



सीमा शुल्क केन्द्रीय उत्पाद शुल्क एवं सेवा कर के आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX
हैदराबाद | आयुक्तालय
HYDERABAD -I COMMISSIONERATE
एल.बी. स्टेडियम रोड, बशीरबाग, हैदराबाद 500 004
L.B.STADIUM ROAD:: BASHEERBAGH:: HYDERABAD 500 004

Trade Notice No.03/2011
General No. 03/2011

Dated: 01.03.2011

Sub: Union Budget 2011-12-Changes in Central Excise-Reg.

The Union Finance Bill, 2011 has been presented by the Hon'ble Finance Minister in the Lok Sabha on 28th of February 2011. The budgetary changes relating to Central Excise are communicated as under.

S.No	Changes made	Reference in Budget documents
1	a) Central Excise Act, 1944 b) Central Excise Rules 2002 c) Cenvat Credit Rules 2004 and d) Central Excise Tariff Act, 1985.	Sections 59 to 70 of Finance Bill, 2011, TRU letter D.O. F.No:334/2/2011-TRU dt: 28-02-2011, Notification Nos: 03/2011- CE(NT) and 04/2011-CE(NT) both dated: 01-03-2011
2	Changes in Rates of duty	Explanatory notes to Finance Bill, 2011. and also TRU letter DO F.No:334/2/2011- TRU dt: 28-02-2011
3	Certain commodities hitherto under exemption are brought into excise net @1% adv. without Cenvat credit facility	Notification No: 01/2011-CE dt: 01-03-2011.
4	Certain commodities hitherto under exemption brought into excise net @ 5% adv. with Cenvat credit facility	Notification No: 02/2011-CE dt: 01-03-2011.
5	Changes made in Notification No: 3/2006-CE dt: 01-03-2006	Notification No: 03/2011-CE dt: 01-03-2011
6	Changes made in Notification No: 4/2006-CE dt: 01-03-2006	Notification No: 04/2011-CE dt: 01-03-2011
7	Changes made in Notification No:5/2006-CE dt: 01-03-2006	Notification No: 5/2011-CE dt: 01-03-2011
8	Changes made in Notification No:6/2006-CE dt: 01-03-2006	Notification No: 6/2011-CE dt: 01-03-2011
9	Notification No: 49/2006-CE dt: 30-12-2006 rescinded	Notification No: 7/2011-CE dt: 01-03-2011
10	Changes made in Notification No:8/2003-CE dt: 01-03-2003	Notification No: 8/2011-CE dt: 01-03-2011
11	Changes made in Notification No:59/2008-CE dt: 07-12-2008	Notification No: 9/2011-CE dt: 01-03-2011
12	Changes made in Notification No:10/2006-CE	Notification No: 10/2011-CE

18	Supercession of Notification No: 32/2007-CE dt: 30-07-2007	Notification No: 16/2011-CE dt: 01-03-2011.
19	Supercession of Notification No: 76/86-CE dt:10-02-1986	Notification No: 17/2011-CE dt: 01-03-2011.
20	Exemption for perfumes commonly known as "Attar" falling Ch. 33 of CETA 1985(5 of 1986)	Notification No: 18/2011-CE dt: 01-03-2011.

These documents along with other related documents may be accessed on www.cbec.gov.in; www.finmin.nic.in and www.indiabudget.gov.in.

A Major changes in Central Excise rates of duty as per the Finance Bill, 2011 are as following and the same come into effect from the mid night of 28th February 2011/1st March 2011.

1. The Concessional Central Excise duty rate of 4% is increased to 5%.
2. About 130 commodities hitherto under exemption are brought into excise net @1% advalorem with the condition that ~~no~~ credit of duty paid on input or input services is taken.
3. Rates of duty on Cement manufactured by cement plants and cleared in packaged form are converted to mixed rates i.e., advalorem + specific rates along with some adjustments. Similarly rate of duty on cement clinkers has also been modified.
4. Ready made garments and made up articles of Textiles bearing or sold under a brand name will attract @ 10% rate of duty.
5. The rate of duty on paper and paper board products has been increased from 4% advalorem to 5% advalorem. The Central Excise duty exemption available to clearances of paper manufactured from non-conventional material up to 3500 MT is withdrawn.

B The Cenvat Credit Rules 2004 are amended vide the CENVAT Credit (Amendment) Rules, 2011. The changes come into force on the 1st day of April, 2011. Major changes relate to:

- a) the definition of "input" contained in rule 2(k)
- b) the definition of "input service" in rule 2 (l)
- c) amendment to Rule 6
- d) a manufacturer or service provider to pay an amount equivalent to Cenvat Credit taken in respect of inputs or capital goods where the value of such inputs or capital goods is written off partially before put to use as per Rule 5B.

C Sections 4A, 11A, 11AA, 12A of Central Excise Act, 1944 have been amended and sections 11E, 12F and 35F of the said Act have been inserted through the Finance Bill,2011. The amended provisions shall come into force on the date of enactment of the Finance Bill, 2011.

This Trade Notice gives only broad headlines of important changes. The wordings used in relevant statutory provisions or notifications alone have legal legitimacy.

The contents of this Trade Notice may be brought to the notice of all concerned.

(Signature)
01.03.11
(एस. एन. साहा)
(S. N. SAHA)

केन्द्रित न्याय
A-2/11