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MOST IMMEDIATE

संख्या 810177
No. 02012/1/96-Salt

भारत सरकार
उद्योग मन्त्रालय
औद्योगिक नीति और संवर्धन विभाग
GOVERNMENT OF INDIA
MINISTRY OF INDUSTRY
(DEPT. OF INDUSTRIAL POLICY & PROMOTION)
(Salt Desk)
नई दिल्ली-११००११ 26-7-96
New Delhi-110011, the.....

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To,
The Salt Commissioner,
Jaipur.

Subject: Omission of salt from the provision of
Central Excise & Salt Act, 1944 -
Enactment of new salt act - reg.

Sir,

I am directed to enclose relevant extracts
of the Finance No.2 Bill 1996 regarding omission of
salt from the provisions of Central Excise Salt Act
1944 for information. It is requested that
ramification of the proposed amendment may please
be examined and further follow up action as deemed
fit may be initiated urgently.

Encl: as above.

Yours faithfully,
R. K. Gaba
(R. K. Gaba)
Desk Officer

भारत सरकार
कार्यालय उद्योग मन्त्रालय
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67. In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act), in the long title, the words "and to salt" shall be omitted.
68. In the preamble to the Central Excises Act, the words "and to salt" shall be omitted.
69. In section 1 of the Central Excises Act, for sub-section (1), the following sub-section shall be substituted, namely:-

Amendment of long title.
Amendment of preamble
Amendment of section 1.

"(1) This Act may be called the Central Excise Act, 1944."
70. In section 2 of the Central Excises Act, clauses (i) and (j) shall be omitted.

Amendment of section 2.
Amendment of section 3.

71. In section 3 of the Central Excises Act, in sub-section (1), for the words "other than salt which are produced or manufactured in India and a duty on salt manufactured in, or imported by land into, any part of India", the words "which are produced or manufactured in India" shall be substituted.
72. In section 4 of the Central Excises Act,-

Amendment of section 4.

(a) in sub-section (1), in clause (a), in the proviso, after clause (i), the following clause shall be inserted, namely:-
"(ia) where the price at which such goods are ordinarily sold by the assessee is different for different places of removal, each such price shall, subject to the existence of other circumstances specified in clause (a), be deemed to be the normal price of such goods in relation to each such place of removal;"

(b) in sub-section (4),-

(i) in clause (b),-

(A) in sub-clause (i), the word "or" occurring at the end shall be omitted;
(B) after sub-clause (ii), the following sub-clause shall be inserted, namely:-
"(iii) a depot, premises of a consignment agent or any other place or premises from where the excisable goods are to be sold after their clearance from the factory and;"

(ii) after clause (b), the following clause shall be inserted, namely:-
'(ba) "time of removal", in respect of goods removed from the place of removal referred to in sub-clause (iii) of clause (b), shall be deemed to be the time at which such goods are cleared from the factory.'

73. In section 11AA of the Central Excises Act, in the opening paragraph, for the words "Where a person", the words figures and letters "Subject to the provisions contained in section 11AB, where a person" shall be substituted.

Amendment of section 11AA.

74. After section 11AA of the Central Excises Act, the following sections shall be inserted, namely:-

Insertion of new sections 11AB and 11AC.

"11AB. (1) Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded by reason of fraud, collusion or any wilful mis-statement or suppression of facts, or contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of duty, the person liable to pay duty as determined under sub-section (2) of section 11A shall, in addition to the duty, be liable to pay interest at such rate not below ten per cent. and not exceeding thirty per cent. per annum, as is for the time being fixed by the Board, from the first day of the month succeeding the month in which the duty ought to have been paid under this Act or the rules made thereunder but for the provisions contained in sub-section (2) of section 11A, till the date of payment of such duty.

Interest on delayed payment of duty.

(2) For the removal of doubts, it is hereby declared that the provisions of sub-section (1) shall not apply to cases where the duty became payable before the date on which the Finance (No. 2) Bill, 1996 receives the assent of the President.

Explanation 1.-Where the duty determined to be payable is reduced by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, the interest shall be payable on such reduced amount of duty.

Explanation 2.-Where the duty determined to be payable is increased or further increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, the interest shall be payable on such increased or further increased amount of duty.

11AC. Where any duty of excise has not been levied or paid or has been short-levied or short-paid or erroneously refunded by reasons of fraud, collusion or any wilful mis-statement or suppression of facts,

Penalty for short-levy or non-levy etc., in certain cases.

or contravention of any of the provisions of this Act or of the rules made thereunder with intent to evade payment of duty, the person who is liable to pay duty as determined under sub-section (2) of section 11A, shall also be liable to pay a penalty equal to the duty so determined:

Provided that where the duty determined to be payable is reduced or increased by the Commissioner (Appeals), the Appellate Tribunal or, as the case may be, the court, then, for the purposes of this section, the duty as reduced or increased, as the case may be, shall be taken into account."

Amendment of section 11B. 75. In section 11B of the Central Excises Act, in the *Explanation*, in clause (B), after sub-clause (e), the following sub-clause shall be inserted, namely:—

"(ea) in the case of goods which are exempt from payment of duty by a special order issued under sub-section (2) of section 5A, the date of issue of such order;"

Amendment of section 12. 76. In section 12 of the Central Excises Act, for the words and figures "Sea Customs Act, 1878", the words and figures "Customs Act, 1962" shall be substituted.

Omission of Chapter V.

(77) Chapter V of the Central Excises Act shall be omitted.

Amendment of section 35D.

78. In section 35D of the Central Excises Act, in sub-section (3), for the words "one lakh rupees", the words "ten lakh rupees" shall be substituted.

Amendment of Act 32 of 1985.

79. In the Finance Act, 1985,—

(a) sections 44 and 49 shall be omitted;

(b) Fifth Schedule shall be omitted.

Amendment of Act 5 of 1986

80. The Central Excise Tariff Act, 1985 (hereinafter referred to as the Central Excise Tariff Act) shall be amended in the manner specified in the Third Schedule.

Amendment of Act 58 of 1957.

81. The Additional Duties of Excise (Goods of Special Importance) Act, 1957 (hereinafter referred to as the Additional Duties of Excise Act) shall be amended in the manner specified in the Fourth Schedule.

Amendment of Act 40 of 1978.

82. In the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978,—

(a) in section 3, in sub-section (1), for the words "twenty per cent.", the words "fifteen per cent." shall be substituted;

(b) the Schedule shall be amended in the manner specified in the Fifth Schedule.

CHAPTER V

SERVICE TAX

Amendment of Act 32 of 1994.

83. In the Finance Act, 1994, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint,—

(1) in section 65,—

(a) clause (1) shall be renumbered as clause (1B) and before the clause as so renumbered, the following clauses shall be inserted, namely:—

(1) "advertisement" includes any notice, circular, label, wrapper, document, hoarding or any other audio or visual representation made by means of light, sound, smoke or gas;

(1A) "advertising agency" means any commercial concern engaged in providing any service connected with the making, preparation, display or exhibition of advertisement and includes an advertising consultant;";

(b) after clause (4), the following clause shall be inserted, namely:—

(4A) "courier agency" means a commercial concern engaged in the door-to-door transportation of time-sensitive documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles.;"

(c) after clause (6), the following clause shall be inserted, namely:—

(6A) "pager" means an instrument, apparatus or appliance which is a non-speech, one way personal calling system with alert and has the capability of receiving, storing and displaying numeric or alpha-numeric messages.;"

(d) in clause (15), for the words "telephone connection", the words "telephone connection or pager" shall be substituted;

65, read with the Second Schedule, seeks to amend the Schedule to the Customs Tariff Act, so as to, -

include the basic customs duty in respect of articles falling under Chapters 4 (except sub-heading Nos. 0402.10 and 0402.21), 7 (heading Nos. 07.13 and 07.14), 8 (sub-heading Nos. 0801.31, 0804.10, 0806.20 and 0810.90), 9 (except heading Nos. 09.01 and 09.02), 12 (sub-heading No. 1211.90), 13 (sub-heading Nos. 1302.19 and 1302.20), 16, 17 (sub-heading Nos. 1702.11, 1702.19, 1703.10 and 1703.90), 18, 19 (sub-heading No. 1901.10), 21 (sub-heading No. 2106.90), 22 (except heading Nos. 22.01, 22.02, 22.03, 22.06 and 22.09 and sub-heading No. 2204.30), 23 (sub-heading No. 2301.20), 25 (except heading No. 25.19), 26 (sub-heading Nos. 2601.11, 2601.12, 2601.20, 2620.11, 2620.19 and 2620.30), 27 (except heading No. 27.16), 28, 29, 30, 31 (except sub-heading Nos. 3102.21, 3102.50, 3104.30, 3105.20, 3105.30, 3105.40, 3105.51, 3105.59, 3105.60 and 3106.90), 32, 33 (sub-heading No. 3302.10), 35, 36, 37, 38, 40 (sub-heading Nos. 4001.10, 4001.21, 4001.22 and 4001.29), 41, 43 (heading Nos. 43.01 and 43.02), 44, 45, 47, 48 (heading Nos. 48.01, 48.02, 48.03, 48.04, 48.05, 48.06, 48.07, 48.08, 48.09, 48.10 and 48.11), 49, 50 (heading No. 50.01), 51 (sub-heading No. 5105.30), 53 (heading Nos. 53.01, 53.02, 53.03, 53.04 and 53.05), 54 (heading Nos. 54.02 and 54.03), 55 (heading Nos. 55.01, 55.02, 55.03, 55.04, 55.06 and 55.07), 63 (sub-heading Nos. 6310.10 and 6310.90), 68 (heading No. 68.06), 69 (heading No. 69.02), 73, 74, 75 (except heading Nos. 75.01, 75.02 and 75.03), 76, 78, 79, 80 (except heading Nos. 80.01 and 80.02), 81 (except sub-heading Nos. 8101.10, 8101.91, 8102.10, 8102.91, 8103.10, 8105.10, 8106.00, 8107.10, 8108.10, 8109.10, 8110.00, 8111.00, 8112.11, 8112.20, 8112.30, 8112.40 and 8112.91), 84 (except heading Nos. 84.15, 84.50, 84.52, 84.69, 84.70, 84.72 and 84.85 and sub-heading Nos. 8414.30, 8414.40, 8414.80, 8414.90, 8418.10, 8418.21, 8418.22, 8418.29, 8418.91, 8418.99, 8422.11, 8422.19, 8422.90, 8423.10, 8447.20, 8448.11, 8448.19, 8448.51, 8448.59, 8451.10, 8451.90, 8473.10, 8473.21, 8473.29, 8473.40, 8473.50, 8479.50, 8479.60 and 8479.89), 85 (heading Nos. 85.02, 85.03, 85.04, 85.05, 85.14, 85.15, 85.17, 85.29, 85.30, 85.33, 85.34, 85.35, 85.40, 85.41, 85.42, 85.45, 85.46 and 85.47, and sub-heading Nos. 8501.20, 8501.31, 8501.32, 8501.33, 8501.34, 8501.40, 8501.51, 8501.52, 8501.53, 8501.61, 8501.62, 8501.63, 8501.64, 8508.90, 8516.90, 8518.90, 8522.10, 8525.10, 8525.20, 8527.90, 8537.20, 8543.11, 8543.19, 8543.20, 8543.30, 8543.90 and 8548.10), 86 (heading Nos. 86.07 and 86.08), 89 (heading No. 89.08), 90 (except heading Nos. 90.01, 90.02, 90.03, 90.04, 90.05, 90.06, 90.07, 90.08, 90.09, 90.10, 90.13 and sub-heading Nos. 9022.19, 9022.29, 9022.30 and 9022.90), 92, 95, 97 (heading Nos. 97.04 and 97.05) and 98 (heading No. 98.01);

(b) increase the basic customs duty in respect of articles falling under Chapters 11 (except heading Nos. 11.07 and 11.08) and 22 (sub-heading Nos. 2203.00, 2204.30 and 2206.00).

Clause 66 seeks to impose a special duty of customs on all imported goods at the rate of two per cent. of the value of imported goods.

Excise

Cluses 67 and 68 seek to amend the long title and the preamble to the Central Excises and Salt Act, so as to omit the reference to 'Salt'.

Clause 69 seeks to amend section 1 of the Central Excises and Salt Act, 1944, so as to change the short title as "the Central Excise Act, 1944".

Clause 70 seeks to amend section 2 of the Central Excises and Salt Act, so as to omit the definitions relating to Saltpetre and Salt factory.

Clause 71 seeks to amend section 3 of the Central Excises and Salt Act, so as to omit the reference to 'Salt'.

Clause 72 seeks to amend section 4 of the Central Excises and Salt Act, so as to—

- (a) clarify that where excisable goods are ordinarily sold at different prices for different places of removal, each such price shall constitute the normal price in relation to each such place of removal;
- (b) include a depot, premises of a consignment agent or any other place or premises, from where the excisable goods are sold after their clearance from the factory, as the "place of removal".
- (c) define the time of removal in respect of goods sold from a depot, consignment agent's premises, etc.

Clause 73 seeks to amend section 11AA of the Central Excises and Salt Act, so as to exclude its operation in respect of cases covered under section 11AB of the said Act.

Clause 74 seeks to insert a new section 11AB in the Central Excises and Salt Act, to prescribe that interest on delayed payment of duty in cases where fraud, collusion, wilful mis-statement or suppression of facts is involved shall be chargeable at rates prescribed from the first day of the month succeeding the month in which the duty was to be paid.

This clause also seeks to insert a new section 11AC in Central Excises and Salt Act so as to prescribe a mandatory penalty equal to the duty not levied, short levied, or erroneously refunded by reason of fraud, collusion or wilful mis-statement or suppression of facts by the assessee.

Clause 75 seeks to amend section 11B of Central Excises and Salt Act so as to prescribe the relevant date for computing the time limit for filing the refund application in cases where goods are exempt by a special order issued under sub-section (2) of section 5A of the said Act as the date of issue of such order.

Clause 76 seeks to amend section 12 of Central Excises and Salt Act so as to replace the reference to 'Sea Customs Act, 1878' with 'Customs Act, 1962'.

Clause 77 seeks to omit Chapter V of the Central Excises and Salt Act, 1944 which provides for special provision relating to salt.

Clause 78 seeks to amend section 35D of the Central Excises and Salt Act so as to enhance the power of a single member Bench of the Appellate Tribunal to hear appeals in cases where the duty, fine or penalty is involved from the existing limit of Rs. 1 lakh to Rs. 10 lakhs.

Clause 79 seeks to amend the Finance Act, 1985, so as to omit sections 44, 49 and the Fifth Schedule thereto relating to levy of additional duty of customs and additional duty of excise on TV sets in lieu of licence fee.

Clause 80 seeks to amend the Schedule to the Central Excise Tariff Act 86 as to—

- (a) reduce the excise duty in respect of articles falling under Chapters 15 (heading Nos. 15.01 and 15.04 and sub-heading No. 1508.90), 17 (sub-heading Nos. 1701.31 and 1701.39), 19 (sub-heading Nos. 1902.10 and 1903.10), 21 (sub-heading Nos. 2101.10, 2101.30, 2103.11, 2103.19, 2104.10 and 2106.00), 25 (sub-heading Nos. 2502.10, 2502.90, 2503.00 and 2504.90), 27 (heading Nos. 27.01, 27.02, 27.03, 27.04 and 27.09 and sub-heading No. 2711.21), 28 (sub-heading No. 2845.10), 34 (sub-heading Nos. 3401.20 and 3402.90), 37 (heading Nos. 37.01, 37.02, 37.03, 37.04 and 37.07), 39 (heading Nos. 39.05, 39.06, 39.07, 39.08, 39.09, 39.10, 39.11, 39.12, 39.13, 39.14 and 39.17 and sub-heading Nos. 3903.20, 3903.30, 3904.61, 3920.21, 3920.22, 3920.23, 3920.24, 3920.25, 3920.26, 3920.27, 3920.28 and 3920.29), 40 (sub-heading Nos.