

ANALYSIS OF INDIAN UNION BUDGET 2014-15

CENTRAL EXCISE - NON TARIFF (Central Excise Act, 1944) & RULES MADE THEREUNDER

CLAUSE NO.	SECTION OF CEA, 1944	CHANGE AT GLANCE	APPLICABLE w.e f	EXECUTIVE SUMMARY
88- 89	Central Excise Act, Service Tax Laws and other laws for the time being in force.	The Central Excise Laws, Service Tax Laws are being amended to include Principal Chief commissioner of Central Excise or Principal Commissioner of Central excise for reference to Chief Commissioner of Central Excise.	From the date of enactment of Finance Bill, 2014	After impugned amendment, any reference for Chief Commissioner of Central Excise / Commissioner of Central Excise under Central Excise, Service tax and any other laws shall be meant to include principal Commissioner of Central Excise / commissioner of Central Excise as well.
90	New Insertion - Section 15A	New section 15A is being inserted to Impose a liability on specified persons/authorities like Income Tax, Registrar, Stock Exchange etc to file Information return regarding the transactions. These informations shall be used to identify tax evaders.	From the date of enactment of Finance Bill, 2014	This insertion is in line with Section with 285BA of Income Tax Act, 1961. The prescribed regulatory authorities shall be required to file information return with Central Excise Dept regarding the transactions of other persons. These informations shall be used to identify tax evaders or recover confirmed dues.

90	New Insertion - Section 15B	Penalty of Rs. 100/- per day in case of failure to file Information return as prescribed u/s 15A above.	From the date of enactment of Finance Bill, 2014	New Section 15B has been inserted to provide the penalty provision in case any specified person failed to file information return as prescribed u/s 15A above (new insertion)
91 and 92	Section 31(g) and section 32(1)	Both section is being amended to change the name of "Customs and Central Excise Settlement Commission" to "Customs, Central Excise and Service Tax Settlement Commission" to include the service tax matters as well.	From the date of enactment of Finance Bill, 2014	The name of "Customs and Central Excise Settlement Commission" is being changed to accommodate proposal year 2012 so as to include settlement of Service Tax matters as well.
93	Section 32E	The section is being amended to allow the filing of application of settlement before Settlement commission in cases where the applicant has not filed the returns after recording reasons for the same.	From the date of enactment of Finance Bill, 2014	Now, even if any person who has not filed its return, may approach the settlement commission and commission may admit it after recording the reasons for the same.
94	Section 32O	An explanation is being inserted to clarify that the concealment of particulars of duty liability shall	From the date of enactment of Finance Bill, 2014	This is an explanation to clarify that any concealment of particulars of duty liability shall be construed as

		relate to concealment made from Central Excise Officer.		concealment made from Central Excise Officer and not from Settlement commission.
95	Section 35B	The section is being amended to increase the discretionary powers of the Tribunal to refuse admission of appeal from existing Rs. 50,000/- to Rs. 2,00,000/-.	From the date of enactment of Finance Bill, 2014	After amendment, if in any matter, duty involved is less or equal to Rs. 200,000/-, the Tribunal may refuse to admit such matter.
96	Section 35C	The first, second and third proviso of section 35C(2A) is being omitted in view of substitution of section 35F with new section.	From the date of enactment of Finance Bill, 2014	Previously, if in any appeal, any order stay had been granted, the Tribunal was bound to dispose the appeal within 180 days this order of stay otherwise the order of stay would be vacated. Now in view of insertion of substitution of section 35F relating to pre-deposit, this required is being omitted.
97	Section 35E	Section 35E is being amended to insert a proviso in sub-section (3) to vest the Board with powers to condone delay for a period upto 30 days for review by the Committee of Chief Commissioners of the	From the date of enactment of Finance Bill, 2014	The Committee of Chief commissioners has been empowered to condone the delay upto 30 days in filing review petition.

		orders in original passed by the Commissioner of Central Excise.		
98	Substitution of section 35F	Section 35F is being substituted with a new section to prescribe a mandatory fixed pre-deposit of 7.5% of the duty demanded or penalty imposed or both for filing appeal with the Commissioner (Appeals) or the Tribunal at the first stage and 10% of the duty demanded or penalty imposed or both for filing second stage appeal before the Tribunal. The amount of pre-deposit payable would be subject to a ceiling of Rs. 10 crores.	From the date of enactment of Finance Bill, 2014	Pre-deposit of (i) 7.5% of the duty demanded or penalty imposed or both, for filing an appeal before Commissioner (Appeals) or (ii) 10% of the duty demanded or penalty imposed or both, for filing appeal before Tribunal.
99	Section 35L	Section 35L is being amended so as to clarify that determination of disputes relating to taxability or excisability of goods is covered under the term 'determination of any question having a relation to rate of duty' and hence, appeal	From the date of enactment of Finance Bill, 2014	This is just a clarification. It has been explained that if any dispute involves determination of taxability or excisability of goods, then in such disputes, the appeal shall be filed before Hon'ble Supreme Court against the order of Tribunal.

		against Tribunal orders in such matters would lie before the Supreme Court.		
100	Section 35R	Section 35R is being amended so as to enable the Commissioner (Appeal) to take into consideration the fact that a particular order being cited as a precedent decision on the issue has not been appealed against for reasons of low amount.	From the date of enactment of Finance Bill, 2014	Section 35R empowers CBEC to issue orders, direction for regulating the filing of appeal, application, revision or reference by Central Excise Officer. The Appellate Authorities were required to take into consideration such facts for not filing of appeal. Now, Commissioner (Appeal) has also been included under such Appellate Authorities.
104	Third Schedule of Central Excise Act	The Third Schedule to the Central Excise Act, 1944 is being aligned with notification No. 49/2008-CE (NT) dated 24.12.2008 which specifies goods liable for assessment based on Retail Sale Price (RSP)	Immediate effect	Section 2(f)(iii) of Central Excise, prescribes that packing, repacking, labeling, relabeling etc of goods specified under Third Schedule of Central Excise, shall amount to manufacture. Now, the scope of third schedule is being enlarged to cover more RSP based goods.
Noti. 18/2014	Section 23A	As empowered under sub-clause (iii) of Clause (c) of section 23A, CG prescribed "Resident Private	Immediate effect	Now the resident private limited companies shall also be eligible for advance ruling under Central Excise. The

		Limited Company" as a class of person who may make application for advance ruling.		meaning of resident shall be as defined in clause (42) of section 2 read with sub-section (3) of section 6 of the Income-tax Act, 1961 (43 of 1961).
Noti. 19/2014	Central Excise Rules	Rule of Central Excise Rules, 2002, is being amended to provide that the payment of excise duty shall be made through internet banking irrespective of the amt of duty payable.	Effective from 1 st October, 2014	Any amount of excise duty shall be paid through internet banking irrespective of amount of duty payable.
Noti. 19/2014	Central Excise Rules	New sub-rule 1B is being inserted to empower Assistant Commissioner or Deputy Commissioner of Central Excise, may allow depositing excise duty through other modes.	Effective from 1 st October, 2014	Assistant Commissioner or Deputy Commissioner of Central Excise may allow depositing duty through cheque and cash.
Noti. 19/2014	Central Excise Rules	Rule 3A is being new inserted to levy penalty for non-payment of excise duty within 1 month from the due date.	From the date of publication in official gazette.	If the payable duty is not paid within 1 month from due date, a penalty of 1% per month or part of the month, from the due date date.
Noti. 20/2014	Central Excise Valuation	New proviso in rule 6 is being inserted to provide that if goods are sold at a price less than the	From the date of publication in official gazette.	If goods are sold at a price less than the manufacturing cost including profit, and if no additional consideration is flowing

	Rules	manufacturing cost including profit, and if no additional consideration is flowing from the buyer, then the value of such goods shall be transaction value.		from the buyer, then the excise duty shall be levied on value of such goods.
Noti. 21/2014	Cenvat Credit Rules	Time limit for taking credit on input and input services: credit shall be taken within six months from the date of the invoice or challans or other documents specified.	Effective from 1st September, 2014	Time limit for taking Cenvat Credit has been prescribed of 6 months.

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