

CUSTOMS

- Note:** (a) "Customs Duty" means the customs duty levied under the Customs Act, 1962.
(b) "CVD" means the Additional Duty of Customs levied under section 3 of the Customs Tariff Act, 1975.

Changes come into effect immediately unless otherwise specified.

Major proposals about customs duties are the following:

A. PETROLEUM

- 1) Customs duty on crude petroleum is being increased from Nil to 5%.
- 2) Customs duty on Motor Spirit (petrol) and HSD (diesel) is being increased from 2.5% to 7.5%.
- 3) Customs duty on some other specified petroleum products is being increased from 5% to 10%.

B. PRECIOUS METALS

- 1) Customs duty on serially numbered gold bars (other than tola bars) and gold coins is being increased from Rs.200 per 10 gram to Rs.300 per 10 gram.
- 2) Customs duty on other forms of gold is being increased from Rs.500 per 10 gram to Rs.750 per 10 gram.
- 3) Customs duty on silver is being increased from Rs.1000 per kg to Rs.1500 per kg.
- 4) Customs duty on platinum is being increased from Rs.200 per 10 gram to Rs.300 per 10 gram.

The above change in rates would also be applicable when gold, silver and platinum (including ornaments) are imported as personal baggage.

C. ADDITIONAL DUTY OF CUSTOMS OF 4 % (SPECIAL CVD)

Goods imported in pre-packaged form and intended for retail sale and certain specified goods namely, ready-made garments, mobile phones and watches are being provided an outright exemption from additional duty of customs of 4%. In addition, outright exemption from this duty is also being provided to Carbon Black Feedstock, waste paper and paper scrap.

The existing exemption by way of refund would continue on other items.

D. FOOD/AGRO PROCESSING

- 1) Project imports status is being granted to the initial setting up or substantial expansion of, a cold storage, cold room (including farm pre-coolers) for preservation or storage or an industrial unit for processing of agricultural, apiary, horticultural, dairy, poultry, aquatic & marine produce and meat. These projects would attract concessional rate of basic customs duty of 5%.
- 2) Project imports status is being granted to installation of Mechanized Handling Systems & Pallet Racking Systems, in mandis or warehouses for food grains and sugar, with concessional rate of basic customs duty of 5%. Such systems are also being exempted from additional duty of customs (CVD) and special additional duty of customs.
- 3) Truck Refrigeration units for the manufacture of refrigerated vans/trucks are being fully exempted from basic customs duty. Such units are already exempt from excise duty.
- 4) Basic customs duty is being reduced from 7.5% to 5% on specified agricultural machinery such as paddy transplanter, laser land leveler, cotton picker, reaper-cum-binder, straw or fodder balers, sugarcane harvesters, track used for manufacture of track-type combine harvester etc.

E. AGRICULTURE/HORTICULTURE

- 1) Basic customs duty on long pepper is being reduced from 70% to 30%.
- 2) Basic customs duty on 'asafoetida' (heeng) is being reduced from 30% to 20%.
- 3) Full exemption from basic customs duty is being provided to bio-polymer/bio-plastics (HS Code 39139090) used for manufacture of bio-degradable agro mulching films, nursery plantation & flower pots.

F. CAPITAL GOODS

- 1) Mono Rail Projects for urban transport are being granted project imports status under Heading No. 98 01 and would accordingly attract concessional rate of 5% basic customs duty.

- 2) Tunnel Boring machine for hydro-electric power projects is being fully exempted from basic customs duty with Nil CVD.
- 3) Concessional rate of customs duty of 5% presently available upto 06.07.2010 on specified machinery for tea, coffee and rubber plantation is being extended upto 31.03.2011. Excise duty exemption is also being re-introduced on these items upto 31.03.2011.
- 4) Specified road construction machinery items are presently fully exempt from customs duty subject to specified conditions. Sale or disposal of such machinery items at depreciated value is being allowed on payment of customs duties on depreciated value at the rates applicable at the time of import subject to specified conditions.

G. CONCESSIONS TO ENVIRONMENT-FRIENDLY ITEMS

- 1) Full exemption from basic customs duty and special additional duty of customs is being extended to specified parts namely, batteries including battery chargers, electric motors and AC or DC motor controllers imported for manufacturing all categories of electrical vehicles including cars, two wheelers and three wheelers (like Soleckshaw). These parts will attract CVD of 4%. The concession is subject to actual user condition. This concession will be available till 31.03.2013.
- 2) A concessional rate of basic customs duty of 5% is being provided to machinery items, instruments, appliances required for initial setting up of solar power generation projects or facilities. These items have been exempted from CVD also by way of excise duty exemption provided to them.
- 3) Ground source heat pump (for geo-thermal energy applications) is being fully exempted from basic customs duty and special additional duty of customs.

H. HEALTH SECTOR

- 1) At present, medical equipments attract varying rates of customs duty and are spread over many lists. This multiplicity of rates is being done away with and now all medical equipments (with some exceptions) will attract 5% basic customs duty, 4% CVD/excise duty and Nil special additional duty of customs [i.e. effective duty of 9.2%].
- 2) Parts required for the manufacture and accessories of medical equipment will also attract 5% concessional basic customs duty with Nil special CVD.
- 3) Concessional customs duty available to spares for the maintenance of medical equipment is being withdrawn except in specified cases.
- 4) Full exemption from basic customs duty and CVD/excise duty is being retained for specified medical devices (exempt by description) as well as for assistive devices, rehabilitation aids and other goods for disabled (List 41).
- 5) Cobalt-chrome alloys, special grade stainless steel etc. for the manufacture of orthopaedic implants are being exempted from basic customs duty subject to actual user condition.

I. ELECTRONICS HARDWARE

- 1) Battery chargers and hands-free headphones are the basic accessories of mobile phones. Full exemption from basic customs duty and CVD presently available for parts, components, accessories for manufacturing of mobile handsets including cellular phones and parts thereof is being extended to parts for the manufacture of battery chargers and hands-free headphones also.
- 2) Full exemption from 4% special additional duty of customs presently available upto 06.07.2010 on parts, components and accessories for manufacture of mobile handsets including cellular phones, parts thereof (except accessories) is being extended to parts of two specified accessories also upto 31.03.2011.
- 3) Basic customs duty is being reduced from 10% to 5% on magnetrons of upto 1,000 kw for the manufacture of microwave ovens.
- 4) Full exemption from customs duty is being extended to additional specified capital goods and raw materials for the manufacture of electronic hardware.

J. ENTERTAINMENT/MEDIA

- 1) Films for exhibition are imported on cinematographic films or digital media. Digital masters/Stampers of films are also imported for duplication and distribution of CD/DVDs. It is being provided that customs duty would now be charged only on the value of the carrier medium and the customs duty on the balance value will be exempt.
- 2) Similar tax treatment, as provided to films above, is being extended to music and gaming software (other than pre-packaged form) for retail sale imported on digital media for duplication. Pre-packaged Movies, Music and Games (meant for use with gaming consoles) will continue to be charged to import duties on value determined in terms of the provisions of the Customs Act.

- 3) Promotional material like trailers, making of films etc. imported free of cost in the form of electronic promotion kits (EPK)/ Betacams are being fully exempted from basic customs duty and CVD.
- 4) Project imports status is being accorded to 'Setting up of Digital Head End' with 5% concessional basic customs duty and Nil special additional duty of customs.

K. GOLD REFINING

Gold ore and concentrate are being fully exempted from basic customs duty and special additional duty of customs. They will, however, be chargeable to CVD @ Rs.140 per 10 gram of gold content. This duty structure is subject to actual user condition.

L. EXPORT PROMOTION

- 1) Basic customs duty on Rhodium is being reduced from 10% to 2%.
- 2) The current limit of Rs. 1 lakh per annum for duty free import of samples is being enhanced to Rs. 3 lakh per annum
- 3) At present specified components, raw materials and accessories for the manufacture of sports goods are exempt from basic customs duty. Some additional items are being added to the list of exemption.

M. ELECTRICAL ENERGY

At present, Electrical energy is fully exempt from customs duty. Electrical energy supplied from a Special Economic Zone to the Domestic Tariff Area and non - processing areas of SEZ would now attract duty of 16% ad valorem + Nil Special CVD. This change is being made retrospectively w.e.f. 26th June, 2009. Exemption on supplies or imports of electrical energy, other than the above, would continue.

N. AMENDMENTS IN CUSTOMS ACT, 1962

Section 127 dealing with Settlement Commission is being amended so as to restore certain provisions as they obtained prior to the enactment of the Finance Bill, 2007. Accordingly, the prohibition on filing of applications for the settlement of cases where an assessee admits short-levy in respect of goods not included in the entry made under the said Act. (i.e. cases of misdeclaration, suppression etc.) is being removed. Similarly, the restriction that an assessee may seek only one-time settlement is also being relaxed. The Commission is being empowered to extend the time limit of nine months for disposal of applications by another three months, for reasons to be recorded in writing.

O. AMENDMENTS IN CUSTOMS TARIFF ACT, 1975

- 1) Section 3 of the Customs Tariff Act is being amended to provide that the value of the imported goods for the purpose of charging CVD in respect of goods chargeable to excise duty on the basis of Maximum Retail Sale Price under Medicinal and Toilet Preparations (Excise Duties) Act, 1955 shall be the retail sale price declared on such imported goods less the amount of abatement, if any. This change will come into effect on enactment of the Finance Bill.
- 2) Consequent upon insertion of a new tariff item covering filter cigarettes of length not exceeding 60 mm and other changes in the schedule to the Central Excise Tariff Act, similar change is being carried out in heading 2402 with the new tariff item attracting customs duty of 30% ad valorem.
- 3) In Chapter 27, sub-heading 2712 20 and the tariff items 2712 20 10 and 2712 20 90 are being substituted by 2712 2000 covering 'Paraffin Wax containing by weight less than 0.75% of oil'. Further, tariff item 2712 90 40 covering 'Paraffin wax containing by weight 0.75% and more of oil' is being inserted.

CENTRAL EXCISE

Note: Changes come into effect immediately unless otherwise specified.

Major proposals about Central Excise duty are the following:

A. General CENVAT Rate for non-petroleum goods:

The standard rate of excise duty of 8% on non-petroleum products is being increased to 10% with a few exceptions where exemptions/concessions have been given.

B. CEMENT

Consequent to enhancement of the standard rate of duty from 8% to 10%, the specific rates of duty on cement and cement clinker is also being revised upwards as follows:

Mini cement plant:

Cement	Present rate	Proposed rate
1. Cleared in packaged form,-		
(i) of retail sale price not exceeding Rs. 190 per 50 kg bag or of per tonne equivalent retail sale price not exceeding Rs. 3800;	Rs.145 per tonne	Rs.185 per tonne
(ii) of retail sale price exceeding Rs. 190 per 50 kg bag or of per tonne equivalent retail sale price exceeding Rs. 3800;	Rs. 250 per tonne	Rs.315 per tonne
2. Cleared other than in packaged form	Rs. 170 per tonne	Rs.215 per tonne

Other than mini cement plant:

Cement	Present rate	Proposed rate
1. Cleared in packaged form,-		
(i) of retail sale price not exceeding Rs. 190 per 50 kg bag or of per tonne equivalent retail sale price not exceeding Rs. 3800;	Rs. 230 per tonne	Rs.290 per tonne
(ii) of retail sale price exceeding Rs. 190 per 50 kg bag of per tonne equivalent retail sale price exceeding Rs. 3800	8% of retail sale price	10% of retail sale price
2. Cleared other than in packaged form	8% or Rs. 230 per tonne, whichever is higher	10% or Rs.290 per tonne whichever is higher
Cement clinker	Rs.300 per tonne	Rs. 375 per tonne

C. AUTOMOBILE SECTOR

Ad-valorem component of excise duty on large cars, Multi Utility Vehicles and Sports Utility Vehicles etc. and chassis thereof is being increased from 20% to 22%. There is no change in the specific component, which will continue to be levied as applicable.

D. PETROLEUM PRODUCTS

The rates of excise duty on Motor Spirit (petrol) and HSD (diesel) are being increased by Re.1 per litre. The revised rates of duty on these items are as under:

Description	Without Brand Name	With Brand Name
Motor Spirit	*Rs.14.35 per litre	*Rs.15.50 per litre
HSD	**Rs.4.60 per litre	**Rs.5.75 per litre

Note: * Includes Rs.2 Additional Excise Duty and Rs.6 Special Additional Excise Duty.

** Includes Rs.2 Additional Excise Duty.

E. TOBACCO PRODUCTS

- 1) The existing slab of filter cigarettes of length not exceeding 70 mm is being broken up into two slabs: filter cigarettes of length not exceeding 60 mm; and filter cigarettes of length exceeding 60 mm but not exceeding 70 mm. Suitable rates are being prescribed for these slabs. The basic excise duty (BED) on other cigarettes is being revised. The revised rates of excise duty including basic excise, additional excise and NCCD on cigarettes are as under:

S.No.	Description	Present rate	Proposed rate Rs. per 1000
Non-filter length in mm			
1.	Not exceeding 60	819	669 (509 BED+70 AED+90 NCCD)
2.	Exceeding 60 but not exceeding 70	1323	1473 (1218 BED+110 AED +145 NCCD)
Filter length in mm			
3.	Not exceeding 60	819	669 (509 BED+70 AED +90 NCCD)
4.	Exceeding 60 but not exceeding 70	819	969 (809 BED+70 AED +90 NCCD)
5.	Exceeding 70 but not exceeding 75	1323	1473 (1218 BED+110 HC+145 NCCD)
6.	Exceeding 75 but not exceeding 85	1759	1959 (1624 BED+145 AED +190 NCCD)
7.	Others	2163	2363 (1948 BED+180 HC+235 NCCD)
8.	Cigarettes of tobacco substitutes	1208	1408 (1258 BED +150 NCCD)

Note: BED, AED and NCCD stands for Basic Excise Duty, Additional Excise Duty and National Calamity Contingent Duty respectively.

- 2) At present, cigars, cheroots and cigarillos of tobacco attract ad valorem rate of basic excise duty (BED) of 8% plus Additional Excise Duty (Health Cess) of 1.6%. These rates are now being replaced with a composite rate of "10% or Rs.1227 per thousand, whichever is higher" (BED) and "1.6% or Rs.246 per thousand whichever is higher" (AED). Cigars, cheroots and cigarillos of tobacco substitutes will now attract BED of "10% or Rs.1473/1000" whichever is higher.
- 3) Basic excise duty on branded unmanufactured tobacco and tobacco refuse is being increased from 42% to 50%.
- 4) Basic excise duty on branded 'hookah' or 'gudaku' tobacco is being increased from 8% to 10% while that on chewing tobacco, preparations containing chewing tobacco, jarda scented tobacco, snuff and its preparations, tobacco extracts and essences etc. has been increased from 50% to 60%.
- 5) Basic excise duty on branded homogenised or reconstituted tobacco is also being increased from 50% to 60%.
- 6) Basic excise duty on items of other smoking tobacco (branded) is being increased from 34% to 40% while the duty on such unbranded tobacco is being increased from 8% to 10%.
- 7) Basic excise duty on smoking mixtures of pipes and cigarettes is being increased from 300% to 360%.
- 8) Basic excise duty on cut tobacco is being increased from Rs.50 per kg. to Rs.60 per kg.
- 9) Excise Duty on Chewing Tobacco and branded unmanufactured Tobacco packed in pouches with the aid of packing machines will now be levied based on capacity of production under Section 3A of the Central Excise Act, 1944 (compounded levy). The levy will come into effect on 8th March, 2010.

F. CLEAN ENERGY CESS

Clean Energy Cess is being imposed on coal, lignite and peat produced in India. This cess would be levied and collected as a duty of excise with effect from a date to be notified after the enactment of the Finance Bill, 2010.

G. SECTOR SPECIFIC RELIEF MEASURES:**I. FOOD/AGRO PROCESSING AND AGRICULTURE SECTOR**

- 1) Full exemption from excise duty presently available to 20 specified equipments for preservation, storage or transport of agricultural produce is being extended to apiary, horticultural, dairy, poultry, aquatic & marine produce and meat as well as processing thereof.
- 2) Full exemption from excise duty is being extended to self-loading/self-unloading trailers & semi trailers for Agricultural Purposes (tariff item 8716 20 00).

II. ENVIRONMENT FRIENDLY AND ENERGY SAVING GOODS

- 1) A uniform concessional rate of duty of 4% is being prescribed for parts, namely batteries including battery chargers, electric motors and AC or DC motor controllers required for manufacture of all categories of electrical vehicles including cars, two wheelers and three wheelers (like 'Soleckshaw') subject to actual user condition. This concession will be available till 31.03.2013. Such vehicles will also be charged to excise duty @ 4%.
- 2) Excise duty is being reduced from 8% to 4% on LED lights/lighting fixtures.
- 3) Full exemption from excise duty is being provided to additional specified raw materials for the manufacture of rotor blades for wind operated electricity generators.

III. CAPITAL GOODS

Full exemption from central excise duty presently available to goods supplied against International Competitive Bidding is now being extended to goods supplied to mega power projects from which power supply has been tied up through tariff-based competitive bidding. The exemption would also be available where the mega power project has been awarded through tariff-based competitive bidding.

IV. MSME/ SMALL SCALE SECTOR

- 1) Changes are being made in the relevant provisions to provide certain facilities to Small Scale Industrial (SSI) units eligible for availing benefit under Notification No. 8/2003-CE as under:
 - a) full Cenvat credit on capital goods in one instalment in the year of receipt of such goods.
 - b) facility of payment of excise duty on quarterly basis.

The above changes come into effect from 1st April, 2010 and will be applicable even if an eligible unit opts not to avail of the SSI exemption.

- 2) While retaining the system of filing quarterly returns, the due date for filing of Central Excise returns by SSI units is being advanced to the 10th of the month following the quarter.
- 3) The relaxation from brand name restriction under the general SSI exemption scheme is being extended to plastic bottles and plastic containers used as packing material.

V. GOLD AND SILVER

- 1) Refined serially numbered gold bars made from the ore/concentrate stage will now attract excise duty of Rs.280 per 10 grams (instead of 8% ad valorem) with Cenvat credit facility on inputs and capital goods.
- 2) Excise duty on DTA clearances of plain gold and silver jewellery manufactured by a 100% EOU is being increased from:
 - (i) Rs.500 per 10 gram to Rs.750 per 10 gram for gold jewellery; and
 - (ii) Rs.1000 per kg to Rs.1500 per kg. for silver jewellery.

H. OTHER RELIEF MEASURES

- 1) Following items are being fully exempted from excise duty:
 - a) Articles of bedding wholly made of quilted textile materials;
 - b) Toy balloons made of natural rubber;
 - c) Betel nut product known as "Supari";
 - d) Dementholised oil, Deterpenated Mentha oil, Spearmint/ Mentha Piperita oils and all intermediates and by-products of Menthol.
- 2) Excise duty is being reduced from 8% to 4% on:
 - a) Replaceable kits for all household type water filters (except those operating on RO technology)
 - b) Corrugated boxes/ cartons manufactured by stand- alone manufacturers
 - c) Latex rubber thread.
- 3) Excise duty on goods covered under the Medicinal and Toilet Preparations Act is being reduced from 16% to 10% to bring it at par with standard Cenvat rate.

I. RATIONALIZATION MEASURES

- 1) At present, maize starch and tapioca starch are exempt from excise duty while potato starch attracts 8% duty. Excise duty on all these starches is now being unified at 4%.

- 2) In the last budget, concessional rate of 4% excise duty applicable to the ceramic tiles manufactured in kilns not using electricity was enhanced to 8% without Cenvat credit facility. Since, ceramic tiles in general also attracted 8% excise duty (standard rate) with Cenvat credit, this entry had become redundant. The rate of duty on all ceramic tiles, regardless of the fuel used for firing the kiln, is now being unified at 10% with Cenvat credit facility.
- 3) Umbrellas currently attract 4% excise duty while umbrella parts attract 8% excise duty and umbrella cloth panels are fully exempt. The rate of excise duty on umbrellas and all umbrella parts is being unified at 4%.
- 4) Currently, two different rates of excise duty (NIL and 4%) for rough ophthalmic blanks have been prescribed under two different notifications. Redundant entry prescribing 4% is being omitted.

J. WITHDRAWAL OF EXEMPTIONS/CONCESSIONS

- 1) Full exemption from excise duty on following items is being withdrawn. They will now attract excise duty of 4%.
 - a) Mosquito nets impregnated with insecticides;
 - b) Av gas;
 - c) Microprocessor for computers (other than motherboard), Floppy disk drive, Hard disk drive, flash drive, CD/DVD and Combo Drive meant for external use.
- 2) Full exemption from excise duty on baby & clinical diapers and sanitary napkins is being withdrawn. These items will now attract duty at 10%.
- 3) Concessional rate of excise duty on open tin sanitary (OTS) cans is being withdrawn. OTS cans will now attract duty at 10%.
- 4) Concessional rate of excise duty on goggles is being withdrawn except those used for correcting vision. These items will now attract duty at 10%.

K. AMENDMENTS IN CENTRAL EXCISE ACT, 1944

- 1) In section 11A (2B), an Explanation is being inserted to clarify that no penalty shall be imposed where duty along with interest has been paid before the issuance of a demand notice by the Department.
- 2) Section 32 dealing with Settlement Commission is being amended so as to restore certain provisions as they obtained prior to the enactment of the Finance Bill, 2007. Accordingly, the prohibition on filing of applications for the settlement of cases where an assessee admits short-levy for goods in respect of which he has not maintained proper records (i.e. cases of misdeclaration, clandestine removal etc.) is being removed. Similarly, the restriction that an assessee may seek only one-time settlement is also being relaxed. The Commission is being empowered to extend the time limit of nine months for disposal of applications by another three months, for reasons to be recorded in writing.
- 3) In Section 37, a new clause is being inserted to provide rule-making powers to the Central Government for withdrawal of facilities or imposition of restrictions including restrictions on utilization of Cenvat credit on a manufacturer or exporter or suspension of registration of a dealer for dealing with evasion of duty or misuse of Cenvat credit.

The above changes will come into effect on enactment of the Finance Bill.

L. AMENDMENTS IN THE FIRST SCHEDULE TO CENTRAL EXCISE TARIFF ACT, 1985

- 1) In heading 2402, a new tariff item covering filter cigarettes of length not exceeding 60 mm has been inserted. Consequential changes have been made to other tariff items in the said heading.
- 2) In Chapter 27, sub-heading 2712 20 and the tariff items 2712 20 10 and 2712 20 90 are being substituted by 2712 2000 covering 'Paraffin Wax containing by weight less than 0.75% of oil'. Further, tariff item 2712 90 40 covering 'Paraffin wax containing by weight 0.75% and more of oil' is being inserted.
- 3) In chapter 68, Note 3 is being inserted to provide that in relation to goods of headings 6802 and 6810 the process of cutting or sawing or sizing or polishing or any other process for converting stone blocks into slabs or tiles shall amount to "manufacture".
- 4) In Chapter 76, Note 2 is being inserted to declare the process of drawing or redrawing of aluminium tubes and pipes as amounting to "manufacture"

M. AMENDMENTS IN CENTRAL EXCISE RULES AND CENVAT CREDIT RULES

- 1) Rule 11 (5) of the Central Excise Rules, 2002 is being deleted so as to dispense with the requirement of pre-authentication of the invoice.
- 2) The Central Excise Rules, 1944, the Cenvat Credit Rules, 2000, the Cenvat Credit Rules 2001, the Cenvat Credit Rules 2002 and the Cenvat Credit Rules, 2004 are being amended retrospectively w.e.f. 01.09.1996 to 31.03.2008 (for periods as applicable to respective rules) to provide that where a manufacturer avails Modvat/Cenvat credit in respect of any inputs, other than fuel, to manufacture both dutiable and exempted goods, he can opt to reverse credit or pay an amount equivalent

to credit attributable to inputs used for manufacture of exempted goods. It is being further provided that such manufacturer shall pay interest @ 24% p.a. from the date of clearance till date of reversal of the said credit or payment of equivalent amount. Such option will, however, be available only in such cases where disputes in this regard are pending on the date of enactment. This change will come into effect on the enactment of Finance Bill, 2010.

- 3) Rule 3(5) of the Cenvat Credit Rules, 2004 is being amended to provide accelerated depreciation in the case of computers and computer peripherals cleared after use at the same rates as applicable for similar capital goods of EOU/EHTP/STP units under Notification No. 52/2003-Customs.
- 4) Rule 4(5) (b) of the Cenvat Credit Rules, 2004 is being amended to permit sending of jigs, fixtures, moulds and dies to a vendor for production of goods according to the specifications of the principal manufacturer without reversal of credit.
- 5) Rule 6 (6) (vii) of the Central Credit Rules, 2004 is being amended so as to allow Cenvat credit on inputs used in the manufacture of goods supplied to such mega power projects from which power has been tied up through tariff-based competitive bidding or the projects awarded through tariff-based competitive bidding. Similar facility available to goods supplied against International Competitive Bidding available at present is also being continued.
- 6) Rule 15 of the Cenvat Credit Rules, 2004 is being amended to harmonize the penal provisions for incorrect avilment of Cenvat credit of duty paid on inputs or capital goods or input services.

N. AMENDMENTS IN MEDICINAL AND TOILET PREPARATIONS (EXCISE DUTIES) ACT, 1955

Section 3 of the M&TP Act is being amended to exclude goods manufactured or produced by units in SEZ from excise duty leviable under that Act. This change will come into effect on enactment of the Finance Bill.

O. AMENDMENTS IN CENTRAL SALES TAX ACT, 1956

The provisions of CST Act are being amended so as to provide for:

- (i) reassessment by the assessing authority on the basis of new facts discovered or revision by a higher authority.
- (ii) filing of appeals to the highest authority of every State against the orders made by assessing authorities on issues involving stock transfer or inter state sale including incidental issues relating to rate of tax, computation of assessable turnover, penalty and procedure.
- (iii) filing of appeal against any order passed by the highest appellate authority of a State on disputes of interstate nature relating to stock transfer or consignments of goods to the CST Appellate Authority.

The above changes will come into effect on enactment of the Finance Bill.