty rates (ad valorem as well as specific) with a few exceptions are not being changed.

4) Notifications No.13/2012-Customs and No.14/2012-Customs both dated 17th March, 2012 ex-

empt Education Cess and Secondary & Higher Education Cess leviable as CVD on imported goods. Since Education Cess and Secondary & Higher Education Cess leviable on excisable goods are being exempted in general, there will be no corresponding levy as CVD on imported goods. Hence, these notifications are being rescinded. In this regard, notification No.9/2015-Customs dated 1st March, 2015 refers.

5) S.No.1A and 1B of notification No.23/2003-Central Excise, dated 31.03.2003 exempt the Customs component of Education Cess and Secondary & Higher Education Cess. Since Education Cess and Secondary & Higher Education Cess leviable on excisable goods are being fully exempted, there will be no levy of these Cesses either on CVD while calculating the aggregate of the duties of customs or on excise duty leviable under the proviso to section 3 of the Central Excise Act, 1944. Therefore, the entries S.No.1A and 1B are being omitted. Also, the entries at S.No.5A, 6 and 7A are being amended so as to substitute the rate of 12% with 12.5%. Notification No.16/2015-Central Excise dated 1st March, 2015 refers.

6) Notifications No.28/2010-Central Excise and No.29/2010-Central Excise, both dated 22nd June, 2010 exempt the levy of Education Cess and Secondary & Higher Education Cess on the clean energy cess leviable on coal. Since Education Cess and Secondary & Higher Education Cess are being exempted on excisable goods in general, notifications No.28/2010-Central Excise and No.29/2010-Central Excise, both dated 22nd June, 2010 are being rescinded. Notification No.17/2015-Cen-

No.49/2008-Central Excise (N.T.), dated 21.12.2008 as amended by notification No.3/2015-Central Excise (N.T.) dated 1st March, 2015 [newly inserted S.No.25A and omitted S.No.121, 122, 123 and 124] refer. The Third Schedule to the Central Excise Act, 1944 is also being amended so as to include

therein all goods falling under Chapter heading 2202. Clause 103 of the Finance Bill, 2015 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, these changes will come into force with immediate effect.

2) 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 12% to 18%. Clause 104 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. Simultaneously, the entry in the Seventh Schedule to the

Finance Act, 2005 relating to levy of additional duty of excise @ 5% on these goods is being omitted. Clause 184 of the Finance Bill, 2015 refers. Notification No.6/2005-Central Excise, dated 1st March, 2005 as amended by notification No.9/2015-Central Excise dated 1st March, 2015 [new S.No.1A] prescribes Nil rate of additional duty of excise on such goods till the enactment of the Finance Bill, 2015.

#### Chapter 24:

1) Basic Excise Duty rate on cigarettes and other products of tariff heading 2402 is being increased. Clause 104 of the Finance Bill, 2015 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 NCCD leviable under Seventh Schedule to the Finance Act, 2001 and Additional Duty (health cess) under Seventh Schedule to the Finance Act, 2005. The changes in basic excise duty rates on cigarettes are summarized below.

Tariff Item	Description (length in mm)	BED Rs. per 1000 sticks (Existing Rate)	BED Rs. per 1000 sticks (New Rate)
24022010	Non filter not exceeding 65	990	1280
24022020	Non-filter exceeding 65 but not exceeding 70	1995	2335
24022030	Filter not exceeding 65	990	1280
24022040	Filter exceeding 65 but not exceeding 70	1490	1740
24022050	Filter exceeding 70 but not exceeding 75	1995	2335
24022090	Other	2875	3375

2) Excise duty on cut tobacco is being increased from Rs.60 per kg to Rs.70 per kg. Clause 104 of the Finance Bill, 2015 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, the increase will come into force with immediate effect.

3) Maximum speed of packing machine for packages of notified goods of various retail sale prices is being specified as a factor relevant to production for determining excise duty payable under the Compounded Levy Scheme presently applicable to pan masala, gutkha and chewing tobacco. In this regard, section 3A of the Central Excise Act, 1944 is being amended to insert an Explanation so as enable the Central Government to specify more than one factor relevant to production. Clause 90 of the Finance Bill, 2015 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, this amendment will come into force with immediate effect. Accordingly, deemed production and duty payable per machine per month are being notified with reference to the speed range in which the maximum speed of a packing machine for packages of various retail sale prices falls. Consequential amendments are being carried in the Pan Masala Packing machines (Capacity Determination and Collection of Duty) Rules, 2008 and Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010. Rule 6(vii) of the said Rules provide that the manufacturer in the prescribed Form 1 shall declare the maximum packing speed at which the packing machine can be operated for packing of pouches of notified goods of various retail sale prices. A proviso is being inserted in sub-rule (3) of rule 6 of the said Rules so as to enable the AC / DC, as the case may be, to re-determine the annual capacity of production within 3 working days of the coming into force of the Packing machines (Capacity Determination and Collection of Duty) Amendment Rules, 2015 and Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Amendment Rules,

2015. In this regard, notification No.42/2008-Central Excise dated 1st July 2008 as amended by notification No.6/2015-Central Excise dated 1st March, 2015 and notification No.30/2008-Central Excise (N.T.) dated 1st July, 2008 as amended by notification No.5/2015-Central Excise (N.T.) dated 1st March, 2015 in respect of Pan Masala and Gutkha refer. Notification No.16/2010-Central Excise dated 27th February, 2010 as amended by notification No.5/2015-Central Excise dated 1st March, 2015 and notification No.11/2010-Central Excise (N.T.) dated 27th February, 2010 as amended by notification No.4/2015-Central Excise (N.T.) dated 1st March, 2015 in respect of Chewing tobacco, unmanufactured tobacco, jarda scented tobacco and filter khaini refer.

#### Chapter 25:

1) Tariff rate of excise duty on goods falling under Chapter sub-heading 2523 29 is being increased from Rs.900 per tonne to Rs.1000 per tonne. Clause 104 of the Finance Bill, 2015 refers. By virtue of declaration under the Provisional Collection of Taxes Act, 1931, the increase will come

into force with immediate effect. The effective rates of goods falling under Chapter sub-heading 2523 29 are specified vide S.Nos.51 and 52 of notification No.12/2012-Central Excise dated 17th March, 2012, as amended by notification No.12/2015- Central Excise dated 1st March, 2015.

**Chapter 26:** No change.

#### Chapter 27:

1) Tariff rate of excise duty on high speed diesel (HSD) falling under tariff item 2710 19 30 is being increased from 14% + Rs.5 per litre to 14% + Rs.15 per litre. **However, there is no change in the aggregate of various duties of excise on high speed diesel (HSD).** Clause 104 of the Finance Bill, 2015 refers.

2) The Second Schedule to the Finance (No.2) Act, 1998 is being amended so as to increase the Schedule rate of Additional Duty of Excise and Additional Duty of Customs (commonly known as Road Cess) on Motor Spirit commonly known as Petrol from Rs.2 per litre to Rs.8 per litre. Clause 163 of the Finance Bill, 2015 refers. The Second Schedule to the Finance Act, 1999 is being amended so as to increase the Schedule rate of Additional Duty of Excise and Additional Duty of Customs (commonly known as Road Cess) on High Speed Diesel oil from Rs.2 per litre to Rs.8 per litre. Clause 164 of the Finance Bill, 2015 refers. Increase in Schedule rate of Additional Duty will come into effect immediately owing to a declaration under the Provisional Collection of Taxes Act, 1931. However, the effective rates of the Additional Duty of Excise (commonly known as Road Cess) levied on Petrol and High Speed Diesel Oil are being increased from Rs.2 per litre to Rs.6 per litre only. Notification No.6/2015-Customs and No.7/2015-Customs, both dated 1st March, 2015 and notification No.10/2015-Central Excise and No.11/2015-Central Excise, both dated 1st March, 2015 refer. Simultaneously, the Basic Excise Duty rates on petrol (both branded and unbranded) and diesel (both branded and unbranded) are being reduced by Rs.4 per litre. Further, Education Cess and Secondary and Higher Education Cess, presently applicable to petroleum products, including petrol and High Speed Diesel, are being exempted. On this count, rates of duty of excise (CENVAT) on Petrol and High Speed Diesel Oil (both branded and unbranded) are also being revised. In this regard, S.Nos.70 and 71 of notification No.12/2012-Central Excise dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 refer. Table below summarizes the changes in various duties applicable to petrol and diesel:

Duty rates applicable prior upto 28.02.2015					Duty rates applicable with effect from 01.03.2015				
CENVAT Rs./Litre	SAED Rs./ Litre	AED Rs./ Litre	Education Cesses (as% of aggregate of duties of excise)	Total Rs/ Litre	CENVAT	SAED	AED	Edu cation Cesses	Total
<b>Unbranded petrol</b>									
8.95	6	2	3%	17.46	5.46	6	6	NIL	17.46
<b>Branded petrol</b>									
10.10	6	2	3%	18.64	6.64	6	6	NIL	18.64
<b>Unbranded Diesel</b>									
7.96	NIL	2	3%	10.26	4.26	NIL	6	NIL	10.26
<b>Branded Diesel</b>									
14% +Rs. 5 / litre or Rs. 10.25 /litre, whichever is lower	NIL	2	3%	12.62	6.62	NIL	6	NIL	12.62

**Thus, the total incidence of various duties of excise on petrol and diesel remains unchanged.**



3) The Schedule Rate of Clean Energy Cess, levied on coal, lignite and peat, is being increased from Rs.100 per tonne to Rs.300 per tonne. Clause 188 of the Finance Bill, 2015 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. However, the effective rate of Clean Energy Cess is being increased from Rs.100 per tonne to Rs.200 per tonne. Notification No.1/2015-Clean Energy Cess, dated 1st March, 2015 refers.

**Chapter 28 to 32:** No change

**Chapter 33:**

1) Full exemption from excise duty is being provided to all goods which are consumed within the factory of their production in the manufacture of Agarbatti [3307 41 00]. Notification No.10/96-Central Excise dated 23rd July, 1996 as amended by notification No.13/2015- Central Excise dated 1st March, 2015 [new S.No.8A] refers.

**Chapter 34 to 38:** No change.

**Chapter 39:**

1) Tariff rate of excise duty on all goods falling under tariff item 3923 21 00 and Chapter sub-heading 3923 29 is being increased from 12% to 18%. However, the effective rate of excise duty on sacks and bags of polymers of ethylene [3923 21 00] other than for industrial use is being increased from 12% to 15%. Other sacks and bags falling under sub-heading 3923 29 shall remain at 12.5%. Notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No.12/2015- Central Excise dated 1st March, 2015 [New S. Nos. 148B, 148C and 148D] refers.

**Chapter 40 to 63:** No change.

**Chapter 64:**

1) Basic Excise Duty on leather footwear of Retail Sale Price exceeding Rs.1000 per pair falling under Central Excise Tariff heading 6403 and 6405 is being reduced from 12% to 6%. For the purposes of this exemption, leather footwear means footwear, classified under CETH 6403 or 6405, having uppers of leather, where leather refers to goods of heading 4107 or 4112 to 4114. This concessional rate of 6% would however not apply to footwear with leather sole and textile uppers falling under CETH 6404. Footwear, including leather footwear, of Retail Sale Price upto Rs. 500 per pair and those with RSP exceeding Rs. 500 per pair but not exceeding Rs. 1000 per pair will continue to attract NIL and 6% excise duty respectively. Notification No.12/2012- Central Excise, dated 17th March, 2012 as amended by notification No.12/2015- Central Excise dated 1st March, 2015 [New S. No. 180A] refers.

2) The abatement as a percentage of Retail Sale Price is being reduced from 35% to 25% for all footwear. Notification No.49/2008-Central Excise (N.T.), dated 24th December, 2012 as amended by notification No.3/2015-Central Excise (N.T.) dated 1st March, 2015 [S. No. 56] refers.

**Chapter 65 to 71:** No change.

**Chapter 72:**

1) Excise duty is being reduced from 12% to Nil on Pig iron SG grade (7201 1000) and ferro-silicon-magnesium (7202 2900) for manufacture of cast components of wind operated electricity generators subject to certification by Ministry of

New Renewable Energy [MNRE]. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 [new S.No. 201A, 201B & Condition No. 53] refers.

**Chapter 73:**

1) S.No.205A of notification No.12/2012-Central Excise dated 17.03.2012 exempts railway or tramway track construction material of iron and steel from payment of excise duty on the value of rails, subject to condition that such rails have suffered excise duty and no credit of duty paid on them is taken under the CENVAT Credit Rules, 2004. This exemption is being made applicable retrospectively for the period from 17.03.2012 to 02.02.2014. Clause 102 of the Finance Bill, 2015 may be referred to for details.

**Chapter 74:**

1) Full exemption from excise duty is being extended to round copper wire and tinned copper interconnect for manufacture of solar PV cells and modules, subject to certification by Department of Electronics and Information Technology (DeITY). Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 [Sl. Nos. 215A and 215B] refers.

**Chapter 75 to 83:** No change.

**Chapter 84:**

1) Excise duty exemption is being withdrawn on solar water heater and system. Item-5 of List-8 of notification No.12/2012-Central Excise, dated 17th March, 2012 as omitted *vide* notification No.12/2015-Central Excise dated 1st March, 2015. Further, optional excise duty of Nil without CENVAT credit / 12.5% with CENVAT credit is being extended to solar water heater and system. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 238A] and Clause 104 of the Finance Bill, 2015 refer.

2) Excise duty exemption on parts for use in manufacture of solar water heater and system is being continued, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 238B] refers.

3) Excise duty of 2% without CENVAT credit / 12.5% with CENVAT credit is being provided to tablet computer. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 [new S.No.254A] and relevant entry in Clause 104 of the Finance Bill, 2015 refer.

4) Further, excise duty is being exempted on parts, components and accessories for use in manufacture of tablet computer. Excise duty is also being exempted on sub-parts for use in manufacture of parts, components and accessories of tablet computers. These exemptions are subject to actual user condition. Notification

## Crude Bounce Back to \$59, Oil Cos Hike Price

Crude Oil (Indian Basket) from 25 Feb to 3 Mar 2015

	25 Feb	26 Feb	27 Feb	2 Mar	3 Mar
(\$/bbl)	56.71	59.19	59.85	59.95	58.84
(Rs/bbl)	3518.86	3666.23	3698.13	3706.11	3638.67
(Rs/\$)	62.05	61.94	61.79	61.82	61.84

(Previous Trading Day Price)

Source: Ministry of Petroleum & Natural Gas

No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 254B] refers.

**Chapter 85:**

1) Excise duty on mobile handsets including cellular phone is being changed from 1% without CENVAT credit or 6% with CENVAT credit to 1% without CENVAT credit or 12.5% with CENVAT credit. S.No.263A of notification No.12/2012-Central Excise, dated 17th March, 2012 as amended by notification No.12/2015-Central Excise dated 1st March, 2015 and Clause 104 of the Finance Bill, 2015 refer. NCCD of 1% on mobile handsets including cellular phone, remains unchanged.

2) Excise duty is being reduced from 12% to 6% on wafers for use in the manufacture of IC modules for smart cards, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 145A] refers.

3) Excise duty is being reduced from 12% to 6% on all inputs for use in manufacture of LED driver and MCPCB for LED lights and Fixtures & LED Lamps, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 321B] refers.

4) RSP based assessment is being prescribed expressly for LED lights or fixtures including LED lamps (Chapter 85 or 94) with an abatement of 35%. S.No.101 of notification No.49/2008-Central Excise (N.T.), dated 24th December, 2008 as amended *vide* notification No.3/2015-Central Excise (N.T.), dated 1st March, 2015 and Clause 103 of the Finance Bill, 2015 refer.

**Chapter 86:** No change.

**Chapter 87:**

1) Excise duty on chassis for ambulance is being reduced from 24% to 12.5%, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 288A] refers.

2) The validity period of concessional excise duty of 6% granted to specified goods used in the manufacture of electrically operated vehicles and hybrid vehicles is being extended by one more year up to 31st March, 2016. First proviso to notification No.12/2012-Central Excise, as amended by notification No. 12/2015-Central Excise, dated the 1st March 2015 refers.

**Chapter 88, 89:** No change.

**Chapter 90:**

1) Excise duty is being exempted on specified raw materials for use in manufacture of pacemakers, subject to actual user condition. Notification No.12/2012-Central Excise, dated 17th March, 2012 as amended *vide* notification No.12/2015-Central Excise dated 1st March, 2015 [new S. No. 318A] refers.

**Chapter 91 to 96:** No change.

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