



GOVERNMENT OF INDIA
MINISTRY OF FINANCE : DEPARTMENT OF REVENUE
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
No.1, WILLIAMS ROAD, TRICHIRAPALLI – 620 001.

GENERAL CIRCULAR NO.: 03/2008 - CE.

Dated: 04.11.2008.

Sub:- C.Ex. – Communication of Board's F.No.27/16/2008-CX.1 dated 25.08.2008 regarding Levy of Education Cess and Higher Education Cess on unit manufacturing Stainless Steel Patta Patti or Aluminium Circles and working under the Compounded Levy Scheme & Board's Circular No. 876/14/2008 dated 20.10.2008 regarding Allowance of maximum permissible error on net quantity by weight declared in packages of cement - Reg.

Copy of Board's F.No.27/16/2008-CX.1 dated 25.08.2008 regarding levy of Education Cess and Higher Education Cess on units manufacturing Stainless Steel Patta Patti or Aluminium Circles and working under the Compounded Levy Scheme & Board's Circular No. 876/14/2008 dated 20.10.2008 regarding Allowance of maximum permissible error on net quantity by weight declared in packages of cement is communicated herewith for information, guidance and necessary action.

(Issued from file C.No.C.No.IV/16/04/2008-C.Ex. Pol.)

- Sd/-
(VASA SESHAGIRI RAO)
ADDITIONAL COMMISSIONER

To
As per mailing list.

Copy of Board's F.No.27/16/2008-CX.1 dated 25.08.2008.

Subject: Levy of Education Cess and Higher Education Cess on unit manufacturing Stainless Steel Patta Patti or Aluminium Circles and working under the Compounded Levy Scheme, -reg

Sir,

Chief Commissioner of Central Excise, Jaipur has pointed out that certain units manufacturing stainless steel patta patti and aluminium circles and working under the compounded levy scheme have objected to the levy of education and higher education cess under the said scheme, citing the Board instructions issued vide F.No 81/17/2007-CX.3 dated 19th December, 2007.

2.0 I have been directed to clarify that Board Instructions dated 19th December, 2007 were issued for compounded levy scheme for Pan Masala or Pan Masala containing tobacco. While determining the total amount of compounded levy in this case quantum of education and higher education cess was taken into account. Accordingly it has been clarified that no education or higher education cess will be leviable over and above the amount paid under the compounding scheme.

3.0 Compounded levy scheme for stainless steel patta patti and aluminium circle under rule 15 of the Central Excise Rules, 2001 was notified vide notification No 34/2001-CE, dated 28th June 2001. Education Cess has been levied vide Finance Act, 2004 and Higher Education Cess vide Finance Act, 2007. Since these levies were not there at the time of introduction of compounded levy scheme for stainless steel patta patti and aluminium circles the same was not a part of the amount of payable under this scheme. TRU has clarified that increase in amount payable under the compounded levy scheme subsequently is on account of increase in prices of stainless steel and aluminium and not because of inclusion of any other levy within the scheme.

4.0 It is therefore clarified that the rate of duty under the optional compounded levy scheme for stainless steel patta patti and aluminium circles vide notification No 17/2007-CE, dated 1st March 2007 covers only basic excise duty and does not include the education cess and higher education cess, which are payable over and above the rate of basic excise duty notified by the said notification.

Yours faithfully

Ashima Bansal
25/11/08
Ashima Bansal

Under Secretary (CX.1)

Subject:- Allowance of maximum permissible error on net quantity by weight declared in packages of cement – Reg.

Representations were received from the trade and industry for permitting allowance of maximum permissible error on net quantity by weight declared in packages of cement. These representations were received consequent to issuance of show cause notices by the field formations to cement manufacturers, based on the sample weighment that is done as per BIS requirements.

2. The matter has been examined. As per Standard of Weights and Measures (Packaged Commodity) Rules, 1977, cement is required to be packed in bags containing 50 Kgs. Generally, bagging in cement factories is done by automatic filling machines, adjusted to pack 50 Kg. in a bag. However, some times, the actual quantity filled in a bag may be little more or less than 50 Kg. due to the inherent nature of product and the quality of machines. Due to these reasons, the Standard of Weights and Measures (Packaged Commodity) Rules, 1977 provides for 1% variation (excess or short) for cement bags of 50 Kgs. Therefore, it has been decided that same practice of variation (1%) should be allowed for cement filled in bags for the purpose of levy of central excise duty. Pending disputes, if any, may also be decided accordingly.

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