

1. FEDERAL EXCISE ACT, 2005

SECTION	PRESENT POSITION AS ON 30 TH JUNE, 2011	PROPOSED AMENDMENT THROUGH FINANCE BILL, 2011
2(16)	<i>Manufacture -</i>	<i>It is proposed to include preparation of unmanufactured tobacco by drying, cutting and threshing of raw of tobacco in the definition of manufacturer.</i>
3A	Special Excise Duty -	<i>The Section has been proposed to omit.</i>
8	Default surcharge. —If a person does not pay the duty due or any part thereof within the prescribed time or receives a refund of duty or drawback or makes an adjustment which is not admissible to him, he shall, in addition to the duty due, pay default surcharge at the rate of “KIBOR plus three per cent” of the duty due, refund of duty or drawback.	<i>It is proposed that word “KIBOR plus three per cent” should read as “KIBOR plus three per cent per annum”.</i>

14(1)	<p>Recovery of unpaid duty or of erroneously refunded duty or arrears of duty, etc.—(1) Where any person has not levied or paid any duty or has short levied or short paid such duty or where any amount of duty has been refunded erroneously, such person shall be serviced with notice requiring him to show cause for payment of such duty provided that such notice shall be issued within three years from the relevant date.</p>	<p><i>The time limit to serve notice has been proposed to enhance from 3 to 5 years. Further order u/s. 14 to be issued within 120 days of issuance of show cause notice or within such extended period fixed by the Commissioner.</i></p>
26(1)	<p>Power to seize.— (1) The counterfeited cigarettes or cigarettes which have been manufactured unlawfully or on which duty has not been paid as required under this Act and rules made there under, shall be liable to seizure besides the conveyance which has been used for the movement, carriage or transportation of such cigarettes.</p>	<p><i>The item beverage has also been included for the purpose of this section.</i></p>
27	<p>Confiscation of cigarettes.— (1) The cigarettes seized for the reasons of counterfeiting shall be liable to outright confiscation and shall be destroyed in the manner prescribed in sub-section (10) of section 19.</p>	<p><i>The item beverage has also been included for the purpose of this section.</i></p>

38	ADRC The Board may, on the recommendation of the Committee, pass such order, as it may deem appropriate	<i>It is proposed that after word “appropriate” the word “within 45 days of the receipt thereof” to be inserted.</i>
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FIRST SCHEDULE

Various amendments have been made as under:

TABLE-1

4	Aerated waters @ 12%	Aerated waters @ 6%
6	Aerated waters if manufactured wholly from juices or pulp @ 10%	Aerated waters if manufactured wholly from juices or pulp @ 6%
7	Un-manufactured tobacco @ Rs. 5/kg	Un-manufactured tobacco @ Rs. 10/kg (immediate effect)
9	Locally produced cigarettes if their retail price exceeds nineteen rupees and fifty paise per ten cigarettes @ 64% of retail price.	Locally produced cigarettes if their retail price exceeds nineteen rupees and fifty paise per ten cigarettes @ 65% of retail price (immediate effect)
10	Locally produced cigarettes if their retail price exceeds Ten rupees per ten cigarettes but does not exceed nineteen rupees and fifty paise per ten cigarettes @ Rs. 4.75/ten cigarettes + 70% per incremental rupee or part thereof.	Locally produced cigarettes if their retail price exceeds Ten rupees per ten cigarettes but does not exceed nineteen rupees and fifty paise per ten cigarettes @ Rs. 6.04/ten cigarettes + 70% per incremental rupee or part thereof. (immediate effect).
11	Locally produced cigarettes if their retail price does not exceed Ten rupees per ten cigarettes @ Rs. 4.75/ten cigarettes	Locally produced cigarettes if their retail price does not exceed Ten rupees per ten cigarettes @ Rs. 6.04/ten cigarettes. (immediate effect).

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13	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers @ Rs. 700/MT.	Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cements, whether or not colored or in the form of clinkers @ Rs. 500/MT.
17, 18, 21 51 & 52	Solvent oil, other, other fuel oil, mineral greases, transformer oil, other mineral oils, waste oil, carbon black oil, methyl tertiary butyle ether, greases, organic composite solvents, viscose staple fibre, motor cars.	Stand omitted.
53	<i>Non existent</i>	White crystalline sugar @ 8% ad valorem (with immediate effect)

SECOND SCHEDULE

3	<i>Non existent</i>	<div>New serial no. inserted namely:</div> <table><tr><td>White crystalline sugar</td><td>170.9910 1710.9920</td></tr></table> <div>(with immediate effect)</div>	White crystalline sugar	170.9910 1710.9920
White crystalline sugar	170.9910 1710.9920			

LIST OF SROs (EXCISE)

The following SROs have been notified dated: June 4, 2011.

SRO NO.	BRIEF
484(I)/2011	The excise duty on services provided by cable TV operator has been withdrawn. Accordingly SRO 364(I)/2007, dated: 03.05.2007 has been rescinded.
489(I)/2011	Since Special Excise Duty has been abolished consequently, SRO 655(I)/2007, dated: 29.06.2007 stands rescinded.