

CENTRAL EXCISE RULES, 2002

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 9 of Central Excise Rules, 2002	1st Mar 2016	05/2016-CE(NT) dated 1 st Mar 2016	-	Exempts from the separate registration to every manufacturing factory or premises engaged in the manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 (herein after referred to as the specified goods), where the manufacturer of such goods has a centralized billing or accounting system in respect of such specified goods manufactured or produced by different factories or premises and opts for registering only the factory or premises or office, from where such	Centralized registration system is provided to Manufacturer of articles of jewellery (including articles of studded jewellery tariff heading 7113) subject to centralized billing or accounting is done and where the accounts/records are kept. Provided said manufacturer shall give details of all premises. However this at the option at the manufacturer

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				centralized billing or accounting is done and where the accounts/records showing receipts of raw materials and finished excisable goods manufactured or received back from job workers are kept.	
Rule 9 of Central Excise Rules, 2002	1st Mar 2016	06/2016-CE(NT) dated 1 st Mar 2016	35/2001 CE(NT) dated 26 th June 2001 as amended by 7/2015 CE (NT) dated 1 st Mar 15	<p>Insertion of sub-clause (iii) to Clause 8 of Notification 3/2001 CE (NT) dated 1st June 2001 as under:</p> <p>“(iii) Every manufacturing factory or premises engaged in the manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986), shall be exempted from sub-clauses (i) and (ii) above.”.</p>	Physical verification of the premises is not required for manufacture or production of articles of jewellery other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113.

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	1st Mar 2016	07/2016 CE(NT) dated 1 st March 2016	9/2012 CE(NT) dated 17 th Mar 2012	Existing Notification No. 9/2012 CE (NT) dated 17 th Mar 2012 rescinded.	Now articles of jewellery falling under chapter heading 7113 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) will be valued at 'Transaction Value' instead of fixed tariff value.
Rule 7 (4) of Central Excise Rules, 2002	1st Mar 2016	08/2016 CE (NT) dated 1 st March 2016	The assessee shall be liable to pay interest on any amount payable to Central Government, consequent to order for final assessment under sub-rule (3), at the rate specified by the Central Government by notification issued under section 11AA of the Act from the first day of the month succeeding the month for which such amount is determined, till the date of payment thereof.	Rule 7 sub-rule (4) substituted as under: “(4) The assessee shall be liable to pay interest on any amount paid or payable on the goods under provisional assessment, but not paid on the due date specified under sub-rule (1) of rule 8 and the first proviso thereto, as the case may be, at the rate specified by the Central Government, vide, notification under section 11AA of the Act, for the period starting with the first day after the due date till the date of actual payment, whether such amount is paid before or after the issue of order for	In case of provisional assessment Interest will be payable from the due date till date of actual payment instead of first day of succeeding month. e.g. 1. Date of payment of goods under provisional assessment on 29 th Feb 16 & date of payment of duty is 6 th March 2016, date of receipt of order is 1 st June 16 and differential liability is Rs.5,000/- Interest will be applicable from 7 th Mar 16 to actual date of payment.

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				final assessment.	
Rule 8 of Central Excise Rules, 2002	1 st April 2016	08/2016 CE (NT) dated 1 st March 2016	Explanation.1. - For the purposes of this proviso, it is hereby clarified that an assessee shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.	Amendment in Explanation 1 of 2 nd proviso to Rule 8 as under: Explanation 1: (a) an assessee, engaged in the manufacture or production of articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Tariff Act shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees twelve crore;	Manufacturers engaged in the manufacture or production of articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Tariff Act, having aggregate value of clearances below 12 crores in preceding FY may discharge their liability on quarterly basis.

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				(b) an assessee, other than (a) above, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.”.	
Rule 11 sub-rule (8)	1 st April 2016	08/2016 CE (NT) dated 1 st March 2016	Provided that where the duplicate copy of the invoice meant for transporter is digitally signed, a hard copy of the duplicate copy of the invoice meant for transporter and self-attested by the manufacturer shall be used for transport of goods.	Provided that where the duplicate copy of the invoice meant for transporter is digitally signed, a hard copy of the duplicate copy of the invoice meant for transporter shall be used for transport of goods.	Now no need to self-attest by manufacturer the duplicate copy of digitally signed invoice for transporter.
Rule 12 sub-rule (2) (a) & (b)	1 st April 2016	08/2016 CE (NT) dated 1 st March 2016	(2) (a) Notwithstanding anything containing in sub-rule (1), every assessee shall submit to the Superintendent of Central Excise, an Annual Financial Information	Substitution of the word ‘Annual Financial Information Statement’ by the word ‘ Annual Return ’	The word ‘Annual Financial Information Statement’ (i.e. for ER-4 Return) substituted by the word ‘Annual Return’

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			<p>Statement for the preceding financial year to which the statement relates in the form specified by notification by the Board by 30th day of November of the succeeding year.</p> <p>(b) The Central Government may, by notification, and subject to such conditions or limitations as may be specified in such notification, specify assessee or class of assessee who may not require to submit such an Annual Financial Information Statement.</p>		
Rule 12 sub-rule 2 (c)	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	-	Newly inserted (c) provisions of this sub-rule and clause (b) of sub-rule (8) shall <i>mutatis mutandis</i> apply to a hundred per cent. Export- Oriented.	This provision is also applicable to EOU including that of revised return as specified under sub-rule 8.
Rule 12 sub-rule 2A	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	(2A) (a) Every assessee shall submit to the Superintendent of Central Excise, an Annual Installed Capacity	(iii) sub-rule (2A) shall be omitted;	Henceforth ER-7 Return i.e. for filing of 'Annual Installed Capacity Statement' is not required to file from FY 2016-17.

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			<p>Statement declaring the annual production capacity of the factory for the financial year to which the statement relates in the form specified by notification by the Board by 30th day of April of the succeeding financial year :</p> <p>Provided that for the year 2007-08, the said statement shall be furnished by 31st day of October, 2008.</p>		<p>Any way no one was serious on filing & checking the same.</p>
Rule 12 sub-rule 6	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	<p>(6) Where any return or Annual Financial Information Statement or Annual Installed Capacity Statement referred to in this rule is submitted by the assessee after due date as specified for every return or statements, the assessee shall pay to the credit of the Central Government, an amount calculated at the rate of one hundred rupees per day subject to a</p>	<p>In sub-rule 6 the words Annual Financial Information Statement or Annual Installed Capacity Statement shall be omitted.</p>	

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			maximum of twenty thousand rupees for the period of delay in submission of each such return or statement.		
Rule 12	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	-	<p>after sub-rule (7), the following sub-rule shall be inserted, namely:-</p> <p>“ (8)(a) An assessee, who has filed a return in the form referred to in sub-rule(1) within the date specified under that sub-rule or the second proviso thereto, may submit a revised return by the end of the calendar month in which the original return is filed.</p> <p><i>Explanation.-</i> Where an assessee submits a revised return under clause (a), the “relevant date” for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return.</p> <p>(b) An assessee who has filed Annual Return referred to in clause (a) of</p>	<p>Welcome move allowing filing of revised return by the end of the calendar month in which the original return is filed.</p> <p>Relevant date for the purpose of recovery of CE duty under Section 11A shall be the date of submission of said revised return.</p> <p>However in care of revised ‘Annual Return’ (ER-4) it may be submitted in month from the date of filing of original return.</p>

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				sub-rule (2) by the due date mentioned in clause (a) of that sub-rule, may submit a revised return within a period of one month from the date of submission of the said Annual Return.	
Rule 17	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	-	“(7) An assessee, who has filed a return in the form referred to in sub-rule (3) within the date specified under that sub-rule, may submit a revised return by the end of the calendar month in which the original return is filed. <i>Explanation.-</i> Where an assessee submits a revised return under this sub-rule, the “relevant date” for the purpose of recovery of Central Excise duty, if any, under section 11A of the Act shall be the date of submission of such revised return”;	Above mentioned provisions w.r.t Revised Return, Relevant date and monthly return in case of EOU will be same.
Rule 26 sub-rule (1)	1st April 2016	08/2016 CE (NT) dated 1 st March 2016	-	“Provided that where any proceeding for the person liable to pay duty have been concluded under clause (a) or clause (d) of	This is welcome provision, no personal penalty on any other person can be imposed if assessee pays the duty with interest and penalty under

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				sub-section (1) of section 11AC of the Act in respect of duty, interest and penalty, all proceedings in respect of penalty against other persons, if any, in the said proceedings shall also be deemed to be concluded.	section 11AC is paid then

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CENVAT CREDIT RULES, 2004

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 2 (a)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	-	Definition of Capital Goods added wagons of sub-heading 860692	Cenvat Credit of wagons brought by service providers will be available.
Rule 2 (a)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	Capital goods ... (1) in the factory of the manufacturer of the final products, but does not include any equipment or appliance used in an office; or	Definition of Capital Goods: (1) in the factory of the manufacturer of the final products	The wording equipments or appliances used in an office have been removed. Hence forwards, Cenvat credit will be allowed on the goods / equipment which are used in the office within the factory. No of litigations will be reduced.
Rule 2 (a)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	Capital goods ... Used (1A) outside the factory of the manufacturer of the final products for generation of electricity for captive use within the factory; or;	Definition of Capital Goods: (1A) outside the factory of the manufacturer of the final products for generation of electricity or for pumping of water for captive use within the factory; or;	Goods used for pumping of water for captive use will be entitled for Cenvat credit as Capital Goods.
Rule 2 (e)	1 st March 2016	13/2016- CE (NT) dated 1 st Mar 2016	Exempted Service.... (3) taxable service whose part of value is exempted on the condition that no credit of inputs and input services, used for providing such taxable service, shall be taken; but shall not include a service	Exempted Service (3).... —but shall not include a service – (a) which is exported in terms of rule 6A of the Service Tax Rules, 1994; or (b) by way of transportation of goods by a vessel from customs station of clearance in India to a place outside India;	Transportation of goods by a vessel from customs station of clearance in India to a place outside India is also excluded from Definition of Exempted services.

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			which is exported in terms of rule 6A of the Service Tax Rules, 1994		
Rule 2 (k)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	(k) "input" means---- (iii) all goods used for generation of electricity or steam for captive use; or	(iii) all goods used for generation of electricity or steam or pumping of water for captive use; or	Goods (other than capital goods) used for pumping of water for captive use will be entitled for Cenvat Credit as Inputs.
Rule 2 (k)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	NA	(v) all capital goods which have a value upto ten thousand rupees per piece	Capital Goods having value Rs 10,000 or less will be treated as Inputs Goods. In other words, full cenvat credit will be allowed on those goods.
Rule 2 (m)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	(m) "input service distributor" means an office of the manufacturer or producer of final products or provider of output service, which receives invoices issued under rule 4A of the Service Tax Rules, 1994 towards purchases of input services and issues invoice, bill or, as the case may be, challan for the purposes of distributing the credit of service tax paid on the said services to such manufacturer or producer or provider, as the case may be;	(m) "input service distributor" means an office of the manufacturer or producer of final products or provider of output service or an outsourced manufacturing unit , which receives invoices issued under rule 4A of the Service Tax Rules, 1994 towards purchases of input services and issues invoice, bill or, as the case may be, challan for the purposes of distributing the credit of service tax paid on the said services to such manufacturer or producer or provider, as the case may be;	The definition of ISD has been amended to include the "outsourced manufacturing unit" (i.e. Job Worker). The subsequent provisions are made w.r.t distribution of credit to the outsourced manufacturing unit who is discharging the duty under Rule 10 of Valuation Rules

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Rule 3 Sub rule (4)	1 st March 2016	13/2016- CE (NT) dated 1 st Mar 2016	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 85171210 and 85171290 respectively of the First Schedule of the Central Excise Tariff:	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 National Calamity Contingent duty leviable under section 136 of the Finance Act, 2001 (14 of 2001)	Utilization of other duties (other than NCCD) in cenvat credit was restricted only for payment of NCCD on Push button style Telephone Sets and Wireless Cellphone (8517 12 10) and other Telephone Sets and Wireless Cellphone (8517 12 90). For NCCD on other goods, the basic Cenvat duties were allowed to be utilized. With this amendment basic duties cannot be utilized for payment of NCCD on any goods.
Rule 3 Sub rule (4)	1 st March 2016	13/2016- CE (NT) dated 1 st Mar 2016	NA	Provided also that CENVAT credit shall not be utilised for payment of Infrastructure Cess leviable under sub-clause (1) of clause 159 of the Finance Bill, 2016	The Cenvat credit cannot be utilized for Infrastructure Cess levied on the specified automobiles under chapter 87
Rule 4 – Sub-rule 2 (Clause a)	1 st March 2016	13/2016- CE (NT) dated 1 st Mar 2016	—Explanation. – For the removal of doubts, it is hereby clarified that an assessee, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.	—Explanation. – For the removal of doubts, it is hereby clarified that- (i) an assessee engaged in the manufacture of articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 of the First Schedule of the Excise Tariff Act, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in	The articles of jewellery, other than articles of silver jewellery but inclusive of articles of silver jewellery studded with diamond, ruby, emerald or sapphire, falling under chapter heading 7113 having turnover below 12 cr will be entitled for full credit of capital goods in the same year in which it has received.

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				<p>the manner specified in the said notification, did not exceed rupees twelve crore;</p> <p>(ii) an assessee, other than (a) above, shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs</p>	
Rule 4 sub-rule 5 clause (b)	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	<p>—(b) The CENVAT credit shall also be allowed to a manufacturer of final products in respect of jigs, fixtures, moulds and dies or tools sent by such manufacturer to, -</p> <p>(i) another manufacturer for the production of goods; or</p> <p>(ii) a job worker for the production of goods on his behalf, according to his specifications:</p>	<p>—(b) The CENVAT credit shall also be allowed to a manufacturer of final products in respect of jigs, fixtures, moulds and dies or tools falling under Chapter 82 of the First Schedule to the Excise Tariff Act, sent by such manufacturer to, -</p> <p>(i) another manufacturer for the production of goods; or</p> <p>(ii) a job worker for the production of goods on his behalf, according to his specifications:</p> <p>Provided that such credit shall also be allowed where jigs, fixtures, moulds and dies or tools falling under Chapter 82 of the First Schedule to the Excise Tariff Act, are sent by the manufacturer of final products to the premises of another manufacturer or job worker without bringing these to his own premises</p>	<p>The jigs, fixtures falling under ITCHS 82 now can be sent directly to the job workers without bringing the same in the factory of the manufacturer. In other words, the manufacturer will be entitled for cenvat credit on the jigs which are sent directly to job worker.</p>

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Rule 4 sub-rule 6	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	(6) The Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction over the factory of the manufacturer of the final products who has sent the input or partially processed inputs outside his factory to a job-worker may, by an order, which shall be valid for a financial year, in respect of removal of such input or partially processed input, and subject to such conditions as he may impose in the interest of revenue including the manner in which duty, if leviable, is to be paid, allow final products to be cleared from the premises of the job-worker.	(6) The Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, having jurisdiction over the factory of the manufacturer of the final products who has sent the input or partially processed inputs outside his factory to a job-worker may, by an order, which shall be valid for three financial year, in respect of removal of such input or partially processed input, and subject to such conditions as he may impose in the interest of revenue including the manner in which duty, if leviable, is to be paid, allow final products to be cleared from the premises of the job-worker.	The permission can be given by the Deputy Commissioner / Assistant Commissioner upto period 3 years for clearance of final products from the job worker premises.
Rule 4 sub-rule 6	1 st April 2016	13/2016- CE (NT) dated 1 st Mar 2016	NA	Provided also that CENVAT Credit of Service Tax paid on the charges paid or payable for the service provided by way of assignment, by the Government or any other person, of the right to use any natural resource, shall be spread over such period of time as the	The cenvat credit on the service tax paid on payment on right of natural resources will available as Cenvat Credit proportionately over the period of assignment of such right.

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				<p>period for which the right to use has been assigned. CENVAT Credit in the financial year in which the right to use is acquired and in the subsequent years during which such right is retained by the manufacturer of goods or provider of output service as the case may be, shall be taken of an amount determined as per the following formula:</p> <p>Amount of CENVAT Credit that shall be taken in a financial year = Service Tax paid on the charges payable for the assignment of the right to use / No. of Years for which the rights have been assigned</p> <p>Provided also that where the manufacturer of goods or provider of output service, as the case may be, further assigns such right to use assigned to him by the Government or any other person, in any financial year, to another person against a consideration, such amount of balance CENVAT credit as does not exceed the service tax payable on the consideration charged by him for such further assignment, shall be allowed in the same financial year</p> <p>Provided also that CENVAT credit of annual or monthly user charges payable in respect of any service by way of assignment of right to use natural resources shall be allowed in</p>	

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				the same financial year in which they are paid.	
Rule 6 Sub-rule (1)	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	<p>6. Obligation of a manufacturer or producer of final products and a provider of output service</p> <p>(1) The CENVAT credit shall not be allowed on such quantity of input used in or in relation to the manufacture of exempted goods or for provision of exempted services, or input service used in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services, except in the circumstances mentioned in sub-rule (2).</p> <p>Provided that the CENVAT credit on inputs shall not be denied to job worker referred to in rule 12AA of the Central Excise Rules, 2002, on the</p>	<p>The CENVAT credit shall not be allowed on such quantity of input as is used in or in relation to the manufacture of exempted goods or for provision of exempted services or input service as is used in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services and the credit not allowed shall be calculated and paid by the manufacturer or the provider of output service, in terms of the provisions of sub-rule (2) or sub-rule (3), as the case may be :</p> <p>Provided that the CENVAT credit on inputs shall not be denied to job worker referred to in rule 12AA of the Central Excise Rules, 2002, on the ground that the said inputs are used in the manufacture of goods cleared without payment of duty under the provisions of that rule.</p> <p>Explanation 1.- For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory.</p> <p>Explanation 2.- Value of non-excisable</p>	<p>Exempted service for this Rule has been defined as an activity, which is not a service' as defined in section 65B(44) of the Finance Act, 1994 and value for the same shall be the invoice/agreement/contract value and where such value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Finance Act, 1994.</p> <p>For example if exports of services are made but realization is not in FC or remittance has not been received than such services will also be considered as exempted services.</p> <p>Similarly value of exempted goods will also include goods which are not excisable or covered under state excise and valuation of the same will be in accordance with valuation Rules.</p>

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			<p>ground that the said inputs are used in the manufacture of goods cleared without payment of duty under the provisions of that rule.</p> <p>Explanation 1. – For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory.</p> <p>Explanation 2. – Value of non-excisable goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made thereunder.</p>	<p>goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made there under.</p> <p>Explanation 3. – For the purposes of this rule, exempted services as defined in clause (e) of rule 2 shall include an activity, which is not a ‘service’ as defined in section 65B(44) of the Finance Act, 1994.</p> <p>Explanation 4. – Value of such an activity as specified above in Explanation 3, shall be the invoice/agreement/contract value and where such value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Finance Act, 1994 and the rules made thereunder. ; (b) for s</p>	

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Rule 6 Sub-rule (2)	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	<p>(2) Where a manufacturer or provider of output service avails of CENVAT credit in respect of any inputs or input services and manufactures such final products or provides such output service which are chargeable to duty or tax as well as exempted goods or services, then, the manufacturer or provider of output service shall maintain separate accounts for-</p> <p>(a) the receipt, consumption and inventory of inputs used-</p> <p>(i) in or in relation to the manufacture of exempted goods;</p> <p>(ii) in or in relation to the manufacture of dutiable final products excluding exempted goods;</p> <p>(iii) for the provision of exempted services;</p>	<p>—(2) A manufacturer who exclusively manufactures exempted goods for their clearance upto the place of removal or a service provider who exclusively provides exempted services shall pay the whole amount of credit of input and input services and shall, in effect, not be eligible for credit of any inputs and input services. ;</p>	<p>Sub-rule 2 of Rule 6 has been substituted and the provision of maintenance of separate records of consumption & inventory of inputs / input services used in or in relation to manufacture of exempted goods & provision of exempted service is omitted.</p>

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			<p>(iv) for the provision of output services excluding exempted services; and</p> <p>(b) the receipt and use of input services-</p> <p>(i) in or in relation to the manufacture of exempted goods and their clearance upto the place of removal;</p> <p>(ii) in or in relation to the manufacture of dutiable final products, excluding exempted goods, and their clearance upto the place of removal;</p> <p>(iii) for the provision of exempted services; and</p> <p>(iv) for the provision of output services excluding exempted services,</p> <p>and shall take CENVAT credit only on inputs under sub-clauses (ii) and (iv) of clause (a) and input services under</p>		

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			sub-clauses (ii) and (iv) of clause (b).;9ii		
Rule 6 Sub-rule (3)	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	<p>(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 any one of the following options, as applicable to him, namely:-</p> <p>(i) pay an amount equal to six per cent. of value of the exempted goods and seven per cent. of value of the exempted services; or</p> <p>(ii) pay an amount as determined under sub-rule (3A); or</p> <p>(iii) maintain separate accounts for the receipt, consumption and inventory of inputs as provided for in clause (a) of sub-rule (2), take CENVAT credit only on inputs</p>	<p>(3) (a) A manufacturer who manufactures two classes of goods, namely :- (i) non-exempted goods removed; (ii) exempted goods removed; or (b) a provider of output service who provides two classes of services, namely:- (i) non-exempted services; (ii) exempted services, shall follow any one of the following options applicable to him, namely :- (i) pay an amount equal to six <i>per cent.</i> of value of the exempted goods and seven per cent. of value of the exempted services subject to a maximum of the total credit available in the account of the assessee at the end of the period to which the payment relates; or (ii) pay an amount as determined under sub-rule (3A): Provided that if any duty of excise is paid on the exempted goods, the same shall be reduced from the amount payable under clause (i) : Provided further that if any part of the value of a taxable service has been exempted on the condition that no CENVAT credit of inputs and input services, used for providing</p>	<p>Clause (iii) of sub-rule 3 of Rule 6 is omitted only 2 options for reversal of cenvat credit are specified.</p> <ol style="list-style-type: none"> 1. Reversal cenvat credit of 6% value of exempted goods & reversal of cenvat credit of 7% of value of exempted services. 2. Reverse cenvat credit as per sub-Rule 3A. <p>Non-exempted goods , exempted goods and exempted services are defined separately.</p>

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			<p>under subclauses (ii) and (iv) of said clause (a) and pay an amount as determined under sub-rule (3A) in respect of input services. The provisions of sub-clauses (i) and (ii) of clause (b) and subclauses (i) and (ii) of clause (c) of sub-rule (3A) shall not apply for such payment:</p> <p>Provided that if any duty of excise is paid on the exempted goods, the same shall be reduced from the amount payable under clause (i):</p> <p>Provided further that if any part of the value of a taxable service has been exempted on the condition that no CENVAT credit of inputs and input services, used for providing such taxable service, shall be taken then the amount specified in clause (i) shall be</p>	<p>such taxable service, shall be taken then the amount specified in clause (i) shall be seven <i>per cent.</i> of the value so exempted :</p> <p>Provided also that in case of transportation of goods or passengers by rail, the amount required to be paid under clause (i) shall be an amount equal to two <i>per cent.</i> of value of the exempted services.</p> <p><i>Explanation 1.</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.</p> <p><i>Explanation 2.</i> - No CENVAT credit shall be taken on the duty or tax paid on any goods and services that are not inputs or input services.</p> <p><i>Explanation 3.</i> - For the purposes of this sub-rule and sub-rule(3A),-</p> <p>(a) —non-exempted goods removed means the final products excluding exempted goods manufactured and cleared upto the place of removal;</p> <p>(b) —exempted goods removed means the exempted goods manufactured and cleared upto the place of removal;</p> <p>(c) —non-exempted services means the output services excluding exempted</p>	

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			<p>seven per cent. of the value so exempted.</p> <p>Provided that in case of transportation of goods or passengers by rail the amount required to be paid under clause (i) shall be an amount equal to 2 per cent. of value of the exempted services.</p> <p>(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).</p> <p>Explanation I.- If the</p>	<p>services.;</p>	

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			<p>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.</p> <p>Explanation II.- For removal of doubt, it is hereby clarified that the credit shall not be allowed on inputs used exclusively in or in relation to the manufacture of exempted goods or for provision of exempted services and on input services used exclusively in or in relation to the manufacture of exempted goods and their clearance upto the place of removal or for provision of exempted services.</p>		

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			Explanation III. - No CENVAT credit shall be taken on the duty or tax paid on any goods and services that are not inputs or input services.		
Rule 6 sub-rule 3A	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016			<p>Formula for calculation of proportionate reversal of cenvat credit as per sub-rule 3A has been revised as follows</p> <p>T= Total Cenvat credit of input and input services available.</p> <p>A= Cenvat credit pertains to input and input services exclusively attributable to exempted goods / exempted services.</p> <p>B= Cenvat credit pertains to input and input services exclusively attributable to non-exempted goods / non-exempted services.</p> <p>C=Common credit</p> <p>$C = T - (A + B)$</p> <p>$D = (E / F) * C$</p> <p>E=Value of exempted services+ value of exempted goods during the preceding financial year.</p> <p>F=sum of value of exempted services & goods and value of non-exempted services & goods</p>

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Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
					<p>G= common eligible credit G=C-D.</p> <p>Total credit to be retained = B+G</p> <p>The above calculation to be done monthly on provisional based on turnover of previous year and subsequently to be finalized on or before 30th June of subsequent year and pay differential amount along with interest</p>
Rule 6 sub-rule 3AA	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	-	Where a manufacturer or a provider of output service has failed to exercise the option under sub-rule (3) and follow the procedure provided under sub-rule (3A), the Central Excise Officer competent to adjudicate a case based on amount of CENVAT credit involved, may allow such manufacturer or provider of output service to follow the procedure and pay the amount referred to in clause (ii) of sub-rule (3), calculated for each of the months, <i>mutatis-mutandis</i> in terms of clause (c) of sub-rule (3A), with interest calculated at the	<p>Central Excise Officer competent to adjudicate may allow manufacturer or service provider to follow the procedure and pay the amount along with interest @ 15% till the date of payment.</p> <p>If option has not been chosen, then CE officer will adjudicate in accordance with sub-Rule 3A</p>

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Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
				rate of fifteen <i>per cent.</i> per annum from the due date for payment of amount for each of the month, till the date of payment thereof.	
Rule 6 sub-rule 3AB	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	-	Assessee who has opted to pay an amount under clause (ii) or clause (iii) of sub-rule (3) in the financial year 2015-16, shall pay the amount along with interest or take credit for the said financial year in terms of clauses (c), (d), (e), (f), (g), (h) or (i) of sub-rule (3A), as they prevail on the day of publication of this notification and for this purpose these provisions shall be deemed to be in existence till the 30 th June, 2016. ;	The person who has opted to pay amount under sub-rule (3) in the financial year 2015-16, shall pay duty along with interest or avail credit till 30 th June 2016 in terms of clauses (c), (d), (e), (f), (g), (h) or (i) of sub-rule (3A).
Rule 6 sub-rule 3B	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	(3B) Notwithstanding anything contained in sub-rules (1), (2) and (3), a banking company and a financial institution including a non-banking financial company, shall pay for every month an amount equal to fifty per cent. of the CENVAT credit availed on inputs and input services in that month.	A banking company and a financial institution including a non-banking financial company, engaged in providing services by way of extending deposits, loans or advances, in addition to options given in sub-rules (1), (2) and (3), shall have the option to pay for every month an amount equal to fifty per cent. of the CENVAT credit availed on inputs and input services in that month.;	A banking company and a financial institution including a non-banking financial company shall pay 50% of cenvat credit availed on inputs on input services in the month.
Rule 6 sub-rule 4	1 st April 2016	13/2016 CE (NT) dated 1 st Mar 2016	(4) No CENVAT credit shall be allowed on capital goods which are used exclusively in the manufacture of exempted goods or in providing	No CENVAT credit shall be allowed on capital goods used exclusively in the manufacture of exempted goods or in providing exempted services for a period of two years from the date of commencement	The said provision has been inserted mainly for goods exempted on quantity and value of clearances and cenvat credit availed after 2 years from date installation or when exemption w.r.t.

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Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
			exempted services, other than the final products which are exempt from the whole of the duty of excise leviable thereon under any notification where exemption is granted based upon the value or quantity of clearances made in a financial year.	of the commercial production or provision of services, as the case may be, other than the final products or output services which are exempt from the whole of the duty of excise leviable thereon under any notification where exemption is granted based upon the value or quantity of clearances made or services provided in a financial year: Provided that where capital goods are received after the date of commencement of commercial production or provision of services, as the case may be, the period of two years shall be computed from the date of installation of such capital goods.	quantity and value is exhausted

Pan Masala Packing Machines (Capacity Determination And Collection of Duty) Rules, 2008

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Form 2	1 st Mar 2016	9/2016 CE (NT) dated 1 st Mar 2016	Table contents at Serial No. 4 Item (iv)	Table contents at Serial No. 4 Item (iv)	Changes in duty ratio Pan Masala and Pan Masala containing Tobacco.

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Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Rules, 2010

Rule No.	Amendment Effective Date	Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
Rule 5	1 st Mar 2016	10/2016 CE (NT) dated 1 st Mar 2016	Table 1 & 2 of Rule 5	Amendment in Table 1 & 2 of Rule 5	<p>Formula has been changed for fixation of capacity under section 3A</p> <p>Changes in Categories specified for speed for Capacity of production per packing machine per month for Chewing tobacco including Filter Khaini (number of pouches) as well as for Jarda Scented Tobacco and Unmanufactured Tobacco and unmanufactured tobacco.</p> <p>Explanation added: for multiple tracks or multiple line packing machines for the purpose of calculation of number of pouches per machine per month, one track or line shall be deemed to be one individual packing machine.</p>

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Rule 6	1 st Mar 2016	10/2016 CE (NT) dated 1 st Mar 2016	-	Provided also that the Capacity of production for the period from 1 st day of March, 2016 shall be re-determined by the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, within three working days of the coming into force of the Chewing Tobacco and Unmanufactured Tobacco Packing Machines (Capacity Determination and Collection of Duty) Amendment Rules, 2016	DC / AC of Central excise as the case may be shall within 3 working days of issuance of this notification shall redefine annual capacity of production for the period from 1 st Mar 2016.
Rule 9	1 st Mar 2016	10/2016 CE (NT) dated 1 st Mar 2016	-	Provided also that monthly duty payable for the month of March, 2016 shall be paid on or before the 15 th day of March, 2016	Duty payable for the month of Mar 2016 to be paid on or before 15 th March 2016.
Form 2	1 st Mar 2016	10/2016 CE (NT) dated 1 st Mar 2016	Table contents at Serial No. 4 Item (iv)	Substitution of Table contents at Serial No. 4 Item (iv)	Changes in breakup of duty ratio w.r.t. Chewing Tobacco.

Abatement

Tariff Heading	Amendment Effective Date	Notification No.	Existing Notification No.	Existing Provision	Amendment in Existing / New Provision	Analysis
61 & 62	1 st Mar 2016	11/2016 (NT) dated 1 st Mar 2016	20/2001 CE(NT dated 30 th April 2001	Tariff value for articles of apparel and clothing accessories fixed @ 30% of retail sale price	Amendment in the tariff values of articles of apparel and clothing accessories	Tariff value has been increased from 30% to 60% of retail sale price of articles of apparel and clothing accessories. In other words abatement % has been reduced

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3401 & 3402	1 st Mar 2016	12/2016 (NT) dated 1 st Mar 2016	49/2008 CE(NT) dated 24 th Dec 2008	340119 or 34012000 i.e. Soap (other than paper, wadding, felt and non-wovens, impregnated, coated or covered with soap or detergent) 340111, 340119 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 34029020	All goods covered under Tariff heading 3401 and 3402 are covered for abatement percentage of retail sale price.	30% abatement in retail price will be applicable to Soaps, Organic surface active products and preparations for use as soap, Organic surface active agents, Surface active preparations, washing preparations and cleaning preparations etc. falling under tariff heading 3402 and 3402
64	1 st Mar 2016	12/2016 (NT) dated 1 st Mar 2016	49/2008 CE(NT) dated 24 th Dec 2008	Rate of abatement @ 25% on retail sale price of all Foot wares at Sr. No.56	Rate of abatement @ 30% on retail sale price of all Foot wares at Sr. No. 56	Increase in rate of abatement from 25% to 30% on retail sale price of all Foot wares.
7607	1 st Mar 2016	12/2016 (NT) dated 1 st Mar 2016	49/2008 CE(NT) dated 24 th Dec 2008	-	Abatement @25% has been provided on all goods falling under Tariff 7607 i.e. for Aluminium foil of thickness not exceeding 0.2mm	Abatement @25% has been provided on all goods falling under Tariff 7607
851762	1 st Mar 2016	12/2016 (NT) dated 1 st Mar 2016	49/2008 CE(NT) dated 24 th Dec 2008	-	Abatement @ 35% has been provided on smart watches	Abatement @ 35% has been provided on smart watches
Any Chapter	1 st Mar 2016	12/2016 (NT) dated 1 st Mar 2016	49/2008 CE(NT) dated 24 th Dec 2008	At Ar. No. 108 & 109 with description 'Parts, components and assemblies'	Accessories have been added in this description.	Accessories of vehicles will also be eligible for abatement @ 30%

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