

**CENTRAL EXCISE ACT 1944**

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Sec No.	Amendment Effective Date	Provision	Existing Provision	Amendment in Existing / New Provision	Analysis
5A(5 & 6)	From the date of Ascent of President of India	Power to grant exemption from duty of excise	<p>(5) Every notification issued under sub-section (1) or sub-section 2(A) shall,</p> <p>(a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette;</p> <p>(b) also be published and offered for sale on the date of its issue by the Directorate of Publicity and Public Relations, Customs and Central Excise, New Delhi, under the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963).</p> <p>(6) Notwithstanding anything contained in sub-section (5), where a notification comes into force on a date later than the date of its issue, the same shall be published and offered for sale by the</p>	<p>(5) Every notification issued under sub-section (1) or sub-section 2(A) shall, -</p> <p>(a) unless otherwise provided, come into force on the date of its issue by the Central Government for publication in the Official Gazette;</p>	Now there is no requirement of publishing and offering for sale any notification issued, by the Directorate of Publicity and Public Relations of CBEC.

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			said Directorate of Publicity and Public Relations on a date on or before the date on which the said notification comes into force.		
11A	From the date of Ascent of President of India	Recovery of duties not levied or not paid or short-levied or short-paid or erroneously refunded.-	<p>(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty,-</p> <p>(a) the Central Excise Officer shall, within <b>one year</b> from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-levied or short-paid or to whom the</p>	<p>(1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded, for any reason, other than the reason of fraud or collusion or any wilful misstatement or suppression of facts or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty,-</p> <p>(a) the Central Excise Officer shall, within <b>Two years</b> from the relevant date, serve notice on the person chargeable with the duty which has not been so levied or paid or which has been so short-</p>	<p>Period of limitation has been increased from one year to two years for issuing SCN &amp; Demand Notices, in case not involving fraud, suppression of facts, willful mis-statement, etc</p> <p>However, period of limitation has not been extended in the matter of refund in Section 11B.</p>

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			<p>refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;</p> <p>(b) the person chargeable with duty may, before service of notice under clause (a), pay on the basis of,-</p> <p>(i) his own ascertainment of such duty; or</p> <p>(ii) duty ascertained by the Central Excise Officer, the amount of duty along with interest payable thereon under section 11AA.</p> <p>(2) The person who has paid the duty under clause (b) of sub-section (1), shall inform the Central Excise Officer of such payment in writing, who, on receipt of such information, shall not serve any notice under clause (a) of that sub-section in respect of the duty so paid or any penalty</p>	<p>levied or short-paid or to whom the refund has erroneously been made, requiring him to show cause why he should not pay the amount specified in the notice;</p> <p>(b) the person chargeable with duty may, before service of notice under clause (a), pay on the basis of,-</p> <p>(i) his own ascertainment of such duty; or</p> <p>(ii) duty ascertained by the Central Excise Officer, the amount of duty along with interest payable thereon under section 11AA.</p> <p>(2) The person who has paid the duty under clause (b) of sub-section (1), shall inform the Central Excise Officer of such payment in writing, who, on receipt of such information, shall not</p>	

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			<p>leviable under</p> <p>the provisions of this Act or the rules made thereunder.</p> <p>(3) Where the Central Excise Officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of <b>one year</b> shall be computed from the date of receipt of information under sub-section (2).</p> <p>(4) Where any duty of excise has not been levied or paid or has been shortlevied or short-paid or erroneously refunded, by the reason of-</p>	<p>serve any notice under clause (a) of that sub-section in respect of the duty so paid or any penalty leviable under</p> <p>the provisions of this Act or the rules made thereunder.</p> <p>(3) Where the Central Excise Officer is of the opinion that the amount paid under clause (b) of sub-section (1) falls short of the amount actually payable, then, he shall proceed to issue the notice as provided for in clause (a) of that sub-section in respect of such amount which falls short of the amount actually payable in the manner specified under that sub-section and the period of <b>Two years</b> shall be computed from the date of receipt of information under sub-section (2).</p> <p>(4) Where any duty of</p>	

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			<p>(a) fraud; or</p> <p>(b) collusion; or</p> <p>(c) any wilful mis-statement; or</p> <p>(d) suppression of facts; or</p> <p>(e) contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, by any person chargeable with the duty, the Central Excise Officer shall, within five years from the relevant date, serve notice on such person requiring him to show cause why he should not pay the amount specified in the notice along with interest payable thereon under section 11AA and a penalty equivalent to the duty specified in the notice.</p> <p>(5) Where, during the course of any audit,</p>	<p>excise has not been levied or paid or has been short levied or short-paid or erroneously refunded, by the reason of-</p> <p>(a) fraud; or</p> <p>(b) collusion; or</p> <p>(c) any wilful mis-statement; or</p> <p>(d) suppression of facts; or</p> <p>(e) contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, by any person chargeable with the duty, the Central Excise Officer shall, within five years from the relevant date, serve notice on such person requiring him to show cause why he should not pay the amount specified</p>	

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			<p>investigation or verification, it is found that any duty has not been levied or paid or short-levied or short-paid or erroneously refunded for the reason mentioned in clause (a) or clause (b) or clause (c) or clause (d) or clause (e) of sub-section (4) but the details relating to the transactions are available in the specified record, then in such cases, the Central Excise Officer shall within a period of five years from the relevant date, serve a notice on the person chargeable with the duty requiring him to show cause why he should not pay the amount specified in the notice along with interest under section 11AA and penalty equivalent to fifty per cent of such duty.</p> <p>(6) Any person chargeable with duty under sub-section (5), may, before service of show cause notice on him, pay the duty in full or in part, as may be</p>	<p>in the notice along with interest payable thereon under section 11AA and a penalty equivalent to the duty specified in the notice.</p> <p>(5) Where, during the course of any audit, investigation or verification, it is found that any duty has not been levied or paid or short-levied or short-paid or erroneously refunded for the reason mentioned in clause (a) or clause (b) or clause (c) or clause (d) or clause (e) of sub-section (4) but the details relating to the transactions are available in the specified record, then in such cases, the Central Excise Officer shall within a period of five years from the relevant date, serve a notice on the person chargeable with the duty requiring him to show cause why he should not</p>	

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			<p>accepted by him along with the interest payable thereon under section 11AA and penalty equal to one per cent of such duty per month to be calculated from the month following the month in which such duty was payable, but not exceeding a maximum of twenty-five per cent of the duty, and inform the Central Excise Officer of such payment in writing.</p> <p>7) The Central Excise Officer, on receipt of information under sub-section (6) shall-</p> <p>(i) not serve any notice in respect of the amount so paid and all proceedings in respect of the said duty shall be deemed to be concluded where it is found by the Central Excise Officer that the amount of duty, interest and penalty as provided under sub-section (6) has been fully</p>	<p>pay the amount specified in the notice along with interest under section 11AA and penalty equivalent to fifty per cent of such duty.</p> <p>(6) Any person chargeable with duty under sub-section (5), may, before service of show cause notice on him, pay the duty in full or in part, as may be accepted by him along with the interest payable thereon under section 11AA and penalty equal to one per cent of such duty per month to be calculated from the month following the month in which such duty was payable, but not exceeding a maximum of twenty-five per cent of the duty, and inform the Central Excise Officer of such payment in writing.</p> <p>7) The Central Excise</p>	

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			<p>paid;</p> <p>(ii) proceed for recovery of such amount if found to be short-paid in the manner specified under sub-section (1) and the period of <b>one year</b> shall be computed from the date of receipt of such information.</p> <p>(8) In computing the period of <b>one year</b> referred to in clause (a) of subsection (1) or five years referred to in sub-section (4) or sub-section (5), the period during which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(9) Where any appellate authority or Tribunal or court concludes that the notice issued under sub-section (4) is not sustainable for the reason that the charges of fraud or collusion or any wilful mis-statement or suppression</p>	<p>Officer, on receipt of information under sub-section (6) shall-</p> <p>(i) not serve any notice in respect of the amount so paid and all proceedings in respect of the said duty shall be deemed to be concluded where it is found by the Central Excise Officer that the amount of duty, interest and penalty as provided under sub-section (6) has been fully paid;</p> <p>(ii) proceed for recovery of such amount if found to be short-paid in the manner specified under sub-section (1) and the period of <b>Two years</b> shall be computed from the date of receipt of such information.</p> <p>(8) In computing the period of <b>Two years</b> referred to in clause (a) of subsection (1) or five years referred to in sub-</p>	

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			<p>of facts or contravention of any of the provisions of this Act or of the rules</p> <p>made thereunder with intent to evade payment of duty has not been established against the person to whom the notice was issued, the Central Excise Officer shall determine the duty of excise payable by such person for the period of <b>one year</b>, deeming as if the notice were issued under clause (a) of sub-section (1).</p> <p>(10) The Central Excise Officer shall, after allowing the concerned person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty of excise due from such person not being in excess of the amount specified in the notice.</p>	<p>section (4) or sub-section (5), the period during which there was any stay by an order of the court or Tribunal in respect of payment of such duty shall be excluded.</p> <p>(9) Where any appellate authority or Tribunal or court concludes that the notice issued under sub-section (4) is not sustainable for the reason that the charges of fraud or collusion or any wilful mis-statement or suppression of facts or contravention of any of the provisions of this Act or of the rules</p> <p>made thereunder with intent to evade payment of duty has not been established against the person to whom the notice was issued, the Central Excise Officer shall determine the duty of excise payable by such person for the period of</p>	

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			<p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) within <b>one year</b> from the date of notice in respect of cases falling under subsection (4) or sub-section (5).</p> <p>(12) Where the appellate authority modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10), then the amount of penalties and interest under this section shall stand modified accordingly, taking into account the amount of duty of excise so modified.</p> <p>(13) Where the amount as modified by the appellate authority is more than the</p>	<p><b>two years</b>, deeming as if the notice were issued under clause (a) of sub-section (1).</p> <p>(10) The Central Excise Officer shall, after allowing the concerned person an opportunity of being heard, and after considering the representation, if any, made by such person, determine the amount of duty of excise due from such person not being in excess of the amount specified in the notice.</p> <p>(11) The Central Excise Officer shall determine the amount of duty of excise under sub-section (10)-</p> <p>(a) within six months from the date of notice in respect of cases falling under subsection (1);</p> <p>(b) within <b>Two years</b> from the date of notice in</p>	

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			<p>amount determined under sub-section (10) by the Central Excise Officer, the time within which the interest or penalty is payable under this Act shall be counted from the date of the order of the appellate authority in respect of such increased amount.</p> <p>(14) Where an order determining the duty of excise is passed by the Central Excise Officer under this section, the person liable to pay the said duty of excise shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.</p> <p><b>Explanation.</b>-For the purposes of this section and section 11AC,-</p> <p>(a) "refund" includes rebate of duty of excise on excisable goods exported</p>	<p>respect of cases falling under subsection (4) or sub-section (5).</p> <p>(12) Where the appellate authority modifies the amount of duty of excise determined by the Central Excise Officer under sub-section (10), then the amount of penalties and interest under this section shall stand modified accordingly, taking into account the amount of duty of excise so modified.</p> <p>(13) Where the amount as modified by the appellate authority is more than the amount determined under sub-section (10) by the Central Excise Officer, the time within which the interest or penalty is payable under this Act shall be counted from the date of the order of the appellate authority in</p>	

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			<p>out of India or on excisable materials used in the manufacture of goods which are exported out of India;</p> <p>(b) "relevant date" means,-</p> <p>(i) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid, and no periodical return as required by the provisions of this Act has been filed, the last date on which such return is required to be filed under this Act and the rules made thereunder;</p> <p>(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed on due date, the date on which such return has been filed;</p> <p>(iii) in any other case, the</p>	<p>respect of such increased amount.</p> <p>(14) Where an order determining the duty of excise is passed by the Central Excise Officer under this section, the person liable to pay the said duty of excise shall pay the amount so determined along with the interest due on such amount whether or not the amount of interest is specified separately.</p> <p><b>Explanation.</b>-For the purposes of this section and section 11AC,-</p> <p>(a) "refund" includes rebate of duty of excise on excisable goods exported out of India or on excisable materials used in the manufacture of goods which are exported out of India;</p> <p>(b) "relevant date"</p>	

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			<p>date on which duty of excise is required to be paid under this Act or the rules made thereunder;</p> <p>(iv) in a case where duty of excise is provisionally assessed under this Act or the rules made thereunder, the date of adjustment of duty after the final assessment thereof;</p> <p>(v) in the case of excisable goods on which duty of excise has been erroneously refunded, the date of such refund;</p> <p>(c) "specified records" means records including computerised records maintained by the person chargeable with the duty in accordance with any law for the time being in force.'</p>	<p>means,-</p> <p>(i) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid, and no periodical return as required by the provisions of this Act has been filed, the last date on which such return is required to be filed under this Act and the rules made thereunder;</p> <p>(ii) in the case of excisable goods on which duty of excise has not been levied or paid or has been short-levied or short-paid and the return has been filed on due date, the date on which such return has been filed;</p> <p>(iii) in any other case, the date on which duty of excise is required to be paid under this Act or the</p>	

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				<p>rules made thereunder;</p> <p>(iv) in a case where duty of excise is provisionally assessed under this Act or the rules made thereunder, the date of adjustment of duty after the final assessment thereof;</p> <p>(v) in the case of excisable goods on which duty of excise has been erroneously refunded, the date of such refund;</p> <p>(c) "specified records" means records including computerised records maintained by the person chargeable with the duty in accordance with any law for the time being in force.'</p>	
<b>37B</b>	From the date of Ascent of President of India	Instructions to Central Excise Officers. -	The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963), may, if it considers it necessary or expedient so to do for the purpose of	The Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963 (54 of 1963), may, if it considers it necessary or expedient	Section 37B is being amended so as to empower the Board for implementation of any other provision of the said Act in addition to the power to issue orders, instructions and directions

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			<p>uniformity in the classification of excisable goods or with respect to levy of duties of excise on such goods, issue such orders, instructions and directions to the Central Excise Officers as it may deem fit, and such officers and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the said Board :</p> <p><b>Provided</b> that no such orders, instructions or directions shall be issued-</p> <p>a) so as to require any Central Excise Officer to make a particular assessment or to dispose of a particular case in a particular manner; or</p> <p>b) so as to interfere with the discretion of the Commissioner of Central Excise (Appeals) in the exercise of his appellate</p>	<p>so to do for the purpose of uniformity in the classification of excisable goods or with respect to levy of duties of excise on such goods OR for the implementation of any other provisions of this Act, issue such orders, instructions and directions to the Central Excise Officers as it may deem fit, and such officers and all other persons employed in the execution of this Act shall observe and follow such orders, instructions and directions of the said Board :</p> <p>Provided that no such orders, instructions or directions shall be issued-</p> <p>a) so as to require any Central Excise Officer to make a particular assessment or to dispose of a particular case in a particular manner; or</p>	<p>Earlier clarifications issued u/s 37B was only applicable for goods and those are binding on Assessee as well as Department. Now, powers has been given to the Central Excise Department even to issue the clarifications u/s 37B for any provisions under the Act.</p> <p>It means Department may issue the circulars u/s 37B for each provision under this Act and that will be binding on Department as well as Assessee.</p> <p>This is absolutely wrong provision and needs to be represented by Trade &amp; Industries.</p>

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			functions.	b) so as to interfere with the discretion of the Commissioner of Central Excise (Appeals) in the exercise of his appellate functions.	
<b>Third Schedule</b>	1 <sup>st</sup> March 2016	Deemed Manufacturing	<p>Schedule provides the process which is deemed to be manufactured in accordance with Sec 2(f)(iii).</p> <p>Tariff No. 3401 :</p> <p>Soaps in any form other than the following</p> <p>(i) soap, other than for toilet use, whether or not containing medicament or disinfectant;</p> <p>(ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and</p> <p>(iii) laundry soaps produced by a factory owned by the</p>	All Goods	<p>It means, packing, repacking, labeling, relabeling etc for the purpose of retail sale of the following products also will amounts to manufacture:</p> <p>(i) soap, other than for toilet use, whether or not containing medicament or disinfectant;</p> <p>(ii) soap, in or in relation to the manufacture of which no process has been carried on with the aid of power or of steam; and</p> <p>(iii) laundry soaps produced by a factory owned by the Khadi and Village Industries Commission or</p>

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			<p>Khadi and Village Industries Commission or any organisation approved by the said Commission for the purpose of manufacture of such soaps</p> <p>Tariff No. 3402 : All goods other than sulphonated castor oil, fish oil or sperm oil</p>	<p>All Goods</p>	<p>any organisation approved by the said Commission for the purpose of manufacture of such soaps</p> <p>sulphonated castor oil, fish oil or sperm oil (Tariff No. 3402)</p> <p>All Goods falling under Chapter Heading 7607 related to Aluminum Foil</p> <p>Wrist wearable devices commonly known as Smart Watches falling under Chapter Heading 8517 62</p> <p>Parts, Components and <b>Accessories</b> and Assemblies falling under Chapter Heading 87 excluding vehicle falling under 8712, 8713, 8715, 8716</p> <p>Parts, Components and <b>Accessories</b> and Assemblies falling under Chapter Heading 84 excluding vehicle falling under 8426 4100, 8427, 8429, 8430 10</p>

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