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**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
No.1, WILLIAMS ROAD, TRICHIRAPALLI - 620 001.**

TRADE NOTICE: 03/2008

DATED : 29.02.2008.

Sub: Central Excise Union Budget - 2008-2009 - Instructions
- Reg.

The Finance Bill has been introduced in the Lok Sabha on 29th February 2008. The changes relating to the rates of Duties effected by the Finance Bill, 2008 and the Notifications issued (unless otherwise indicated in the bill or in the individual Notifications) will come into force the mid-night of 29.02.2008 / 01.03.2008.

2. The Budget Bulletins brought out by the Directorate of Publicity and Public Relations, Customs and Central Excise, can be obtained on payment from Central Excise Policy Section, O/o. The Commissioner of Central Excise, No. 1 Williams Road, Cantonment, Trichy - 1 from 03.03.2008.

3. Salient features of the budget proposals regarding Central Excise are enclosed herewith. (Ministry's TRU Letter, Explanatory Notes, Central Excise Notifications]. The same are also available on the Website of Central Board of Excise and Customs, namely www.cbec.gov.in.

4. The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chambers of Commerce

(Issued from file C.No.IV/16/40/2008 C.Ex.Pol.)

Sd/-
(VASA SESHAGIRI RAO)
ADDITIONAL COMMISSIONER (TECH)

To
As per mailing list - II / III
All Section in Hqrs., Trichy.

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

Vivek Johri
Joint Secretary (TRU-I)
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D.O.F.No.334/1/2008-TRU
New Delhi, dated the 29th February, 2008.

Dear Chief Commissioner/Commissioner,

The Finance Minister has introduced the Finance Bill, 2008 in Lok Sabha on 29th February, 2008. Changes in excise and customs duties have been made through the Finance Bill (clauses 63 to clause 84, clauses 117 and 120) and through Notification Nos.20/2008-Customs to 29/2008-Customs, 11/2008-Customs (NT), 2/2008-CE to 14/2008-CE, and 10/2008-CE (NT) to 14/2008-CE (NT), all dated 1st March, 2008. The salient features of these changes in respect of excise and customs duties are indicated below. A Chapter-wise summary of the changes is available in the Explanatory Notes. For full details, however, kindly refer to the relevant provisions of the Finance Bill and the notifications. Changes in rates of duty (except for items brought into the SSI exemption) take effect from the midnight of 29th February/ 1st of March, 2008. The legislative changes, except those declared under the Provisional Collection of Taxes Act, 1931 would come into effect only upon the enactment of the Finance Bill.

I. CENTRAL EXCISE

2. General CENVAT Rate: (Notification No. 2/2008-CE)

2.1 The general rate of excise duty (CENVAT) has been reduced from 16% to 14%. This reduction applies to all goods that hitherto attracted this general rate of 16%. In some cases, a deeper reduction has been made, the details of which are indicated in the subsequent paragraphs. These changes have been carried out by notification. The other *ad valorem* rates of 24%, 12% and 8% have been retained.

2.2 Since the reduction in the general rate has been carried out by notification, the possibility of the same product/ item being covered by more than one notification cannot be ruled out. In such a situation, the rate beneficial to the assessee would have to be extended if he fulfils the attendant conditions of the exemption.

3. Drugs and Pharmaceuticals:

3.1 Excise duty on drugs and pharmaceuticals falling under Heading Nos. 3001, 3003 (except Menthol crystals), 3004, 3005 and 3006 (except 3006 60 and 3006 92 00) has been

reduced from 16% to 8%. Thus, the general effective rate for all goods of Chapter 30 is now 8%. However, certain specified items such as life saving drugs continue to be fully exempt. Excise duty has been fully exempted on Anti-AIDS drug ATAZANAVIR, and bulk drugs for its manufacture.

3.2 Chief Commissioners are requested to send a monthly report regarding the price impact of these changes in the proforma at Annexure I.

4. **Automobiles:**

4.1 Excise duty on Small cars has been reduced from 16% to 12%. There is no change in the definition of small cars. Large cars will continue to attract duty at 24%. A concessional rate of duty of 14% has been provided for “Hybrid cars” driven by a combination of an internal combustion engine and an electric motor. The definition prescribed in the relevant notification may kindly be critically examined and if there are any suggestions for providing more clarity, the same may be conveyed to me at the earliest.

4.2 Electrically operated vehicles enjoy a concessional rate of duty of 8%. Of this category, full exemption has now been provided to Electric cars. Specified parts of electric cars have also been fully exempted on end-use basis. It may kindly be ensured that the exemption for parts/ components is monitored effectively and there is no misuse.

4.3 Excise duty on buses and vehicles for the transport of more than 13 persons has been reduced from 16% to 12%. Simultaneously, the duty on the chassis of such vehicles has also been brought down from ‘16% +Rs.10,000-’ to ‘12% +Rs.10,000/-.’

4.4 There is also a reduction in the excise duty on two-wheelers and three-wheelers (for the transport of upto 7 persons) from 16% to 12%.

4.5 Chief Commissioners may kindly send a monthly report on the price impact of these changes in the proforma at Annexure II.

5. **Food Processing Sector:**

5.1 Full exemption from excise duty has been provided to some more food products viz. tender coconut water; Paws, mudi (puffed rice) and the like; milk containing edible nuts and other ingredients; and Tea/ coffee pre-mixes containing tea/ coffee, milk and sugar.

5.2 On a few more food items - muesli, corn flakes & similar breakfast cereals; and ‘sharbats’, a concessional rate of duty of 8% has been provided.

5.3 On specified packaging material used mainly for packaging of processed foods, the rate of duty has been reduced from 16% to 8%. These items are: Open Top Sanitary (OTS) cans, aseptic packaging paper and aseptic bags.

5.4 There is already a full exemption for specified equipment for the installation of a cold storage, cold room or refrigerated vehicle, for the preservation, storage and transportation of agricultural produce on end-use basis. Another item has been added to this list.

6. Information Technology & Communication sector

6.1 Packaged software hitherto attracted excise duty of 8%. This has been enhanced to 12%. There is no change in the excise duty on other software. Excise duty has been fully exempted on Wireless data modem cards. Consequently, CVD shall also be exempted on imported cards. However, 4% additional duty of customs will be applicable.

6.2 Specified convergence products viz. MP3/ MP4/ MPEG4 player having video and audio reception facility have been provided a concessional excise duty of 8%.

7. Paper and Paper products

7.1 Excise duty on writing paper, printing paper and packing paper falling under heading nos. 4802, 4804, 4805, 4807, 4808 and 4810 has been reduced from 12% to 8%.

7.2 Excise duty has been fully exempted on paper and paper products, manufactured from non-conventional raw materials, upto first clearance of 3500 metric tonne in a year from a unit.

7.3 Excise duty on paper and paper products, manufactured from non-conventional raw materials, beyond clearance of 3500 metric tonne per year from a unit (not having an attached bamboo/wood pulp plant) has been reduced from 12% to 8%.

8. Other Concessions:

8.1 Excise duty has been fully exempted on composting machines and menthol/menthol crystals.

8.2 Excise duty has been reduced from 16% to 8% on water filtration and purification devices, veneers & flush doors, heat resistant rubber tension tape and inks for writing instruments such as marker pens, highlighters, magic pens etc.

8.3.1 Excise duty on pan masala, not containing tobacco, with betel nut content not more than 15%, has been reduced from 16% to 8%. It has also been exempted from National Calamity Contingent Duty. The exemption is available subject to the fulfillment of certain conditions. The availment of this exemption may be closely monitored to prevent any misuse.

8.3.2 Monthly report in this regard may be sent as per proforma at Annexure-III.

9. **Cement:**

9.1 Excise duty has been revised on bulk cement from Rs.400 per tonne to “ 14% or Rs. 400 per tonne, whichever is higher”. However, there is no change in the rates of duty applicable to cement manufactured and cleared in bulk by mini-cement plants.

9.2 Excise duty has been increased on cement clinkers from Rs.350 per tonne to Rs. 450 per tonne.

10. **Cigarettes:**

10.1 Excise duty rates on non-filter cigarettes have been enhanced to bring them at par with filter cigarettes of corresponding length. The revised rates of excise duty (basic + NCCD + Health Cess) on non-filter cigarettes are as under:

S. No.	Description	From	To
	Non-filter cigarettes	(Rs per 1000)	
1.	Not exceeding 60 mm in length	168	819
2.	Exceeding 60 mm but not exceeding 70 mm in length	546	1323

Enhancement of duties (basic + NCCD + Health Cess) has been made through suitable schedule entries in the Finance Bill, which are covered by the declaration under the Provisional Collection of Taxes Act, 1931. A report regarding the price and revenue impact of these changes may kindly be sent in the proforma at Annexure VI.

11. **Petroleum**

11.1 The duty rates on MS/HSD intended for sale without a brand name have been converted from ‘ad valorem + specific rate’ to pure ‘specific rate’ as under:

S. No.	Description	From	To
1.	Motor Spirit	6% + Rs.13 per litre	Rs.14.35 per litre
2.	HSD	6% + Rs.3.25 per litre	Rs. 4. 60 per litre

11.2 The duty rates on branded fuels would continue to attract the present ad valorem cum specific rates i.e. as under:

- a) Motor Spirit : 6% + Rs.13 per litre
- b) HSD : 6% + Rs. 3.25 per litre

12. **NCCD: (Clause 117 of the Finance Bill, 2008)**

12.1 National Calamity Contingent duty (NCCD) at the rate of 1% has been imposed on mobile phones. The CENVAT Credit Rules have been amended to provide that input or capital goods credit of other duties of excise cannot be utilized for the payment of this NCCD.

12.2 NCCD of 1% hitherto leviable on Polyester filament yarn has been withdrawn. Suitable bill entries have been incorporated in the Finance Bill to delete this item from the NCCD Schedule. Till the enactment of the Finance Bill, however, an exemption notification has been issued.

13. **Export Oriented Units:**

13.1 The effective rate of duty applicable to clearances of goods to domestic tariff area from export oriented units, software technology parks, electronic hardware technology parks etc. has been revised from '25% of the basic customs duty + excise duty payable on like goods' to '50% of the basic customs duty + excise duty payable on like goods'.

14. **SSI Exemption:**

14.1 General SSI exemption has been extended to HDPE/ PP tapes consumed captively in the manufacture of sacks/ bags. **This change will come into effect from 1st April, 2008.**

15. **Miscellaneous**

15.1 Excise duty exemption on "shuttle-less looms" has been withdrawn. These goods will now attract 8% excise duty/CVD.

15.2 Consequent upon reduction of excise duty rates, abatement rates allowed from maximum retail sales price for various items have been suitably reduced. [notification No.14/2008-CE (NT) refers].

15.3 Notification No. 108/95-CE dated 28.08.1995 exempts, among other things, goods supplied to projects funded by the U.N. or other international organizations subject to the fulfillment of certain conditions. For the removal of doubts, an explanation has been inserted in the notification to clarify that the benefit is available to goods brought into a project that are not withdrawn by the supplier or the contractor. The intention is to clarify that the exemption is not available to goods brought for temporary use in a project. It has also been provided that the expression "goods are required for the execution of the project" shall be construed accordingly. While extending the benefit of this exemption, the field formations may ensure that essentiality certificates issued by the sponsoring authority take into account this clarification. A similar explanation has been inserted in the corresponding Customs Notification No. 84/97-Cusltoms dated 11.11.1997.

15.4 Notification No. 49/2003-CE dated 10.6.2003 provides exemption to specified goods manufactured by new units or units undertaking substantial expansion in the State of Uttarakhand or Himachal Pradesh. The goods or activities to which this exemption is applicable are specified in the schedule. Entry at Sl. No. 13 of the schedule has been amended so as to provide exemption to printers and monitors capable of connecting to a computer or network.

15.5 Some editorial changes have been carried out in the First Schedule to the Central Excise Tariff Act through a notification issued under section 5 (1) of the said Act. The details are as under:

- (i) Section 2(f) (iii) of Central Excise Act contains definition of “deemed manufacture”. Similarly, the Notes in some of the chapters of the Tariff also define certain processes as amounting to “manufacture”. In respect of the processes of labeling and relabelling and packing/repacking, the definitions in the chapter notes are not aligned with the definition contained in Section 2(f) (iii). The chapter notes have been amended suitably.
- (ii) The First Schedule of the Central Excise Tariff Act has been amended so as to align entries related to parts and accessories of printers falling under heading 8443 of the Excise Tariff with the corresponding entries in the Schedule to the Customs Tariff.

15.6 Sl. No. 7 of Notification No. 64/95-CE dated 16.3.1995 provides exemption to goods meant for use in the launch vehicle project or a satellite project of ISRO. Inadvertently, the description of goods in Col. 2 was printed under Col. 3 pertaining to conditions. This has now been rectified.

II. CUSTOMS

16. Export Duty: (Clause 72 (ii) of the Finance Bill)

16.1 The rate of Export duty on chromium ores and concentrates, all sorts, has been increased from Rs.2000 PMT to Rs.3000 PMT. Chief Commissioners may kindly send a monthly report about the quantity and value of exports as well as revenue collection in the proforma at Annexure IV.

17. Project Imports:

17.1 Basic customs duty on project imports attracting 7.5% has been reduced to 5%. This would apply to industrial projects; power transmission, sub-transmission and distribution projects; power transmission projects of 66KV and above; as well as certain projects notified under heading no.9801 such as airport development projects, metro rail projects, port development projects, railway electrification projects, digital cinema development projects etc.

18. Chemicals & Petrochemicals:

18.1 Basic customs duty on crude and unrefined sulphur has been reduced from 5% to 2%.

18.2 The general effective rate of basic customs duty on phosphoric acid has been 7.5% with a concessional rate of 5% for phosphoric acid used for the manufacture of fertilizers.

The rate of duty has now been unified at 5% irrespective of its use. CVD will however continue to be attracted at applicable rates.

18.3 Basic customs duty exemption presently available on naphtha for manufacture of specified polymers has been withdrawn and consequently it will attract 5% basic customs duty.

19. **Export Promotion:**

19.1 Basic customs duty has been reduced from 10% to 5% on unworked or simply prepared corals.

19.2 Basic customs duty has been reduced on rough cubic zirconia from 5% to Nil and on cubic zirconia (polished) from 10% to 5%. Chief Commissioners may kindly send a monthly report about the volume of imports of these items at these concessional rates in the proforma at Annexure V.

19.3 Basic customs duty on tuna bait has been reduced from 30% to Nil.

19.4 Basic customs duty on specified machinery for manufacture of sports goods for export has been reduced from 7.5% to 5% subject to specified conditions.

19.5 Basic customs duty has been reduced from 10% to Nil on specified raw materials for manufacture of sports goods for exports. The exemption would be available only upto 3% of FOB value of exports made by the importer in the preceding year and would be subject to certification by the Sports Goods Export Promotion Council.

20. **Dairy/Poultry:**

20.1 Basic customs duty has been reduced from 7.5% to Nil on bactofuges and from 30% to 20% on feed additives/pre-mixes.

21. **IT/Electronic industry:**

21.1 A concessional duty of 5% (basic) is already available to certain electronic products such as MP3 and MPEG4 players. This concession has now been extended to “convergence products” i.e. MP3/ MP4 and MPEG player having audio and video reception facility.

21.2 Similarly, full exemption from basic customs duty is available to a large number of raw materials/ inputs for manufacture of specified electronic/ IT products to provide a level playing field to the domestic manufacturers of such products. This concession is now being extended to more raw materials and inputs.

21.3 Set-top boxes are fully exempt from basic customs duty. Specified parts for the manufacture of set-top boxes are also exempt from customs duty, on end-use basis. Two more items viz. SMPS power board and IR module have been added to the list of exempted parts.

22. **Drugs and diagnostic kits:**

22.1 Basic customs duty on six specified drugs/kits, and bulk drugs for their manufacture, has been reduced from 10% to 5% with Nil CVD by way of excise duty exemption. These drugs are used in the treatment of cancer/diabetes/asthma/Hepatitis B etc.

22.2 Specified raw materials and components for the manufacture of ELISA kits enjoy a concessional duty of 5% (basic). The coverage of the list has been expanded to include four more items.

23. **Metals:**

23.1 Basic customs duty on iron or steel melting scrap and aluminium scrap has been reduced from 5% to Nil. Vigil may kindly be maintained to prevent any misuse of these exemptions.

24. **NCCD:**

24.1 National Calamity Contingent duty of 1% currently leviable on Polyester filament yarn has been withdrawn.

24.2 NCCD of 1% has been imposed on mobile phones. For this purpose, the relevant Schedule of the Finance Act, 2001 has been amended. On imported mobile phones this duty shall be collected as additional duty of customs under section 3(1) of the Customs Tariff Act.

25. **Other relief measures:**

25.1 Basic customs duty on specified raw materials for tyre industry has been reduced from 10% to 5%.

25.2 Basic customs duty on helicopter simulators has been reduced from 10% to Nil.

26. **Tobacco products:** Basic customs duty on cigars, cheroots and cigarillos has been increased from 30% to 60%.

27. **4% Additional Duty of Customs:** Exemption from additional duty of customs of 4% levied under section 3(5) of Customs Tariff Act, 1975 has been withdrawn from power generation projects (other than mega power projects), transmission, sub-transmission and distribution projects, and specified goods for high voltage transmission projects.

28. **Electricity:** Tariff rate of Rs.2000 per 1000 kWh has been prescribed on 'electrical energy'. However, the effective rate will continue to be Nil by notification.

29. **Miscellaneous:**

29.1 Temporary imports of capital goods/ equipment for use in the execution of contracts in India can avail of concession under two different provisions- drawback under section 74 (2) of the Customs Act or exemption under notification no.27/2002-Customs dated 1.3.2002. In the first case, the importer pays normal duty at the time of import and claims drawback at the time of re-export. In the other case, he pays a concessional rate of duty at the time of import. However, the admissible period of retention of equipment and the extent of exemption under these schemes have been at variance. The two provisions have now been aligned in the following manner:

- (i) The period for re-export of leased equipment and machinery, imported for temporary use in contracts under notification no. 27/2002-Customs dated 1.3.2002 has been increased from 12 months to 18 months. Simultaneously, the period of retention prescribed under notification no.19/65-Customs dated 6.2.1965 has been reduced (for all goods covered by S.No.1 of the notification) from 36 months to 18 months.
- (ii) The slab rates of duty under both the provisions have now been prescribed on a quarterly basis. Earlier, the rates under notification no.27/2002 were prescribed on half-yearly basis.
- (iii) The rates have also been aligned with the rates of drawback admissible under section 74(2) of the Customs Act, 1962, depending on the period of retention of the goods in India. No drawback will be admissible when goods for which the benefit of notification no.27/2002-Customs has been claimed, are re-exported.

29.3 Concessional customs duty of 5% provided on polymer long rod insulators has been restricted to polymer long rod insulators of 765 KV rating only.

29.4 Basic customs duty and CVD on 0.177 calibre airguns have been exempted. Consequently, 4% special additional duty of customs shall also be exempted on these airguns.

29.5 Sl. No. 349 of Notification No. 21/2002-Customs dated 1.3.2002 exempts specified goods imported for the launch of satellites and payloads into outer space by the Department of Space. The description of the goods covered by the exemption has been amended to add 'ground equipment brought for testing'. A condition has also been inserted to prescribe that such goods would be re-exported.

29.6 Sl. No. 347 of notification No. 21/2002-Customs dated 1.3.2002 provides exemption to aircrafts imported by Aero Club of India, or by a flying training institute. Inadvertently, the condition No. indicated in the notification as 103, which is also the condition No. provided for entry No. 77A of the notification. This has now been rectified by renumbering the said condition as '103A'.

30. **Other amendments in Customs Act and Central Excise Act:**

[To come into effect on enactment of Finance Bill, 2008, unless otherwise specified]

- a) Section 2 of the Central Excise Act, 1944 is being amended to insert an explanation in clause (d) to provide that for the purposes of this clause, “goods” include any article, material or substance which is capable of being bought and sold for a consideration and such goods shall be deemed to be marketable.
- b) Section 3A is being inserted in the Central Excise Act, 1944 empowering the Central Government to charge excise duty on the basis of capacity of production in respect of notified goods, and to notify the procedure for the same.
- c) Section 11B of the Central Excise Act, 1944 is being amended to provide for the refund of interest paid on any duty of excise.
- d) According to the provisions of Section 11D of the Central Excise Act, 1944, a person liable to pay duty is required to deposit with the Central Government any amount that he collects as representing duty of excise in excess of the duty assessed or determined and paid on any excisable goods. As such, recovery of amounts collected in this manner is possible only from persons who are liable to pay duty. Sub-section (1A) has now been inserted to enable the Central Government to recover such amounts from **any person**. Besides, it has also been provided that any person who recovers an amount representing it as duty of excise on excisable goods, which are wholly exempt or chargeable to Nil rate of duty, would also be required to deposit it with the Central Government. Consequential amendments have been carried out in section 11 DD to enable recovery of interest on such amounts if they are not deposited in time. The analogous provision contained in section 28 B of the Customs Act has also been amended in the same manner.
- e) Orders passed in appeal by Commissioner (Appeals) are currently examined by a Committee consisting of two Commissioners of Central Excise under section 35B of the Central Excise Act, 1944. This provision does not cover a situation where there is a difference of opinion between the two Commissioners about the filing of appeal against the appellate order. It is now being provided that the Committee would refer such cases to the jurisdictional Chief Commissioner specifying the points of difference so that he may decide whether or not to accept the appellate order. A similar amendment has been carried out in section 129A of the Customs Act.
- f) Orders passed in appeal by a Commissioner of Central Excise are currently reviewed by a Committee consisting of two Chief Commissioners of Central Excise under section 35E of the Central Excise Act, 1944. This provision does not cover a situation where there is a difference of opinion between the two Chief Commissioners about the filing of appeal against the order in original. It is now being provided that the Committee would refer such cases to the Board specifying

- the points of difference so that the Board may decide whether or not to appeal against the order to the Tribunal. A similar amendment has been carried out in section 129D of the Customs Act.
- g) Section 35FF is being inserted in the Central Excise Act, 1944 to provide for payment of interest on pre-deposits made by appellants who succeed in appeal, if the amount of pre-deposit is not refunded within three months from the date of communication of the order of the appellate authority to the adjudicating authority. A similar provision (Section 129 EE) is being inserted in the Customs Act, 1962.
 - h) Note 16 of Chapter 39 to the Central Excise Tariff Act, 1985 is being amended to specify that the process of lamination or of lacquering shall also amount to manufacture in addition to the process of metallization.
 - i) Section 108 of the Customs Act, 1962 is being amended to give all customs officers powers to issue summons.
 - j) Section 117 of the Customs Act, 1962 is being amended to increase the maximum amount of penalty from the existing ten thousand rupees to one lakh rupees.
 - k) Section 141 of the Customs Act, 1962 is being amended to regulate the manner in which the imported or export goods may be received, stored, delivered, dispatched or otherwise handled in a customs area by any person and to specify by regulations the responsibilities of person engaged in the aforesaid activities.
 - l) Section 158 of the Customs Act, 1962 is being amended to increase the maximum amount of penalty from five hundred rupees to fifty thousand rupees for contravention of any of the rules, and from two hundred rupees to fifty thousand rupees for contravention of regulations.

31. **Amendment in Rules:**

- a) Rule 18 of the Central Excise (No.2) Rules, 2001 is being amended to allow with retrospective effect, rebate of duty paid on excisable goods cleared from the factory for exports.
- b) Rule 12 of the Central Excise Rules, 1944 is being amended to allow with retrospective effect, rebate of duty paid on excisable goods cleared from the factory for exports.
- c) Rule 18 of the Central Excise Rules, 2002 is being amended to allow with retrospective effect, rebate of duty paid on excisable goods cleared from the factory for exports.
- d) The CENVAT Credit Rules, 2004 are being amended to bring in the following significant changes:

- (i) Rule 3 [except sub-rule (4)] is being amended to allow removal of capital goods outside the premises of the provider of the output service without any time restriction, if the same is for providing output service. This change shall come into effect from 1st April, 2008.
- (ii) Sub-rule (4) of Rule 3 is being amended to provide that in case of National Calamity Contingent duty (NCCD) payable on mobile phones, credit of any duty of excise other than NCCD will not be utilized for payment of the said NCCD. This change shall come into effect from 1st March, 2008.
- (iii) Rule 6 is being amended to provide,-
- Following options to a manufacturer, using common inputs or input services for manufacture of dutiable as well as exempted goods and opting not to maintain separate accounts. Such manufacturers can:
 - either reverse the credit attributable (to be worked out in a manner prescribed in the rule) to the inputs and input services used in the manufacture of exempted goods; or
 - pay 10% amount of the value (to be determined in accordance with the provision of section 4/4A of the Central Excise Act, 1944) of the exempted goods.
 - Following options to a provider of output services, using common inputs or input services for providing taxable as well as exempted services and opting not to maintain separate accounts. Such provider of output services can,-
 - either reverse the credit attributable (to be worked out in a manner prescribed in the rule) to the inputs and input services used for providing exempted service; or
 - pay 8% amount of the value (determined in terms of section 67 of the Finance Act, 1994) of the exempted services.

This change shall come into effect from 1st April, 2008.

- iv) A new rule 7A is being inserted to prescribe a procedure to enable the provider of output services to take credit on inputs and capital goods on the basis of an invoice/challan/bill issued by its other office. This change shall come into effect from 1st April, 2008.
- v) A new rule 15A is being inserted to provide for general penalty upto Rs.5000/- in case of contravention of any of the provisions of the

CENVAT Rules, 2004, for which no specific penal provision exists. This change shall come into effect from 1st March, 2008.

- e) The Central Excise (Determination of Retail Sale Price of Excisable Goods) Rules, 2008 are being issued under section 4A(4) of the Central Excise Act, 1944 to provide the manner for determination of retail sale price, where the same is not declared on the packages or tampered or altered or obliterated. This change shall come into effect from 1st March, 2008.

32. **Revenue Foregone/ Tax Expenditure Statement**

32.1 The revenue foregone or Tax Expenditure Statement, published as part of the Receipts Budget, contains information that is critical both for formulating tax policy as well as for administration of tax laws by the field formations. The insight it provides into the pattern of tax expenditure can be a useful input for designing appropriate policy interventions and for tightening administrative control where needed. It is crucial, therefore, that the statement is based on clean, reliable and comprehensive data. Although the data coverage in customs has been fairly satisfactory and stable, on the excise side both completeness and accuracy are still an issue. May I request you to kindly ensure that data from Excise returns is captured in a timely and accurate manner and on a regular basis by the Commissionerates so that the figures of tax expenditure may be computed with greater precision.

33. **General**

33.1 You may kindly study the budgetary changes carefully and indicate your views, comments and suggestions on their implementation. It is necessary to ensure that the implementation of the proposed changes is smooth and causes no inconvenience to the taxpayers. Special efforts should be made to guide the taxpayers to understand and adopt these changes. The Departmental Officers should also be appropriately briefed on these changes.

33.2 In a number of cases, excise duty rates have been altered. It has been decided to collect data on the price behaviour, revenue implication, volume and value of clearances/ imports etc. as indicated in the foregoing paras. This information may kindly be furnished in the relevant proforma attached with this letter as per the time-lines indicated therein. **These reports need to be consolidated at the office of the Chief Commissioner, and the Chief Commissioner should send a consolidated report in respect of all the Commissionerates under his charge. All reports should be sent in excel sheet, and a copy be e-mailed to 'datatru@gmail.com'** You may kindly ensure that the information furnished is accurate since reliance will be placed on this data at the time of discussion of the Finance Bill in Parliament.

33.3 Compilation of statistical reports is admittedly an arduous and resource-heavy exercise. I would request you, therefore, to discontinue forthwith the post-budget reports prescribed after the last budget (2007-08), except on iron ore.

33.4 All rate changes in customs and excise duties are explained in the Explanatory Notes. You would appreciate that number of changes have been carried out through amendments in notifications, rules and Acts. Though every care has been taken to reflect the intention of the Government clearly in all these documents, the chances of human error cannot be ruled out. I would, therefore, request you to kindly go through the explanatory notes, notifications and Finance Bill carefully and bring to our notice at the earliest any omission/error that might have crept in. If there is any doubt or difficulty on any issue, you are requested to bring it immediately to my notice or to the notice of Shri Ravinder Saroop, Director, TRU (Tel No. 23092236) or Ms. Limatula Yaden, Deputy Secretary, TRU (Tel No.23092753). Copies of the FM's speech, notifications, Finance Bill etc. are forwarded herewith. These will also be available on the department's website soon after the conclusion of FM's speech.

34. In conclusion, I would like to take this opportunity to personally thank each one of you on behalf of my team for your suggestions and feedback. These have been valuable in giving a final shape to our proposals.

With regards,

Yours sincerely,

(Vivek Johri)

To

All Chief Commissioners/Directors Generals/
Commissioners of Customs, Central Excise and Service Tax

Annexure –I
(Refer para 3.2)

Data on clearances (excluding exports) and duty paid on drugs.

(A) Name of the Commissionerate:

(1) Name of the manufacturer :

S. No	Name of the Product	Unit of packing	For the Month of February, 2008				For the Month of March, 2008			
			MRP of unit packing (in Rs.)	Rs. in crore			MRP of unit packing (in Rs.)	Rs. in crore		
				Total assessable value of clearance during the month	PLA	Cenvat		Total assessable value of clearance during the month	PLA	Cenvat
1										
2										
3										
4										
5										
6										
7										

(i) Information needed for each unit separately. Whether manufacturer is loan licensee or contract manufacturer should be also mentioned.

(ii) This report should be sent so as to reach latest by 10th April, 2008. While submitting report for the subsequent Month (April, 2008, May, 2008 etc), the report for that particular month should only be furnished in the above format.

ANNEXURE-II
(Para 4.5)

Data on clearances (excluding exports) and duty paid on vehicles

Name of the Zone:

Name of the Manufacturer :

S. No	Motor Vehicle (i.e. Bus, Car, Motorcycle, etc)	Vehicle Model (with variant)	For the Month of _____, 2008						
			Ex-factory Price (Rs. Lacs)	Ex-Show-room price (Rs. Lacs)	Total Domestic Qty Cleared (No.s)	Total Assessable Value (Rs. Lacs)	Total duty paid (Rs. Lacs)	PLA (Rs. Lacs)	CENV AT (Rs. Lacs)
1									
2									
3									

Note :

1. The report is to be sent on monthly basis. The first report should, however, cover the months of February 2008 and March, 2008, giving separate figures for each month.
2. Report for a particular month should reach by 10th of the succeeding month.
3. It is requested that the information may be compiled at the zonal level and forwarded to TRU after due checking/verification.
4. Information is needed for each of the vehicle model with variants separately (for instance, information would be needed separately for Maruti 800 Standard and Maruti 800 Deluxe).

Annexure-III
(Refer Para 8.3.2)

1. Name of the units under their jurisdiction manufacturing any or all of the following products:

- (i) pan masala containing tobacco falling under CETH 2403 99 90
- (ii) Pan masala without tobacco falling under CETH 2106 90 20
 - (a) Containing not more than 15% betel content, falling under S.No.29B of 3/2006-Central Excise as amended vide 3/2008-CE
 - (b) Containing more than 15% betel content pan masala

2. Duty paid under PLA and CENVAT under all the aforesaid products by these units.

Monthly data may be provided in the following format:

S. No	Name of the Unit	Product	Value of Clearances (In Rs. Crores)	Duty paid (In Rs. Lakhs)				
				Upto the month	For the month		Upto the month	
					PLA	CENVAT	PLA	CENVAT
1.		(i)						
		(ii) (a)						
		(ii) (b)						
2.		(i)						
		(ii) (a)						
		(ii) (b)						
3.								

Annexure-IV
(Para 16.1)

Data on Export of Chromium Ores & Concentrates:

Name of the Zone

For the Month of, 2008

Type	Quantity (in lakh MT)		Value (in Rs. crore)		Customs duty (in Rs. crore)	
	For the month	Upto the month	For the month	Upto the month	For the month	Upto the month
Chromium ores						
Chromium concentrates						
Others						

Note:

1. The report is to be sent on monthly basis. The first report should, however, cover the months of February 2008 and March, 2008, giving separate figures for each month.
2. Report for a particular month should reach by 10th of the succeeding month.
3. It is requested that the information may be compiled at the zonal level and forwarded to TRU after due checking/verification.

Annexure-V
(Para 16.2)

Data regarding import of Rough Cubic Zirconia and Polished Cubic Zirconia

Name of the Zone :

Item imported : Rough Cubic Zirconia

Report for the Month :

Sr No.	Quantity imported	Total Assessable Value (Rs. in Lacs)

Item imported : Polished Cubic Zirconia

Report for the Month :

Sr No.	Quantity imported	Total Assessable Value (Rs. in Lacs)	Total Basic Customs duty collected (Rs. in Lacs)	Total import duties collected (Rs. in Lacs)

Note :

1. The first report should be sent for the months of February, 2008 and March, 2008 and should reach before 10th April, 2008.
2. For subsequent Months (May, June, 2008 etc), the report should be sent for that particular month only.

Annexure VI
(Para 10.1)

Price data for cigarettes

S. No	Tariff items	Name of the Brand	Packet size	MRP per packet	
				As on 29.02.2008	As on *
1.	2402 20 10				
2.	2402 20 20				
3.	2402 20 30				
4.	2402 20 40				
5.	2402 20 50				
6.	2402 20 90				

* May be furnished at fortnightly intervals upto 30th April and monthly interval thereafter upto 31.7.2008

EXPLANATORY NOTES (CENTRAL EXCISE)

General:

A. Mean CENVAT rate:

- General excise duty rate (CENVAT rate) has been reduced from 16% to 14%,

(Notification No. 2/2008-CE dated 1st March, 2008 refers).

Chapter 1 to 18

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 19

19.1 Excise duty on prepared foods obtained by swelling or roasting of cereals, other breakfast cereals, e.g. corn flakes, bulgur wheat, muesli etc. (tariff items 1904 10 10, 1904 10 30, 1904 10 90, 1904 30 00 and 1904 90 00) is being reduced from 16% to 8%. (S. No. 17A is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No. 3 /2008-CE refers).

19.2 Excise duty is being fully exempted on paws, mudi and the like items, (tariff item 1904 10 20). (S. No. 17B is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No. 3/2008-CE refers).

19.3 Rate of abatement on prepared foods obtained by swelling or roasting of cereals, other breakfast cereals, e.g corn flakes, bulgur wheat etc. (tariff items 1904 10 10, 1904 10 30, 1904 10 90, 1904 30 00 and 1904 90 00) is being revised. (S. No. 12 of notification No. 2/2006-CE (N.T) dated 1-3-2006 as amended vide notification No. 14/2008-CE (N.T) refers).

Chapter 20

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 21

21.1 Excise duty is being fully exempted on coffee and tea pre-mixes (chapter 21) (S. No. 26A is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No. 3/2008-CE refers).

21.2 Excise duty on sharbats (tariff items 2106 90 11) is being reduced from 16% to 8%. (S. No. 26B is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No. 3/2008-CE refers).

21.3 Abatement rate on sharbats is being revised. (S. No. 23 of notification No. 2/2006-CE (N.T) dated 1-3-2006 as amended vide notification No.14/2008-CE (N.T) refers).

21.4 Concessional rate of 14% excise duty (Cenvat 8% + Health Cess 6%) is being provided on pan masala (falling under 2106 90 20) containing not more than 15% betel nut. Simultaneously, abatement from retail sale price for the purpose of MRP based levy is being revised. This benefit of concessional rate is subject to the following conditions:

- a. The unit availing the concessional rate shall exclusively manufacture the aforesaid goods and shall not engage in the production, manufacture or trading of any other 'pan masala' (with or without tobacco) in the same premises;
- b. the goods do not bear a brand name which is used for any other goods falling under tariff item 2106 90 20 or 2403 99 90; and
- c. the contents of the product, particularly, the percentage of betel nut is declared on the packing.

(Condition No.3 relating to S. No. 29B is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No.3/2008-CE. For NCCD exemption, S.No.9 of notification No. 21/2005-CE as inserted vide notification No.9/2008-refer)

21.5 Excise duty is being fully exempted on milk containing edible nuts with sugar or other ingredients (2106 90 99). (S. No. 30B is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No.3/2008-CE refers).

Chapter 22

22.1 Tender coconut water (tariff item 2202 90 90) is being fully exempted from excise duty. (S. No. 32A is being inserted in notification No 3/2006-CE dated the 1st March, 2006 vide notification No. 3/2008-CE refers).

Chapter 23

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 24

24.1 Specific rates of total excise duty (Cenvat + NCCD + Health Cess) on non-filter cigarettes has been increased as under:

S. No.	Description	From	To
		In Rs. per 1000	
1	Non-filter cigarette of length not exceeding 60mm (2402 20 10)	168	819
2	Non-filter cigarette of length exceeding 60mm but not exceeding 70mm (2402 20 20)	546	1323

By virtue of the declaration under the Provisional Collection of Taxes Act, 1931 this levy will come into immediate effect (clause 84, 117 and 120 read with Seventh, Eight & Ninth Schedule of the Finance Bill, 2008 refers).

Chapter 25

25.1 Excise duty rate on cement cleared in bulk (that is cement other than those which are cleared in bags with printed RSP) is being revised from Rs.400 per tonne to 14% or Rs.400 per tonne whichever is higher. (S. No 1C of notification No. 4/2006-C.E dated 1st March, 2006 as amended vide notification No. 4/2008-C.E refers.)

25.2 There is no change in rate of duty on bulk cement manufactured and cleared by mini-cement plants, which remains unchanged at Rs.250 PMT.

25.3 Excise duty on cement clinkers is being increased from Rs.350 per tonne to Rs.450 per tonne. By virtue of the declaration under the Provisional Collection of Taxes Act, 1931 this increase will come into force with immediate effect (clause 84 read with Seventh Schedule of the Finance Bill, 2008 refers).

Chapter 26

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 27

27.1 Excise duty on motor spirit commonly known as petrol intended for sale without a brand name is being converted from 6% (ad-valorem) + Rs.13 per litre (specific) to a specific rate of Rs. 14.35 per litre (S. No. 17 of the notification No. 4/2006-C.E dated 1st March, 2006 as amended vide notification No. 4/2008-C.E refers).

27.2 Excise duty on high speed diesel (HSD) intended for sale without a brand name is being converted from 6% (ad-valorem) + Rs.3.25 per litre (specific) to a specific rate of Rs. 4.60 per litre. (S. No. 19 of the notification No. 4/2006-C.E dated 1st March, 2006 as amended vide notification No. 4/2008-C.E refers).

27.3 However, branded fuels would continue to attract the present ad-valorem cum specific duty rates i.e. as under:

Motor Spirit	:	6% + Rs. 13 per litre
HSD	:	6% + Rs. 3.25 per litre

Chapter 28

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 29

29.1 Menthol is fully exempted from excise duty (S.No.54A is being inserted in notification No. 4/2006-Central Excise, dated the 1st March, 2006 vide notification No. 4/2008-CE refers).

Chapter 30

30.1 Menthol crystals is being fully exempted from excise duty (S. No. 54B is being inserted in notification No. 4/2006-Central Excise, dated the 1st March, 2006 vide notification No. 4/2008-CE refers).

30.2 Excise duty on all goods falling under heading 3001 is being reduced from 16% to 8%. (S. No. 62A of notification No 4/2006-CE dated the 1st March, 2006 as amended vide notification No.4/2008-CE refers)

30.3 Excise duty on all goods (except menthol crystals) falling under heading 3003 is being reduced from 16% to 8%. (S. No. 62B of notification No 4/2006-CE dated the 1st March, 2006 as amended vide notification No.4/2008-CE refers)

30.4 Excise duty on all goods falling under heading 3004 is being reduced from 16% to 8%. (S. No. 62C of notification No 4/2006-CE dated the 1st March, 2006 as amended vide notification No.4/2008-CE refers)

30.5 Excise duty on all goods falling under heading 3005 is being reduced from 16% to 8%. (S. No. 62D is being inserted in notification No 4/2006-CE dated the 1st March, 2006 vide notification No.4/2008-CE refers)

30.6 Excise duty on all goods falling under heading 3006 (except 3006 60 and 3006 92 00) is being reduced from 16% to 8% (S. No. 62E is being inserted in notification No 4/2006-CE dated the 1st March, 2006 vide notification No.4/2008-CE refers).

30.7 Atazanavir (anti-AIDS drug) and the bulk drugs for manufacture of Atazanavir are being fully exempted from excise duty (List 3 of S. No. 54 of the Notification No. 4/2006-C.E as amended vide Notification No. 4/2008-C.E refers).

30.8 Rate of abatement on the drugs/medicaments falling under chapter 30 is being revised. (Notification No. 2/2005-CE (N.T) dated 7-1-2005 as amended vide notification No.14/2008-CE (N.T) refers)

Chapter 31

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 32

32.1 Excise duty on ink for writing instruments such as white board markers, highlighter pens, paint markers, magic pens etc is being reduced from 16% to 8%. (S. No. 68A is being inserted in notification No 4/2006-CE dated the 1st March, 2006 vide notification No.4/2008-CE refers).

Chapter 33 to 38.

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 39

39.1 Excise duty on aseptic bags is being reduced from 16% to 8%. (S. No. 80C is being inserted in notification No 4/2006-CE dated the 1st March, 2006 vide notification No.4/2008-CE).

Chapter 40 to 49

40.1 Excise duty on heat resistant rubber tension tape (HRRTT) falling under sub-heading 4008 21 is being reduced from 16% to 8% (S.No.82A inserted in notification No. 4/2006-Central Excise, dated the 1st March, 2006 vide notification No. 4/2008-CE refers).

40.2 Excise duty on veneers and flush doors falling under heading 4408 and tariff item 4418 20 10 respectively, has been reduced from 16% to 8% (S.No.86B and 87C inserted in notification No. 4/2006-Central Excise, dated the 1st March, 2006 vide notification No. 4/2008-CE refer).

40.3 Excise duty on aseptic packaging paper falling under tariff item 4811 90 92, has been reduced from 16% to 8% (S.No.96A inserted in notification No. 4/2006-Central Excise, dated the 1st March, 2006 vide notification No. 4/2008-CE refers).

40.4 Excise duty on certain categories of paper and paper products has been reduced and rationalized. Paper and paper products made primarily from non-conventional raw materials have been fully exempted from excise duty, upto first clearance of 3500 MT in a year. Beyond this limit, paper and paper products made from non-conventional raw materials will attract excise duty of 8% (reduced from the earlier rate of 12%), provided that the unit does not have an attached wood/bamboo pulping plant. Excise duty on printing, writing and packing paper has been reduced from 12% to 8%. (S. Nos. 90, 91 and 93 in notification No. 4/2006-Central Excise, dated the 1st as March, 2006 as amended vide notification No. 4/2008-CE refer).

Chapter 50 to 53

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 54

54.1 Polyester filament yarn is being fully exempted from National Calamity Contingent Duty. (Relevant bill entries read with notification No. 14/2008-C.E refers).

Chapter 55 to 72

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 73

73.1 Excise duty on OTS (open top sanitary) cans falling under tariff items 7310 21 10 or 7310 29 10, is being reduced from 16% to 8% (S.No.31A inserted in notification No. 5/2006-Central Excise, dated the 1st March, 2006 vide notification No. 5/2008 refers).

Chapter 74 to 83

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 84 to 85

84.1 Excise duty on all kinds of water filtration and purification equipment is being reduced from 16% to 8%. (S. No 8D of notification No. 6/2006-CE inserted vide notification No.6 /2008-CE refers)

84.2 Excise duty exemption on shuttle less looms is being withdrawn. These will now attract 8% duty. (S. No 14 of notification No. 6/2006-CE amended vide notification No. 6/2008-CE refers)

84.3 Excise duty on composting machines is being exempted. (S. No 17A of notification No. 6/2006-CE inserted vide notification No. 6/2008-CE refers)

84.4 Concessional rate of 8% excise duty/CVD was earlier provided on MP3 player or MPEG 4 player. Now all MP3/MP4 or MPEG 4 players with or without radio/video reception facility will attract 8% excise duty/CVD. (S. No 21 of notification No. 6/2006-CE as substituted vide notification No. 6/2008-CE refers).

84.5 Excise duty on Packaged Software is being increased from 8% to 12%. (S. No 27 of notification No. 6/2006-CE substituted vide notification No. 6/2008-CE and S. No 3 of notification No. 49/2006-CE amended vide notification No. 12/2008-CE refers).

84.6 Wireless data cards with PCMCIA/ USB/ PCI express ports are being fully exempted from excise duty. (S. No 28A of notification No. 6/2006-CE as inserted vide notification No. 6/2008-CE refers).

84.7 Excise duty is being exempted on refrigeration equipment (including compressors, condensing units, evaporators) of capacity 2TR (Tonne Refrigeration) having power rating 50 KW and above, for the installation of a cold storage, cold room or refrigerated vehicle, for the preservation, storage or transport of agriculture produce. (S. No 21 in List 4 of notification No. 6/2006-CE as inserted vide notification No. 6/2008-CE refers).

84.8 Under the area based exemption scheme for Uttarakhand and Himachal Pradesh, specific activities and goods are covered for the purpose of excise duty exemption. Under the relevant entry for 'Information and Communication Technology Industry Computer hardware Call centres', the classification of goods has been amended so as to provide excise duty exemption on printers falling under sub-heading 8443 32 (except tariff items 8443 32 60 & 8443 32 90), and monitors capable of connecting to an automatic data processing machine or to a network. [Notification No. 49/2003-CE as amended vide notification No. 11/2008-CE refers).

Chapter 86

No change except reduction of CENVAT rate from 16% to 14%.

Chapter 87

87.1 Excise duty on motor vehicles for transport of more than 13 persons (including the driver) is being reduced from 16% to 12% (tariff items 8702 1091, 8702 1092, 8702 1099, 8702 9091, 8702 9092 and 8702 9099). Excise duty on chassis fitted with engines for such vehicles is also being reduced from “16% + Rs.10,000 per chassis” to “12% + Rs.10,000 per chassis” (tariff item 8706 0029). (Sr. No.33A and 33B of notification No.6/2006 inserted vide notification No. 6/2008- C.E refer).

87.2 Excise duty on battery powered cars (electric cars) is being reduced from 8% to Nil. For this purpose, “battery powered car” shall mean a car which is run solely on electrical energy derived from one or more electrical batteries fitted to such car. Specified parts of such cars (for use in manufacture of these cars) are being fully exempted from excise duty provided the procedure laid down in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001, is followed. (Sr. No. 35A and 35B of notification No.6/2006 inserted vide notification No. 6/2008- C.E refers).

87.3 Excise duty on small cars [motor vehicles of length not exceeding 4000 mm and engine capacity not exceeding 1200 cc (Petrol, LPG and CNG) / 1500 cc (Diesel) and falling under heading 8702 or 8703] is being reduced from 16% to 12%. (Sr. No.42 of notification No.6/2006 as substituted vide notification No. 6/2008- C.E refers).

87.4 Excise duty on hybrid motor vehicles is being reduced from 24% to 14%. For this purpose, “hybrid motor vehicles” has been defined to mean a motor vehicle, which uses a combination of battery powered electric motor and an internal combustion engine to power the vehicle drive trains. (Sr. No.42A of notification No.6/2006 as inserted vide notification No. 6/2008- CE refers).

87.5 Excise duty on three-wheelers (for transport of not more than 7 persons, including the driver) is being reduced from 16% to 12%. (Sr. No.43 of notification No.6/2006 as substituted vide notification No. 6/2008- C.E refers).

87.6 Excise duty on Motorcycles (including mopeds and scooters) is being reduced from 16% to 12% (heading 8711). (Sr. No.52A of notification No.6/2006 inserted vide notification No. 6/2008- C.E refers).

Chapter 88 to 96

No change except reduction of CENVAT rate from 16% to 14%.

Miscellaneous changes:

M.1 Currently excise duty equivalent to 25% of the basic customs duty + CVD (as applicable) is payable on DTA clearance/sale made by an EOU, STP or EHTP. The duty now chargeable would be equivalent to 50% of the basic customs duty + CVD (as applicable). (Notification No. 23/2003-CE as amended vide notification No. 10/2008-CE refers).

M.2 Benefit under SSI exemption scheme is being extended to strips of plastics intended for weaving of fabrics/sacks. (Notification No. 8/2003-CE as amended vide notification No.8/2008-CE refers). This exemption will be effective from 1st April, 2008.

M.3 An explanation has been inserted in notification No. 108/95-Central Excise dated 28.8.1995 clarifying that the benefit of the notification, in the case of goods supplied to projects financed by the United Nations or an international organization, is available when the goods brought into the project are not withdrawn by the supplier or contractor and to prescribe that the expression “goods are required for the execution of the project” shall be construed accordingly. This has been done to reflect the intention that the benefit of the exemption is not available if goods are supplied to a project for temporary use. (Notification No. 108/95-CE as amended vide notification No.13/2008-CE refers).

M.4 Notification No.64/95-CE is being amended to correct a typographical error. (Notification No. 7/2008-CE refers).

M 5 Rates of abatement on all items under MRP based assessment, on which the rate of excise duty has been reduced, are being revised suitably. (Notification No. 2/2006-CE (N.T) dated 1-3-2006 amended vide notification No.14/2008-CE (N.T)

M6. National Calamity Contingent duty (NCCD) of excise at the rate of 1% has been imposed on all mobile phones. By virtue of the declaration under the Provisional Collection of Taxes Act, 1931 this levy will come with immediate effect (clause 117 read with Eight Schedule of the Finance Bill, 2008 refers).

M.7 Cenvat Credit rules, 2004 have been amended so as to provide that credit of any duty other than NCCD shall not be utilised for payment of NCCD on mobile phones. [Notification No10/2008-CE (N.T.) refers].

M.8 The definition of “manufacture” contained in some of the Chapter Notes is being aligned with the definition provided in Section 2 (f) (iii) of the Central Excise Act, 1944. In the definition in Section 2, the processes “packing or repacking of such goods in a unit container” and “ relabeling of containers” are connected by the word “ or”, while in some of the Chapter Notes the connecting word used between them is “and”. This anomaly is being rectified by amending the relevant Chapter Notes. (Notification No.11/2008-CE (N.T) refers).

M.9 Tariff lines covering parts and accessories of printers, falling in sub-headings 8443 31, 8443 32 of the excise tariff, have been aligned with the corresponding entries in the customs tariff. [Notification No.11/2008-CE (N.T.) refers].

M.10 In some of the Chapters/sub-headings, tariff items are being aligned with Harmonized System of Nomenclature (HSN) of World Customs Organization. (Notification No. 11/2008-CE (N.T) refers).

M.11 Tariff value for retail packages of pan masala falling under 2106 90 20 & with betel nut content not exceeding 15%, on which MRP is mentioned, has been increased to account for reduction in the abatement on MRP (Notification No. 12/2008-CE (N.T) refers).

M.12 Central Excise (Determination of Retail Sale Price of Excisable Goods) Rules, 2008, have been issued so as to prescribe the manner of determination of the RSP, in cases where a manufacturer removes goods without declaring the RSP or alters, tampers or obliterates the same after removal from the place of manufacture. (Notification No.13/2008 CE (NT) dated 1st March 2008).

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification
No.2/2008-Central Excise

New Delhi, the 1st March, 2008

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods falling under the Chapter, heading, sub-heading or tariff item of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), as are specified in column (2) of the Table below, from so much of the duty of excise leviable thereon under the said First Schedule as is in excess of the amount calculated at the rate specified in the corresponding entry in column (3) of the Table aforesaid.

Explanation. - For the purposes of this notification, the rates specified in column (3) of the said Table are *ad valorem* rates, unless otherwise specified.

Table

S. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Rate
(1)	(2)	(3)
1.	0402 91 10 and 0402 99 20	14%
2.	1107 10 00, 1107 20 00, 1108 11 00, 1108 12 00, 1108 13 00, 1108 14 00, 1108 19 10 and 1108 19 90	14%
3.	13 (except tariff item 1302 11 00)	14%
4.	1517 10 22, 1520 00 00, 1521 and 1522	14%
5.	1701 (except tariff item 1701 11 20), 1702 (except tariff item 1702 90 10) and 1704	14%
6.	18	14%
7.	1901 20 00, 1901 90 10, 1901 90 90, 1902 40 10, 1902 40 90, 1904, 1905 32 11 and 1905 32 90	14%
8.	20	14%
9.	2101 (except tariff items 2101 30 10, 2101 30 20 and 2101 30 90), 2102, 2103, 2104 and 2106 (except tariff items 2106 90 20 and 2106 90 92)	14%
10.	2201 (except tariff item 2201 90 10), 2202 (except tariff item 2202 90 10), 2207 20 00, 2209 00 10, 2209 00 20 and 2209 00 90	14%

11.	2402 10 10, 2402 10 20, 2402 90 20 and 2402 90 90	14%
12.	2503 00 10, 2515 12 20, 2515 12 90, 2523 21 00, 2523 30 00, 2523 90 10, 2523 90 20 and 2523 90 90	14%
13.	26	14%
14.	2707 and 2708	14%
15.	2710 11 11, 2710 11 12, 2710 11 13, 2710 11 19, 2710 11 20 and 2710 11 90	14% + Rs.15.00 per litre
16.	2710 19 10, 2710 19 20, 2710 19 50, 2710 19 60, 2710 19 70, 2710 19 80 and 2710 19 90	14%
17.	2710 19 30 and 2710 19 40	14% + Rs.5.00 per litre
18.	2711, 2712, 2713, 2714 and 2715	14%
19.	2801, 2802, 2803, 2804 (except tariff item 2804 40 10), 2805, 2806, 2807, 2808, 2809, 2810, 2811, 2812, 2813, 2814, 2815, 2816, 2817, 2818, 2819, 2820, 2821, 2822, 2823, 2824, 2825, 2826, 2827, 2828, 2829, 2830, 2831, 2832, 2833, 2834, 2835, 2836, 2837, 2839, 2840, 2841, 2842, 2843, 2844 (except tariff item 2844 30 22), 2845 90 90, 2846, 2847 00 00, 2848, 2849, 2850, 2852 00 00, 2853 00 10, 2853 00 20, 2853 00 40, 2853 00 91 and 2853 00 99	14%
20.	29	14%
21.	3001, 3003, 3004, 3005, 3006 10 10, 3006 10 20, 3006 20 00, 3006 30 00, 3006 40 00, 3006 50 00, 3006 70 00 and 3006 91 00	14%
22.	3102, 3103, 3104 and 3105	14%
23.	32 (except tariff items 3215 90 10 and 3215 90 20)	14%
24.	33 (except tariff item 3307 41 00)	14%
25.	34	14%
26.	35	14%
27.	36	14%
28.	3701, 3702, 3703, 3704 and 3707	14%
29.	38 (except tariff items 3824 50 10, 3825 10 00, 3825 20 00 and 3825 30 00)	14%

30.	39 (except tariff items 3916 10 20, 3916 20 11, 3916 20 91 and 3916 90 10)	14%
31.	4002, 4003 00 00, 4004 00 00, 4005, 4006, 4007, 4008 (except tariff items 4008 19 10, 4008 21 10 and 4008 29 20), 4009, 4010, 4011, 4012 90 10, 4012 90 20, 4012 90 30, 4012 90 41, 4012 90 49, 4012 90 50, 4012 90 90, 4013, 4014 90 10, 4014 90 20, 4014 90 30, 4014 90 90, 4015, 4016 and 4017	14%
32.	42	14%
33.	43	14%
34.	4401, 4403, 4404, 4406, 4408 (except tariff items 4408 10 30, 4408 31 30, 4408 39 30 and 4408 90 20), 4409, 4410, 4411, 4412, 4413 00 00, 4414 00 00, 4415, 4416, 4417 00 00, 4418, 4419, 4420 and 4421	14%
35.	45	14%
36.	4707	14%
37.	4802, 4803, 4804, 4805, 4806, 4807, 4808, 4809, 4810, 4811, 4812 00 00, 4813, 4814, 4816, 4818 (except tariff items 4818 40 10 and 4818 40 90), 4819 (except tariff item 4819 20 10), 4820, 4821, 4822 and 4823 (except tariff item 4823 90 11)	14%
38.	4908	14%
39.	5402, 5403, 5404 (except tariff items 5404 90 10, 5404 90 20 and 5404 90 90) and 5406	14%
40.	5501, 5502, 5503, 5504, 5505, 5506 and 5507	14%
41.	5601 22 00	14%
42.	5902 10 10 and 5902 10 90	14%
43.	64	14%
44.	65	14%
45.	66	14%
46.	6702, 6703 and 6704	14%
47.	68	14%

48.	69 (except tariff item 6901 00 10)	14%
49.	70 (except tariff items 7018 10 10, 7018 10 20, 7020 00 11, 7020 00 12 and 7020 00 21)	14%
50.	7101, 7103, 7104 (except tariff item 7104 10 00), 7105, 7106 92 10, 7107 00 00, 7108, 7109 00 00, 7110, 7111 00 00, 7112, 7113, 7114, 7115, 7116, 7117 and 7118	14%
51.	72	14%
52.	73	14%
53.	74	14%
54.	75	14%
55.	76	14%
56.	78	14%
57.	79	14%
58.	80	14%
59.	81	14%
60.	82	14%
61.	83	14%
62.	8401, 8402, 8403, 8404, 8405, 8406, 8407, 8408, 8409, 8410, 8411, 8412, 8413, 8414, 8415, 8416, 8417, 8418, 8419, 8420, 8421, 8422, 8423, 8424 (except tariff item 8424 81 00), 8425, 8426, 8427, 8428, 8429, 8430, 8431, 8434, 8435, 8438, 8439, 8440, 8441, 8442, 8443, 8444, 8445, 8446, 8447, 8448, 8449, 8450, 8451, 8452 10 11, 8452 10 19, 8452 10 21, 8452 10 29, 8452 21 10, 8452 21 20, 8452 21 90, 8452 29 00, 8453, 8454, 8455, 8456, 8457, 8458, 8459, 8460, 8461, 8462, 8463, 8464, 8465, 8466, 8467, 8468, 8469 (except tariff items 8469 00 30 and 8469 00 40), 8470, 8471, 8472, 8473, 8474, 8475, 8476, 8477, 8478, 8479 (except tariff item 8479 89 92), 8480, 8481, 8482, 8483, 8484, 8486 and 8487	14%
63.	85 (except tariff items 8523 80 20, 8548 10 10, 8548 10 20 and 8548 10 90)	14%
64.	86	14%

65.	8701, 8702 10 91, 8702 10 92, 8702 10 99, 8702 90 20, 8702 90 91, 8702 90 92, 8702 90 99, 8704 10 10, 8704 21 10, 8704 21 20, 8704 21 90, 8704 22 11, 8704 22 19, 8704 22 90, 8704 23 11, 8704 23 19, 8704 23 90, 8704 31 20, 8705, 8706 00 11, 8706 00 19, 8706 00 31, 8706 00 41 and 8706 00 50	14%
66.	8706 00 29 and 8706 00 42	14% + Rs.10,000 per chassis
67.	8707, 8708 and 8709	14%
68.	8710 00 00, 8711, 8712, 8714, 8715 and 8716	14%
69.	8802 (except tariff item 8802 60 00) and 8803	14%
70.	8903, 8907 and 8908 00 00	14%
71.	9001 10 00, 9001 20 00, 9001 90 10, 9001 90 90, 9002, 9003, 9004, 9005, 9006, 9007, 9008, 9010, 9011, 9012, 9013, 9014, 9015, 9016, 9017 (except tariff items 9017 20 20, 9017 20 30 and 9017 20 90), 9018, 9019, 9020 00 00, 9022, 9023, 9024, 9025, 9026, 9027, 9028, 9029, 9030, 9031, 9032 and 9033 00 00	14%
72.	91	14%
73.	92	14%
74.	9302 00 00, 9303, 9304 00 00, 9305, 9306 and 9307 00 00	14%
75.	94 (except tariff item 9405 50 10)	14%
76.	95 (except tariff items 9504 40 00 and 9508 10 00)	14%
77.	9601, 9602, 9603, 9604 00 00, 9605, 9606 10 10, 9606 10 20, 9606 30 90, 9607, 9608, 9611 00 00, 9612, 9613, 9614 00 00, 9616, 9617 and 9618 00 00	14%

[F.No.334/1/2008-TRU]

(S.Bajaj)

Under Secretary to the Government of India

Notification
No.3/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2006-Central Excise, dated the 1st March, 2006 which was published in the Gazette of India, Extraordinary vide number G.S.R. 93(E) of the same date, namely:-

In the said notification,

(I) in the Table,-

- (i) after S.No. 17 and the entries relating thereto, the following S.Nos. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"17A.	1904 10 10, 1904 10 30, 1904 10 90, 1904 30 00 and 1904 90 00	All goods	8%	-
17B.	1904 10 20	All goods	Nil	-;"

- (ii) after S.No. 26 and the entries relating thereto, the following S.Nos. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"26A.	2106	Coffee or tea pre-mixes	Nil	-
26B.	2106 90 11	All goods	8%	-;"

- (iii) against S.No. 29A, for the entry in column (4), the entry "14%" shall be substituted;

- (iv) after S.No. 29A and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"29B.	2106 90 20	All goods containing not more than 15% betel nut	8%	3;"

- (v) after S.No. 30A and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"30B.	2106 90 99	Milk containing edible nuts with sugar or other ingredients	Nil	-;"

(vi) after S.No. 32 and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
"32A.	2202 90 90	Tender coconut water	Nil	-;"

(vii) against S.No. 33, for the entry in column (4), the entry "14%" shall be substituted;

(viii) against S.No. 35, for the entry in column (4), the entry "14%" shall be substituted;

(ix) against S.No. 40, for the entry in column (4), the entry "14%" shall be substituted;

(II) in the Annexure, after Condition No. 2, the following Condition shall be inserted, namely,-

Condition No.	Conditions
"3.	The exemption contained herein shall be available subject to the following conditions, namely: (i) the unit availing the concessional rate shall not engage in the production, manufacture or trading of any other pan masala (with or without tobacco) in the same premises; (ii) the goods do not bear a brand name which is used for any other goods falling under Chapter heading 2106 90 20 or 2403 99 90; and (iii) the contents of the product, particularly, the percentage of betel nut be declared on the packing."

[F.No.334/1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, vide number G.S.R.93(E), dated the 1st March, 2006, and was last amended by notification No. 33/2007-Central Excise, dated the 2nd August, 2007 and published vide number G.S.R. 530(E), dated the 2nd August, 2007.

Notification
No. 4/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 4/2006-Central Excise, dated the 1st March, 2006 which was published in the Gazette of India, Extraordinary vide number G.S.R. 94(E) of the same date, namely:-

In the said notification, -

(I) in the Table,-

(i) against S. No.1C, for the entry in column (4), the entry "14% or Rs.400 per tonne, whichever is higher" shall be substituted;

(ii) for S. No. 17 and the entries relating thereto, the following S. No. and entries shall be substituted, namely:-

S. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
"17.	2710 11	Motor spirit commonly known as petrol,- (i) intended for sale without a brand name; (ii) other than those specified at (i) above.	Rs. 6.35 per litre 6% plus Rs. 5.00 per litre	- -";

(iii) for S. No. 19 and the entries relating thereto, the following S. No. and entries shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)
"19.	2710 19 30	High Speed Diesel (HSD),- (i) intended for sale without a brand name; (ii) other than those specified at (i) above.	Rs. 2.60 per litre 6% plus Rs. 1.25 per litre	- -";

(iv) against S. No. 21, for the entry in column (4), the entry "14% plus Rs 2.50 per litre" shall be substituted;

(v) against S. No. 23, for the entry in column (4), the entry "14%" shall be substituted;

(vi) against S. No. 36, for the entry in column (4), the entry " 14% of the value of such gold potassium cyanide excluding the value of gold used in the manufacture of such goods" shall be substituted;

(vii) against S. No. 46, for the entry in column (4), the entry “ 14% of the value of material , if any, added and the amount charged for such manufacture” shall be substituted;

(viii) after S. No. 54 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“54A.	29	Menthol	Nil	-
54B.	30	Menthol crystals	Nil	-”;

(ix) for S. Nos. 62A, 62B and 62C and the entries relating thereto, the following S. Nos. and entries shall be substituted, namely:-

(1)	(2)	(3)	(4)	(5)
“62A.	3001	All goods	8%	-
62B.	3003	All goods, other than menthol crystals	8%	-
62C.	3004	All goods	8%	-
62D.	3005	All goods	8%	-
62E.	3006 (except 3006 60 and 3006 92 00)	All goods	8%	-”;

(x) after S. No. 68 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“68A.	3215 90 90	Ink for writing instruments including for markers and high-lighters	8%	-”;

(xi) after S. No. 80B and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“80C.	3923 90 20	Aseptic bags	8%	-”;

(xii) after S. No. 82 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“82A.	4008 21	Heat resistant rubber tension tape	8%	-”;

(xiii) against S. No. 86, for the entry in column (2), the entry “4301 or 4302” shall be substituted;

(xiv) after S. No. 86A and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“86B.	4408	All goods	8%	-”;

(xv) after S. No. 87B and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“87C.	4418 20 10	Flush doors	8%	-”;

(xvi) against S. No 90, for the entry in column (4), the entry “Nil” shall be substituted;

(xvii) against S. No. 91, for the entry in column (4), the entry “8%” shall be substituted;

(xviii) against S. No. 93, for the entry in column (4), the entry “8%” shall be substituted;

(xix) after S. No. 96 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
“96A.	4811 90 92	Aseptic packaging paper	8%	-”;

(II) in the Annexure, in LIST 3, after item (5), the following item shall be inserted, namely:-

“(6) Atazanavir”.

[F. No. 334/1/2008-TRU]

(S.Bajaj)

Under Secretary to the Government of India

Note: - The principal notification No.4/2006-Central Excise, dated the 1st March, 2006 was published in the Gazette of India, Extraordinary, vide number G.S.R.94(E), dated the 1st March, 2006, and was last amended by notification No. 36/2007-Central Excise, dated the 9th October, 2007 published vide number G.S.R. 652(E), dated the 9th October, 2007.

Notification
No.5/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E) - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 5/2006-Central Excise, dated the 1st March, 2006 which was published in the Gazette of India, Extraordinary vide number G.S.R. 95(E) of the same date, namely:-

In the said notification, in the Table,-

- (i) against S. No.15, for the entry in column (4), the entry "14%" shall be substituted;
- (ii) against S. No.18, for the entry in column (4), the entry "14%" shall be substituted;
- (iii) against S. No.19, for the entry in column (4), the entry "14%" shall be substituted;
- (iv) against S. No.30, for the entry in column (4), the entry "14%" shall be substituted;
- (v) after S. No. 31 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :-

S. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
"31A.	7310 21 10 or 7310 29 10	Open top sanitary (OTS) cans	8%	-".

[F. No. 334/ 1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India

Note: - The principal notification No. 5/2006-Central Excise, dated the 1st March, 2006 was published in the Gazette of India, Extraordinary, vide number G.S.R.95(E), dated the 1st March, 2006, and was last amended by notification No. 28/2007-Central Excise, dated the 15th June, 2007 published vide number G.S.R.432(E), dated the 15th June, 2007.

Notification
No.6/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalguna, 1929 (Saka)

G.S.R. (E)- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 6/2006-Central Excise, dated the 1st March, 2006 which was published in the Gazette of India, Extraordinary vide number G.S.R. 96(E) of the same date, namely :-

In the said notification, -

(I) in the Table,-

- (i) against S. No.2, for the entry in column (4), the entry "14%" shall be substituted;
- (ii) after S. No. 8C and the entries relating thereto, the following S. No. and entries shall be inserted, namely :-

S. No.	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
"8D.	8421 21	Water filtration or purification equipment	8%	-";

- (iii) against S. No.9, for the entries occurring in column (4) against items (i) and (ii) of column (3), the entry "14%" shall respectively be substituted;
- (iv) against S. No. 14, for the entry in column (3), the entry, "Automatic shuttle looms" shall be substituted;
- (v) after S. No. 17 and the entries relating thereto, the following S. No. and entries shall be inserted, namely:-

(1)	(2)	(3)	(4)	(5)
" 17A.	8479	Composting Machines	Nil	-";

- (vi) for S. No. 21 and the entries relating thereto, the following S. No. and entries shall be substituted, namely :-

(1)	(2)	(3)	(4)	(5)
"21.	85	MP3/MP4 or MPEG 4 player, with or without radio or video reception facility	8%	-";

(vii) for S. No. 27 and the entries relating thereto, the following S. No. and entries shall be substituted, namely :-

(1)	(2)	(3)	(4)	(5)
"27.	8523	(a) Any customized software (that is to say, any custom designed software, developed for a specific user or client), other than packaged software or canned software (b) Packaged Software <i>Explanation.</i> – The expression “packaged software or canned software” means a software developed to meet the needs of variety of users, and which is intended for sale or capable of being sold, off the shelf.	Nil 12%	- -”;

(viii) after S. No. 28 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)	(5)
" 28A.	8517	Wireless data modem cards with PCMCIA or USB or PCI express ports	Nil	-”;

(ix) S. No. 30 and the entries relating thereto shall be omitted;

(x) after S. No. 33 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)	(5)
"33A.	8702 10 91, 8702 10 92, 8702 10 99, 8702 90 91, 8702 90 92 and 8702 90 99	All goods	12%	-
33B.	8706 00 29	Chassis fitted with engines, for the goods mentioned at S. No. 33A	12% + Rs.10,000 per chassis	-”;

(xi) against S. No.34, for the entries occurring in column (4) against items (i) and (ii) of column (3), the entry “14%” shall respectively be substituted;

(xii) after S. No. 35 and the entries relating thereto, the following S. Nos. and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)	(5)
"35A.	87	Battery powered car	Nil	-

		<i>Explanation.</i> – For the purposes of this entry, “battery powered car” means a car which runs solely on electrical energy derived from one or more electrical batteries fitted to such car.		
35B.	Any Chapter	The following goods for manufacture of goods specified at S. No. 35A, namely :- (i) Battery Pack (EV Tubular Lead Acid Batteries or EV Sodium Nickel Chloride Batteries) (ii) AC or DC Motor Controller (Less than 100V) (iii) DC Motor (Less than 100V) (iv) Battery Charger (v) Chassis (vi) 3-Phase AC Induction Motor (Less than 100V)	Nil	3”;

- (xiii) against S. No.36, for the entry in column (4), the entry “14%” shall be substituted;
- (xiv) against S. No.37, for the entry in column (4), the entry “14% + Rs.10,000 per chassis” shall be substituted;
- (xv) against S. No.41, for the entries occurring in column (4) against sub-items (ii) and (iv) of item (1) and item (2) of column 3, the entry “14%” shall respectively be substituted;
- (xvi) against S. No.42, for the entry in column (4), the entry “12%” shall be substituted;
- (xvii) after S. No. 42 and the entries relating thereto, the following S.No. and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)	(5)
“42A.	8703	Hybrid motor vehicles	14%	-”;

Explanation.- For the purposes of this entry, “hybrid motor vehicles” means a motor vehicle, which uses a combination of battery powered electric motor and an internal combustion engine to power the vehicle drive trains.

- (xviii) against S. No.43, for the entry in column (4), the entry “12%” shall be substituted;
- (xix) against S. No.44, for the entry in column (4), the entry “14%” shall be substituted;
- (xx) against S. No.45, for the entry in column (4), the entry “14% + Rs.10,000 per chassis” shall be substituted;
- (xxi) against S. No.46, for the entry in column (4), the entry “14%” shall be substituted;
- (xxii) against S. No.47, for the entry in column (4), the entry “14%” shall be substituted;

(xxiii) against S. No.48, for the entry in column (4), the entry “14% + Rs.10,000 per chassis” shall be substituted;

(xxiv) against S. No.51, for the entry in column (4), the entry “14% + Rs.10,000 per chassis” shall be substituted;

(xxv) against S. No.52, for the entry in column (4), the entry “14%” shall be substituted;

(xxvi) after S. No. 52 and the entries relating thereto, the following S. No. and entries shall be inserted, namely :-

(1)	(2)	(3)	(4)	(5)
“52A.	8711	All goods	12%	-”;

(II) In the Annexure, in List 4, after item (20), the following item shall be inserted, namely:-

“(21) Refrigeration equipment (including compressor, condensing units and evaporator) having capacity of 2 Tonne Refrigeration and power rating 50 KW and above.”.

[F. No. 334/1/2008-TRU]

(S.Bajaj)

Under Secretary to the Government of India

Note: The principal notification No.6/2006-Central Excise dated the 1st March, 2006, was published in the Gazette of India, Extraordinary, vide number G.S.R. 96(E), dated the 1st March, 2006 and was last amended vide notification No. 35/2007-Central Excise, dated the 20th September, 2007, which was published in the Gazette of India, Extraordinary, vide number G.S.R. 610(E), dated the 20th September, 2007.

Notification
No.7/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R...(E). - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act 1944 (1 of 1944) read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.64/95-Central Excise, dated the 16th March, 1995 which was published in the Gazette of India, Extraordinary, vide number G.S.R.256(E), of the same date, namely:-

In the said notification, in the Table, for S.No.7, and the entries relating thereto, the following S.No. and entries shall be substituted, namely:-

S.No.	Description of goods	Conditions
(1)	(2)	(3)
"7.	Components, raw materials, tools, lubricants and propellants for and including systems and sub-systems of launch vehicles and satellite projects; scientific and technical instruments, apparatus, equipments (including computers); including their accessories, parts, spare parts, components and raw materials	If,- (i) meant for use in a launch vehicle project or a satellite project of the Indian Space Research Organisation or the Government of India, Department of Space; and (ii) the manufacturer produces, before the clearances of the said goods, a certificate from an officer not below the rank of an Assistant Scientific Secretary in the Indian Space Research Organisation giving the description and quantity of each type of the said goods for which the exemption under this notification is claimed and certifying that the said goods are intended for use in a project mentioned above."

[F.No.334/1/2008-TRU]

(S. Bajaj)
Under Secretary to the Government of India

Note: - The principal notification No.64/95-Central Excise, dated the 16th March, 1995 was published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), vide number G.S.R. 256(E), dated the 16th March, 1995 and was last amended vide notification No.37/2007-Central Excise, dated the 1st November, 2007 which was published vide number G.S.R. 691 (E), dated the 1st November, 2007.

Notification
No.8/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E). - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 8/2003-Central Excise, dated the 1st March, 2003 which was published in the Gazette of India, Extraordinary, vide number G.S.R.138 (E), of the same date, namely: -

1. In the said notification,
 - (i) in paragraph 3, sub-paragraph (d) and the entries relating thereto shall be omitted;
 - (ii) in paragraph 3A, sub-paragraph (d) and the entries relating thereto shall be omitted;
 - (iii) in the ANNEXURE, for S. No. (xxiv) and the entries relating thereto, the following S.No. and entries shall be substituted, namely:-

“(xxiv) all goods falling under Chapter 39 (other than polyurethane foam and articles of polyurethane foam) of the said First Schedule;”.
2. This notification shall come into force on the 1st day of April, 2008.

[F.No.334/1/2008-TRU]

(S. Bajaj)

Under Secretary to the Government of India

Note:- The principal notification No.8/2003-Central Excise, dated the 1st March, 2003 was published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), vide number G.S.R. 138(E), dated the 1st March, 2003 and was last amended vide notification No.8/2007- Central Excise, dated the 1st March, 2007 which was published vide number G.S.R. 137 (E), dated the 1st March, 2007.

Notification
No.9/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 21/2005-Central Excise, dated the 13th May, 2005 which was published in the Gazette of India, Extraordinary, vide number G.S.R. 294(E) of the same date, namely:-

In the said notification, in the Table, after S.No. 8 and the entries relating thereto, the following S.No. and entries shall be inserted, namely:-

S.No.	Heading or sub-heading or tariff item	Description of goods
(1)	(2)	(3)
“9	2106 90 20	All goods containing not more than 15% betel nut, subject to the following conditions, namely:- (i) the unit availing the concessional rate shall exclusively manufacture the aforesaid goods and shall not engage in the production, manufacture or trading of any other pan masala (with or without tobacco) in the same premises; (ii) the goods do not bear a brand name which is used for any other goods falling under tariff item 2106 90 20 or 2403 99 90; and (iii) the contents of the product, particularly, the percentage of betel nut be declared on the packing.”

[F.No.334/1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India

Note:- The principal notification No. 21/2005-Central Excise, dated the 13th May, 2005 was published in the Gazette of India, Extraordinary, vide number G.S.R. 294 (E), dated the 13th May, 2005.

Notification
No.10/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalguna, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the erstwhile Ministry of Finance and Company Affairs (Department of Revenue), No. 23/2003-Central Excise, dated the 31st March, 2003, published in the Gazette of India, Extraordinary, vide number G.S.R. 266(E), of the same date, namely:-

In the said notification, in the Table, -

- (i) against Sr. No. 2, in column (4), for the entry, the following entry shall be substituted, namely:-

“In excess of the amount equal to the aggregate of duties of customs leviable on like goods, as if,-

(a) the duty of customs specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), read with any other notification in force was reduced by 50%, and

(b) no additional duty of customs was leviable under sub-section (5) of section 3 of the said Customs Tariff Act:

Provided that while calculating the aggregate of customs duties, additional duty of customs leviable under sub-section (5) of section 3 of the said Customs Tariff Act shall be included if the goods cleared into Domestic Tariff Area are exempt from payment of sales tax or value added tax.

Illustration: - Assuming product X has the value Rs. 100/- under section 14 of the Customs Act, 1962, and for the purposes of this illustration, is chargeable to basic customs duty of 10% *ad valorem* and additional duty of 20% *ad valorem* only, then the computation of duty required to be paid would be as follows:

Basic Customs duty but for this exemption= Rs. 10/-

Basic Customs duty because of this exemption= Rs. 5/-

Value for the purposes of calculation of additional duty = Rs. 100/- + Rs. 5/- = Rs. 105/-

Additional duty= 20% of Rs. 105/- = Rs. 21/-.

Total duty payable after this exemption= Rs. 5/- + Rs. 21/- = Rs 26/-”.

[F. No. 334/1/2008-TRU]

(S.Bajaj)

Under Secretary to the Government of India

Note: - The principal notification was published in the Gazette of India, Extraordinary, vide number G.S.R. 266(E), dated the 31st March, 2003, and was last amended by notification No. 29/2007-Central Excise, dated the 6th July, 2007 and published vide number G.S.R. 474(E), dated the , 6th July, 2007.

Notification
No.11/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 49/2003-Central Excise, dated the 10th June, 2003 which was published in the Gazette of India, Extraordinary, vide number G.S.R. 471(E), of the same date, 2003, namely :-

In the said notification, in the Schedule, against S. No. 13, for the existing entry in column (3), the entries "8471 or 8443 32 (except 8443 32 60 and 8443 32 90) or 8528 41 00 or 8528 51 00" shall be substituted.

[F.No. 334/1/2008- TRU]

(S.Bajaj)

Under Secretary to the Government of India.

Note:-The principal notification No.49/2003-Central Excise dated the 10th June, 2003, was published in the Gazette of India, Extraordinary, vide number G.S.R. 471(E), dated the 10th June, 2003 and was last amended vide notification No.01/2008- Central Excise, dated the 18th January, 2008 which was published vide number G.S.R. 42(E), dated the 18th January, 2008.

Notification
No.12/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 49/2006-Central Excise, dated the 30th December, 2006 which was published in the Gazette of India, Extraordinary, vide number G.S.R. 805(E), of the same date, namely :-

In the said notification, in the Table, against S. No. 3, for the entry in column (4), the entry "12%" shall be substituted.

[F.No. 334/1/2008- TRU]

(S.Bajaj)
Under Secretary to the Government of India.

Note: The principal notification No.49/2006-Central Excise dated the 30th December, 2006, was published in the Gazette of India, Extraordinary, vide number G.S.R. 805(E), dated the 30th December, 2006.

Notification
No.13/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E). - In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944), read with sub-section (3) of section 3 of the Additional Duties of Excise (Goods of Special Importance) Act, 1957 (58 of 1957), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 108/95-Central Excise, dated the 28th August, 1995 which was published in the Gazette of India, Extraordinary, vide number G.S.R.602 (E), of the same date, namely: -

In the said notification, the *Explanation* shall be numbered as *Explanation 1* thereof, and after *Explanation 1*, as so numbered, the following *Explanation* shall be inserted, namely:-

‘Explanation 2.-For the removal of doubts, it is hereby clarified that the benefit under this notification, in the case of goods supplied to the projects financed by the United Nations or an international organisation, is available when the goods brought into the project are not withdrawn by the supplier or contractor and the expression “goods are required for the execution of the project” shall be construed accordingly.’.

[F.No.334/1/2008-TRU]

(S. Bajaj)

Under Secretary to the Government of India

Note:- The principal notification No.108/95-Central Excise, dated the 28th August, 1995 was published in the Gazette of India, Extraordinary, vide number G.S.R. 602 (E), dated the 28th August, 1995 and was last amended vide notification No.50/2001- Central Excise, dated the 12th October, 2001 published vide number G.S.R. 776 (E), dated the 12th October, 2001.

Notification
No.14/2008-Central Excise

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-section (3) of section 136 of the Finance Act, 2001 (14 of 2001), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts goods specified in column (3) of the Table below and falling within the heading, sub-heading or tariff item of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) as specified in the column (2) of the said Table, from the whole of the National Calamity Contingent duty leviable under sub-section (1) of section 136 of the said Finance Act:

Table

S. No.	Heading or sub-heading or tariff item of the First Schedule	Description of goods
(1)	(2)	(3)
1	5402 20	All goods
2	5402 33 00	All goods
3	5402 46 00	All goods
4	5402 47 00	All goods
5	5402 52 00	All goods
6	5402 62 00	All goods
7	5406	Synthetic filament yarn of polyester.

[F. No. 334/1/2008-TRU]

(S.Bajaj)

Under Secretary to the Government of India

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification
No.10/2008-Central Excise (N.T)

New Delhi the 1st March, 2008,

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely:-

1. (1) These rules may be called the CENVAT Credit (Amendment) Rules, 2008.
(2) Save as otherwise provided in these rules, they shall come into force on the 1st day of April, 2008
2. In the CENVAT Credit Rules, 2004 (hereinafter referred to as the said rules), in rule 2,-
 - (i) in clause (l), for the words “clearance of final products from the place of removal”, the words “clearance of final products, upto the place of removal,” shall be substituted;
 - (ii) in clause (p), for the words “any taxable service provided by the provider of taxable service”, the words “any taxable service, excluding the taxable service referred to in sub-clause (zzp) of clause (105) of section 65 of the Finance Act, provided by the provider of taxable service” shall be substituted with effect from the 1st day of March, 2008.
3. In rule 3 of the said rules,-
 - (i) in sub-rule (4), after the third proviso, the following proviso shall be inserted, with effect from the 1st day of March, 2008, namely:-

“Provided also that the CENVAT credit of any duty specified in sub-rule (1), except the National Calamity Contingent duty in item (v) thereof, shall not be utilized for payment of the said National Calamity Contingent duty on goods falling under tariff items 8517 12 10 and 8517 12 90 respectively of the First Schedule of the Central Excise Tariff:”;
 - (ii) in sub-rule (5),
 - (a) in the first proviso , after the words “where any inputs”, the words “ or capital goods” shall be inserted;
 - (b) second proviso shall be omitted.
4. In rule 6 of the said rules,-
 - (a) in sub-rule (1) for the words, “exempted goods or exempted services”, the words, “exempted goods or for provision of exempted services” shall be substituted;

(b) for sub-rule (3), the following sub-rules shall be substituted, namely,-

“(3) Notwithstanding anything contained in sub-rules (1) and (2), the manufacturer of goods or the provider of output service, opting not to maintain separate accounts, shall follow either of the following options, as applicable to him, namely:-

- (i) the manufacturer of goods shall pay an amount equal to ten per cent. of value of the exempted goods and the provider of output service shall pay an amount equal to eight per cent. of value of the exempted services; or
- (ii) the manufacturer of goods or the provider of output service shall pay an amount equivalent to the CENVAT credit attributable to inputs and input services used in, or in relation to, the manufacture of exempted goods or for provision of exempted services subject to the conditions and procedure specified in sub-rule (3A).

Explanation I.- If the manufacturer of goods or the provider of output service, avails any of the option under this sub-rule, he shall exercise such option for all exempted goods manufactured by him or, as the case may be, all exempted services provided by him, and such option shall not be withdrawn during the remaining part of the financial year.

Explanation II.-For removal of doubt, it is hereby clarified that the credit shall not be allowed on inputs and input services used exclusively for the manufacture of exempted goods or provision of exempted service.

(3A) For determination and payment of amount payable under clause (ii) of sub-rule (3), the manufacturer of goods or the provider of output service shall follow the following procedure and conditions, namely:-

(a) while exercising this option, the manufacturer of goods or the provider of output service shall intimate in writing to the Superintendent of Central Excise giving the following particulars, namely:-

- (i) name, address and registration No. of the manufacturer of goods or provider of output service;
- (ii) date from which the option under this clause is exercised or proposed to be exercised;
- (iii) description of dutiable goods or taxable services;
- (iv) description of exempted goods or exempted services;
- (v) CENVAT credit of inputs and input services lying in balance as on the date of exercising the option under this condition;

(b) the manufacturer of goods or the provider of output service shall, determine and pay, provisionally, for every month,-

(i) the amount equivalent to CENVAT credit attributable to inputs used in or in relation to manufacture of exempted goods, denoted as A;

(ii) the amount of CENVAT credit attributable to inputs used for provision of exempted services (provisional)= $(B/C) \times D$, where B denotes the total value of exempted services provided during the preceding financial year, C denotes the total value of dutiable goods manufactured and removed plus the total value of taxable services provided plus the total value of exempted services provided, during the preceding financial year and D denotes total CENVAT credit taken on inputs during the month minus A;

(iii) the amount attributable to input services used in or in relation to manufacture of exempted goods or provision of exempted services (provisional) = (E/F) multiplied by G, where E denotes total value of exempted services provided plus the total value of exempted goods manufactured and removed during the preceding financial year, F denotes total value of taxable and exempted services provided, and total value of dutiable and exempted goods manufactured and removed, during the preceding financial year, and G denotes total CENVAT credit taken on input services during the month;

(c) the manufacturer of goods or the provider of output service, shall determine finally the amount of CENVAT credit attributable to exempted goods and exempted services for the whole financial year in the following manner, namely:-

(i) the amount of CENVAT credit attributable to inputs used in or in relation to manufacture of exempted goods, on the basis of total quantity of inputs used in or in relation to manufacture of said exempted goods, denoted as H;

(ii) the amount of CENVAT credit attributable to inputs used for provision of exempted services = (J/K) multiplied by L, where J denotes the total value of exempted services provided during the financial year, K denotes the total value of dutiable goods manufactured and removed plus the total value of taxable services provided plus the total value of exempted services provided, during the financial year and L denotes total CENVAT credit taken on inputs during the financial year minus H;

(iii) the amount attributable to input services used in or in relation to manufacture of exempted goods or provision of exempted services = (M/N) multiplied by P, where L denotes total value of exempted services provided plus the total value of exempted goods manufactured and removed during the financial year, M denotes total value of taxable and exempted services provided, and total value of dutiable and exempted goods manufactured and removed, during the financial year, and N denotes total CENVAT credit taken on input services during the financial year;

(d) the manufacturer of goods or the provider of output service, shall pay an amount equal to the difference between the aggregate amount determined as per condition (c) and the aggregate amount determined and paid as per condition (b), on or before the 30th June of the succeeding financial year, where the amount determined as per condition (c) is more than the amount paid;

(e) the manufacturer of goods or the provider of output service, shall, in addition to the amount short-paid, be liable to pay interest at the rate of twenty-four per cent. per annum from the due date, i.e., 30th June till the date of payment, where the amount short-paid is not paid within the said due date;

(f) where the amount determined as per condition (c) is less than the amount determined and paid as per condition (b), the said manufacturer of goods or the provider of output service may adjust the excess amount on his own, by taking credit of such amount;

(g) the manufacturer of goods or the provider of output service shall intimate to the jurisdictional Superintendent of Central Excise, within a period of fifteen days from the date of payment or adjustment, as per condition (d) and (f) respectively, the following particulars, namely:-

- (i) details of CENVAT credit attributable to exempted goods and exempted services, monthwise, for the whole financial year, determined provisionally as per condition (b),
- (ii) CENVAT credit attributable to exempted goods and exempted services for the whole financial year, determined as per condition (c),
- (iii) amount short paid determined as per condition (d), alongwith the date of payment of the amount short-paid,
- (iv) interest payable and paid, if any, on the amount short-paid, determined as per condition (e), and
- (v) credit taken on account of excess payment, if any, determined as per condition (f);

(h) where the amount equivalent to CENVAT credit attributable to exempted goods or exempted services cannot be determined provisionally, as prescribed in condition (b), due to reasons that no dutiable goods were manufactured and no taxable service was provided in the preceding financial year, then the manufacturer of goods or the provider of output service is not required to determine and pay such amount provisionally for each month, but shall determine the CENVAT credit attributable to exempted goods or exempted services for the whole year as prescribed in condition (c) and pay the amount so calculated on or before 30th June of the succeeding financial year.

- (i) where the amount determined under condition (h) is not paid within the said due date, i.e., the 30th June, the manufacturer of goods or the provider of output service shall, in addition to the said amount, be liable to pay interest at the rate of twenty four per cent. per annum from the due date till the date of payment.

Explanation I.- “Value” for the purpose of sub-rules (3) and (3A) shall have the same meaning assigned to it under section 67 of the Finance Act, 1994 read with rules made thereunder or, as the case may be, the value determined under section 4 or 4A of the Central Excise Act, 1944 read with rules made thereunder.

*Explanation II.-*The amount mentioned in sub-rules (3) and (3A), unless specified otherwise, shall be paid by the manufacturer of goods or the provider of output service by debiting the CENVAT credit or otherwise on or before the 5th day of the following month except for the month of March, when such payment shall be made on or before the 31st day of the month of March.

Explanation III.- If the manufacturer of goods or the provider of output service fails to pay the amount payable under sub-rule (3) or as the case may be sub-rule (3A), it shall be recovered, in the manner as provided in rule 14, for recovery of CENVAT credit wrongly taken.’.

5. After rule 7 of the said rules, the following rule shall be inserted, namely:-

“7A. Distribution of credit on inputs by the office or any other premises of output service provider.- (1) A provider of output service shall be allowed to take credit on inputs and capital goods received, on the basis of an invoice or a bill or a challan issued by an office or premises of the said provider of output service, which receives invoices, issued in terms of the provisions of the Central Excise Rules, 2002, towards the purchase of inputs and capital goods.

(2) The provisions of these rules or any other rules made under the Central Excise Act, 1944, as made applicable to a first stage dealer or a second stage dealer, shall mutatis mutandis apply to such office or premises of the provider of output service.”.

6. After rule 15 of the said rules, the following rule shall be inserted with effect from the 1st day of March, 2008, namely:-

“15A. General penalty.- Whoever contravenes the provisions of these rules for which no penalty has been provided in the rules, he shall be liable to a penalty which may extend to five thousand rupees.”.

[F.No. 334/1/2008-TRU]

(S. Bajaj)
Under Secretary to the Government of India

Note.- The principal rules were published in the Gazette of India, Part II, Section 3, sub-section (i) Extraordinary vide notification No. 23/2004-Central Excise (N.T.), dated the 10th September, 2004, G.S.R. 600 (E), dated the 10th September 2004, and last amended by notification No. 39/2007-Central Excise (N.T.) dated the 13th November, 2007, G.S.R. 709(E), dated the 13th November, 2007.

Notification
No.11/2008-Central Excise (N.T)

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5 of the Central Excise Tariff Act, 1985 (5 of 1986), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the First Schedule to the Central Excise Tariff Act, 1985, namely:-

In the First Schedule to the said Act,-

- (i) in Chapter 4, in Note 6, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (ii) in Chapter 11, in Sub-heading Note, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (iii) in Chapter 15, in Note 5, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (iv) in Chapter 16, in Note 3, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (v) in Chapter 17, in Note 3, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (vi) in Chapter 18, in Note 3, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (vii) in Chapter 19, in Note 5, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (viii) in Chapter 20, in Note 7, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (ix) in Chapter 21, in Note 4, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;

- (x) in Chapter 22, in Note 5, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xi) in Chapter 24, in Note 3, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xii) in Chapter 27, in Note 4, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xiii) in Chapter 28, in Note 9, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xiv) in Chapter 29, in Note 10, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xv) in Chapter 30, in Note 6, for the words “labelling or relabelling of containers intended for consumers and repacking”, the words “labelling or relabelling of containers intended for consumers or repacking” shall be substituted;
- (xvi) in Chapter 32, in Note 7, for the words “labelling, relabelling of containers and repacking”, the words “labeling or relabelling of containers or repacking” shall be substituted;
- (xvii) in Chapter 34, in Note 6, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xviii) in Chapter 35, in Note 3, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;
- (xix) in Chapter 38, -
 - (a) in Note 8, for the words “labelling or relabelling of containers intended for consumers and repacking”, the words “labelling or relabelling of containers intended for consumers or repacking” shall be substituted;
 - (b) in Note 9, for the words “labelling or relabelling of containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;

(c) in heading 3809, the tariff item 3809 99 00 and the entries relating thereto shall be omitted;

(xx) in Chapter 59,-

- (a) in heading 5902, in sub-heading 5902 90, for the tariff item “5902 30 10”, the tariff item “5902 90 10” shall be substituted;
- (b) in heading 5902, in sub-heading 5902 90, for the tariff item “5902 30 90”, the tariff item “5902 90 90” shall be substituted;
- (c) in heading 5905, in sub-heading 5905 00, for the tariff item “ 5905 10 10”, the tariff item “5905 00 10” shall be substituted;
- (d) in heading 5905, in sub-heading 5905 00, for the tariff item “ 5905 10 90”, the tariff item “5905 00 90” shall be substituted;

(xxi) in Chapter 61, in Note 12, for the words “labelling or relabelling of its containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;

(xxii) in Chapter 62, in Note 11, for the words “labelling or relabelling of its containers and repacking”, the words “labelling or relabelling of containers or repacking” shall be substituted;

(xxiii) in Chapter 84, in heading 8443, in sub-heading 8443 99, for tariff items 8443 99 50 to 8443 99 70 (both inclusive) and the entries relating thereto, the following tariff items and entries shall be substituted, namely:-

Tariff item	Description of Goods	Unit	Rate of duty
(1)	(2)	(3)	(4)
	“--- <i>Parts and accessories of goods of sub-headings 8443 31, 8443 32:</i>		
8443 99 51	---- Ink cartridges, with print head assembly	Kg.	16%
8443 99 52	---- Ink spray nozzle	Kg.	16%
8443 99 59	---- Other	Kg.	16%
8443 99 60	--- Parts and accessories of goods of sub-heading 8443 39	Kg.	16%”.

(xxiv) in Chapter 92, in heading 9208 , for the tariff item “9208 20 00”, the tariff item “9208 90 00” shall be substituted.

2. This notification shall come into force on the date of its publication in the Official Gazette.

[F. No. 334 /1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India

Note: - The First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) was substituted by section 3 of the Finance Act, 2005 (5 of 2005) and subsequently amended by section 134 of the Finance Act, 2007 (22 of 2007).

Notification
No.12/2008-Central Excise (N.T)

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-section (2) of section 3 of the Central Excise Act, 1944 (1 of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2006-Central Excise (N.T.), dated the 1st March, 2006 which was published in the Gazette of India, Extraordinary vide number G.S.R.114(E) of the same date, namely:-

In the said notification, in the Table, for S.No. 2 and the entries relating thereto, the following S.No. and entries shall be substituted, namely:-

(1)	(2)	(3)
"2.	If retail sale price is printed on the retail pack and,-	
	(i) the goods fall under tariff item 2106 90 20 having betel nut content not exceeding 15%	78% of the printed retail sale price
	(ii) the goods fall under tariff item 2106 90 20 other than those specified in (i) above	56% of the printed retail sale price
	(iii) goods fall under heading 2403	50% of the printed retail sale price."

[F.No.334/1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India

Note:- The principal notification was published in the Gazette of India, Extraordinary, vide number G.S.R.114(E), dated the 1st March, 2006, and was last amended by notification No. 15/2007-Central Excise (N.T.), dated the 1st March, 2007 and published vide number G.S.R.167(E), dated the 1st March, 2007.

GSR.....(E)-In exercise of the powers conferred by section 37 read with sub-section (4) of section 4A of the Central Excise Act,1944 (1 of 1944), the Central Government hereby makes the following rules, namely:-

1.(1) These rules may be called the Central Excise (Determination of Retail Sale Price of Excisable Goods) Rules, 2008.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In these rules, unless the context otherwise requires,-

(a) 'Act' means the Central Excise Act, 1944 (1 of 1944);

(b) 'retail sale price' means the retail sale price as defined in section 4A of the Act; and

(c) words and expressions used in these rules and not defined but defined in the Act or any other rules made under the Act shall have the meaning as assigned therein.

3. The retail sale price of any excisable goods under sub-section (4) of section 4A of the Act, shall be determined in accordance with these rules.

4. Where a manufacturer removes the excisable goods specified under sub-section (1) of section 4A of the Act,-

(a) without declaring the retail sale price on the packages of such goods; or

(b) by declaring the retail sale price, which is not the retail sale price as required to be declared under the provisions of the Standards of Weights and Measures Act, 1976 (60 of 1976) or rules made thereunder or any other law for the time being in force ; or

(c) by declaring the retail sale price but obliterates the same after their removal from the place of manufacture,

then, the retail sale price of such goods shall be ascertained in the following manner, namely:-

(i) if the manufacturer has manufactured and removed identical goods, within a period of one month, before or after removal of such goods, by declaring the retail sale price, then, the said declared retail sale price shall be taken as the retail sale price of such goods:

(ii) if the retail sale price cannot be ascertained in terms of clause (i), the retail sale price of such goods shall be ascertained by conducting the enquiries in the retail market where such goods have normally been sold at or about the same time of the removal of such goods from the place of manufacture:

Provided that if more than one retail sale price is ascertained under clause (i) or clause (ii), then, the highest of the retail sale price, so ascertained, shall be taken as the retail sale price of all such goods.

Explanation.- For the purposes of this rule, when retail sale price is required to be ascertained based on market inquiries, the said inquiries shall be carried out on sample basis.

5. Where a manufacturer alters or tampers the retail sale price declared on the package of goods after their removal from the place of manufacture, resulting into increase in the retail sale price, then such

increased retail sale price shall be taken as the retail sale price of all goods removed during a period of one month before and after the date of removal of such goods:

Provided that where the manufacturer alters or tampers the declared retail sale price resulting into more than one retail sale price available on such goods, then, the highest of such retail sale price shall be taken as the retail sale price of all such goods.

6. If the retail sale price of any excisable goods cannot be ascertained under these rules, the retail sale price shall be ascertained in accordance with the principles and the provisions of section 4A of the Act and the rules aforesaid.

[F.No.334/1/2008-TRU]

(S. Bajaj)
Under Secretary to the Government of India

Notification
No.14/2008-Central Excise (N.T)

New Delhi, the 1st March, 2008
11 Phalgun, 1929 (Saka)

G.S.R. (E).- In exercise of the powers conferred by sub-sections (1) and (2) of section 4 A of the Central Excise Act, 1944 (1 of 1944) the Central Government, in supersession of the notifications of the Government of India in the Ministry of Finance (Department of Revenue) No. 2/2005-Central Excise (N.T.), dated the 7th January, 2005, published in the Gazette of India Extraordinary, vide number G.S.R.10(E) of the same date and No. 2/2006-Central Excise (N.T.), dated the 1st March, 2006, published in the Gazette of India Extraordinary, vide number G.S.R.113(E) of the same date, except as respects things done or omitted to be done before such supersession, hereby specifies the goods mentioned in Column (3) of the Table below and falling under Chapter or heading or sub-heading or tariff item, as the case may be, of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) mentioned in the corresponding entry in column (2) of the said Table, as the goods to which the provisions of sub-section (2) of said section 4A shall apply, and allows as abatement the percentage of retail sale price mentioned in the corresponding entry in column (4) of the said Table.

TABLE

S.No.	Chapter, heading, sub-heading or tariff item of the First Schedule	Description of goods	Abatement as a percentage of retail sale price
(1)	(2)	(3)	(4)
1.	17 or 21	Preparations of other sugars	38
2.	1702	Sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel	38
3.	1704	Gums, whether or not sugar coated (including chewing gum, bubblegum and the like)	38
4.	1704 90	All goods, other than white chocolate	35
5.	1704 90	White chocolate	38
6.	1805 00 00 or 1806 10 00	Cocoa powder, whether or not containing added sugar or other sweetening matter	33
7.	1806	Chocolates in any form, whether or not containing nuts, fruit kernels or fruits, including drinking chocolates	31.5
8.	1806	Other food preparations containing cocoa	33
9.	1901 20 00 or 1901 90	All goods	31.5
10.	1904	All goods, other than goods falling under tariff item 1904 20 00	33
11.	1904 20 00	All goods	35
12.	1905 31 00 or 1905 90 20	Biscuits	35
13.	1905 32 11 or	Waffles and wafers, coated with chocolate or	33

	1905 32 90	containing chocolate	
14.	1905 32 90	All goods, other than wafer biscuits	38
15.	1905 32 19 or 1905 32 90	Wafer biscuits	35
16.	2101 11 or 2101 12 00	Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee	33
17.	2102	All goods	33
18.	2106 90 20	All goods, other than pan masala containing not more than 15% betel nut	44
19.	2106 90 20	Pan masala containing not more than 15% betel nut	22
20.	2403	Pan masala containing tobacco	50
21.	2106 90 30	All goods	33
22.	2106 90 11	Sharbat	28
23.	2106 10 00, 2106 90 50, 2106 90 70, 2106 90 80, 2106 90 91 or 2106 90 99	All goods	38
24.	2201 or 2202	Mineral waters	48
25.	2201 or 2202	Aerated waters	40.5
26.	2209	Vinegar and substitutes for vinegar obtained from acetic acid	38
27.	2403 99 10, 2403 99 20 or 2403 99 30	All goods	50
28.	2523 21 00 or 2523 29	White cement, whether or not artificially coloured and whether or not with rapid hardening properties	33
29.	2710	Lubricating oils and Lubricating preparations	38
30.	30	Medicaments, other than those which are exclusively used in Ayurvedic, Unani, Siddha, Homeopathic or Bio-chemic systems	35.5
31.	3204 20	Synthetic organic products of a kind used as fluorescent brightening agents or as a luminophores	33
32.	3206	All goods other than pigments and inorganic products of a kind used as luminophores	33
33.	3208, 3209 or 3210	All goods	35
34.	3212 90 20	Dyes and other colouring matter put up in forms or small packing of a kind used for domestic or laboratory purposes	38
35.	3213	All goods	38

36.	3214	All goods	38
37.	3303, 3304, 3305 or 3307	All goods	38
38.	3306 10 20	Toothpaste	33
39.	3401 19 or 3401 20 00	Soap (other than paper, wadding, felt and non-wovens, impregnated, coated or covered with soap or detergent)	33
40.	3401 11, 3401 19 or 3402	Organic surface active products and preparations for use as soap in the form of bars, cakes, moulding pieces or shapes, other than goods falling under tariff item 3402 90 20	31.5
41.	3403	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparation and mould release preparations based on lubricants)	33
42.	3405	All goods	33
43.	3506	Prepared glues and other prepared adhesives, not elsewhere specified or included	38
44.	3702	All goods, other than for X-ray and unexposed cinematographic films	38
45.	3808	Insecticides, fungicides, herbicides, weedicides and pesticides	33
46.	3808	Disinfectants and similar products	38
47.	3808 93 40	Plant growth regulator	28
48.	3814 00 10	Thinners	38
49.	3819	All goods	38
50.	3820 00 00	Anti-freezing preparations and prepared de-icing fluids	38
51.	3824 90 24 or 3824 90 90	Stencil correctors and other correcting fluids, ink removers put up in packings for retail sale	38
52.	3919	Self adhesive tapes of plastics	38
53.	3923 or 3924	Insulated ware	43
54.	4816	Carbon paper, self-copy paper, duplicator stencils, of paper	38
55.	4818	Cleansing or facial tissues, handkerchiefs and towels, of paper pulp, paper, cellulose wadding or webs of cellulose fibres, other than goods falling under tariff item 4818 50 00	38
56.	6401 6402 6403 or 6404	The following goods, namely:- (i) Footwear of retail sale price exceeding Rs.250/- and not exceeding Rs.750/- per pair (ii) All other footwear	37 40

	6405		
57.	6506 10	Safety headgear	38
58.	6907	Vitrified tiles, whether polished or not	43
59.	6908	Glazed tiles	43
60.	7321	Cooking appliances and plate warmers, other than LPG gas stoves (with burners only, without other functions such as, grills or oven)	38
61.	7321	LPG gas stoves (with burners only, without other functions such as, grills or oven)	33
62.	7323 or 7615 19 10	Pressure Cookers	28
63.	7324	Sanitary ware of iron or steel	38
64.	7418 20 10	Sanitary ware of copper	38
65.	8212	Razors and razor blades (including razor blade blanks in strips)	38
66.	8305 20 00 or 8305 90 20	Staples in strips, paper clips, of base metal	38
67.	8414 51 or 8414 59	Electric fans	38
68.	8415	Window room air-conditioners and split air conditioners of capacity upto 3 tonnes	28
69.	8418	Refrigerators	38
70.	8421 21	Water filters and water purifiers, of a kind used for domestic purposes	33
71.	8422 11 00 or 8422 19 00	Dish washing machines	33
72.	8443	Facsimile machines	38
73.	8443 31 00 or 8443 32	Printer whether or not combined with the functions of copying or facsimile transmission	23
74.	8443 99 51	Ink cartridges, with print head assembly	23
75.	8450	Household or laundry-type washing machines, including machines which both wash and dry	38
76.	8469	Typewriters	33
77.	8470	Calculating machines and pocket-size data recording, reproducing and displaying machines with calculating functions, other than goods falling under sub-heading 8470 50 and 8470 90	38
78.	8471 30	All goods	22.5
79.	8471 60	All goods	23
80.	8472 90 10	Stapling machines	38
81.	8506	All goods, other than parts falling under tariff item 8506 90 00	36.5
82.	8508	All goods, other than parts falling under tariff item 8508 70 00	38

83.	8509	All goods, other than parts falling under tariff item 8509 90 00	36.5
84.	8510	All goods, other than parts falling under tariff item 8510 90 00	36.5
85.	8513	All goods, other than parts falling under tariff item 8513 90 00	33
86.	8516	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electro-thermic hairdressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes.	36.5
87.	8517	Telephone sets including telephones with cordless handsets; video phones;	38
88.	8517 62 30	Modems (modulators – demodulators)	23
89.	8517 69 60	Set top boxes for gaining access to internet	22
90.	8519	All goods, other than MP3 player or MPEG 4 player	38
91.	8521	All goods, other than MP3 player or MPEG 4 player	38
92.	85	MP3 player or MPEG 4 player	33
93.	8523	Unrecorded audio cassettes; recorded or unrecorded video cassettes; recorded or unrecorded magnetic discs	38
94.	8527	Pagers	33
95.	8527	Radio sets including transistors sets, having the facility of receiving radio signals and converting the same into audio output with no other additional facility like sound recording or reproducing or clock in the same housing or attached to it	33
96.	8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock (other than goods covered at S.No. 93)	38
97.	8528	Television receivers (including video monitors and video projectors) whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus	33
98.	8528	Monitors of a kind solely or principally used in an automatically data processing machine	23
99.	8528 71 00	Set top boxes for television sets	22
100.	8536	All goods, other than goods falling under tariff item 8536 70 00	38
101.	8539	The following goods, other than lamps for automobiles, namely:- (i) Compact Fluorescent Lamp (CFL) falling	37

		under tariff item 8539 31 10 (ii) All other goods	38
102.	9006	Photographic (other than cinematographic) cameras	33
103.	9101 9102	or All goods, other than braille watches	33
104.	9103 9105	or Clocks	43
105.	9612	All goods	33
106.	9617	Vacuum flasks	38
107.	Any heading	Parts, components and assemblies of automobiles	31.5
108.	9603 21 00	Toothbrush	28.5

Explanation.- For the purposes of this notification, “retail sale price” means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration for such sale.

[F. No. 334/1/2008-TRU]

(S.Bajaj)
Under Secretary to the Government of India