

EXECUTIVE SUMMARY OF FINANCE BILL, 2016 – CENTRAL EXCISE

I. Amendment in Central Excise Act, 1944 and Rules

CLAUSE(S) OF FINANCE BILL, 2016	SECTION	BRIEF OF AMENDMENT	APPLICABLE W.E.F.	NEW LAW
139	5A	The requirement of publishing and offering for sale of any notification issued, by the Directorate of Publicity and Public Relations of CBEC, has been finished.	01/01/2017	Any notification granting exemption from excise duty issued u/s 5A by Central Government shall only be published from Official Gazette.
140	11A	The time limit for issuing notice for recovery of duty, in cases not involving fraud, wilful misstatement, suppression of fact or contravention of any provision of act, has been increased from 1 year to 2 year from date of relevant date.	01/01/2017	Now Central Excise Officer can issue notice for recovery of duty within 2 years from relevant date, in case where extended period is not revoked.
141	37B	The power of Board (CBEC) has been extended to implement other provisions of the Act in addition to the power to issue orders, instructions and directions.	01/01/2017	Now CBEC can issue order, instruction, or direction for levy of duty or for implementing any provision of Act.
Infrastructure Cess	Chapter VII of Finance Bill, 2016	The Infrastructure Cess shall be levied as under: a) 1% on Petrol/LPG/CNG driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1200cc b) 2.5% on Diesel driven motor vehicles of length not exceeding 4m and engine capacity not exceeding 1500cc c) 4% on other higher engine capacity motor	01/03/2016	Three wheeled vehicles, Electrically operated vehicles, Hybrid vehicles, Hydrogen vehicles based on fuel cell technology, Motor vehicles which after clearance have been registered for use solely as taxi, Cars for physically

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		<p>vehicles and SUVs and bigger sedans</p> <p>No credit of this Cess will be available, and credit of no other duty can be utilized for payment of this Infrastructure Cess</p>		<p>handicapped persons and Motor vehicles cleared as ambulances or registered for use solely as ambulance will be exempt from this Cess.</p>
<p>Central Excise Rules, 2002</p>		<p>a) Reducing the total no. of returns filed by certain category of Central Excise assessee from 27 to 13.</p> <p>b) Revision of excise return would be same of service tax assessee</p>	<p>01/03/2016</p>	<p>Now, only 13 returns shall be filed per year. 12 monthly returns and 1 Annual return. All the returns shall be e-filed</p>
<p>CENVAT Credit Rules, 2004</p>		<p>Amendment to improve credit flow, reduce compliance burden and litigation particularly those relating to apportionment of credit between exempted and non-exempted services/final products.</p> <p>Instruction are being given to Chief Commissioner to file application to court to withdraw prosecution in cases involving duty of less than Rs. 5 Lacs and pending for more than 15 years.</p>		