

[TO BE PUBLISHED IN PART II, SECTION 3, SUB-SECTION (i) OF THE GAZETTE OF INDIA, EXTRAORDINARY]

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)

**Notification**  
**No. 1/2016 – Infrastructure Cess**

New Delhi, the 1<sup>st</sup> March, 2016

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) read with sub-clause (3) of clause 159 of the Finance Bill, 2016, which clause has, by virtue of the declaration made in the said Finance Bill under the Provisional Collection of Taxes Act, 1931 (16 of 1931), the force of law, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts excisable goods of the description specified in column (3) of the table below and falling under heading of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) specified in the corresponding entry in column (2) of the said table from so much of the Infrastructure Cess leviable thereon under sub-clause (1) of clause 159 of the said Finance Bill, as is in excess of the amount calculated at the rate specified in the corresponding entry in column (4) of the said table and subject to the relevant conditions annexed to this notification, if any, specified in the corresponding entry in column (5) of the table aforesaid:

**Table**

<b>Sl. No.</b>	<b>Heading</b>	<b>Description of excisable goods</b>	<b>Rate</b>	<b>Condition No.</b>
(1)	(2)	(3)	(4)	(5)
1	8703	Motor vehicles cleared as ambulances duly fitted with all the fitments, furniture and accessories necessary for an ambulance from the factory manufacturing such motor vehicles	Nil	-
2	8703	Motor vehicles (other than three wheeled motor vehicles for transport of upto seven persons), which after clearance has been registered for use solely as ambulance	Nil	1
3	8703	Motor vehicles (other than three wheeled motor vehicles), which after clearance has been registered for use solely as taxi	Nil	1
4	8703	Electrically operated vehicles, including three wheeled electric motor vehicles  <i>Explanation.-</i> For the purpose of this entry, “electrically operated vehicles”	Nil	-

		mean vehicles which are run solely on electrical energy derived from an external source or from one or more electrical batteries fitted to such road vehicles and shall include electric motor-assisted cycle rickshaws driven by rechargeable solar batteries, also known as “soleckshaw”		
5	8703	Hybrid motor vehicles  <b>Explanation.-</b> For the purpose of this entry, “hybrid motor vehicle” means a motor vehicle, which uses a combination of battery powered electric motor and an internal combustion engine to power the vehicle to drive trains, but does not include such micro-hybrid motor vehicle with start and stop technology, using battery powered electric motor only while in static condition	Nil	-
6	8703	Three wheeled vehicles	Nil	-
7	8703	Cars for physically handicapped persons	Nil	2
8	8703	Hydrogen vehicles based on fuel cell technology  <b>Explanation.-</b> For the purpose of this entry, “Hydrogen vehicle” means a motor vehicle that converts the chemical energy of hydrogen to mechanical energy by reacting hydrogen with oxygen in a fuel cell to run electric motor to power the vehicle drive trains	Nil	-
9	8703	Motor vehicles of length not exceeding 4000 mm, namely petrol, liquefied petroleum gases (LPG) or compressed natural gas (CNG) driven vehicles of engine capacity not exceeding 1200 cc  <b>Explanation.-</b> For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under	1%	-
10	8703	Motor vehicles of length not exceeding 4000 mm, namely diesel driven vehicles of engine capacity not	2.5%	-

	exceeding 1500 cc		
	<p><b>Explanation.-</b> For the purpose of this entry, the specification of the motor vehicle shall be determined as per the Motor Vehicles Act, 1988 (59 of 1988) and the rules made there under</p>		

## ANNEXURE

Condition No.	Conditions
1.	<p>(a) The manufacturer pays the Infrastructure Cess at the rate specified under the Eleventh Schedule of the Finance Bill, 2016 read with exemption contained in any notification of the Government of India in the Ministry of Finance (Department of Revenue), at the time of clearance of the vehicle;</p> <p>(b) the manufacturer takes credit of the amount equal to the amount of Infrastructure Cess paid in excess of that specified under this exemption, in the Account Current, maintained in terms of Part V of the Excise Manual of Supplementary Instructions issued by the Central Board of Excise and Customs and thereafter files a claim for refund of the said amount of Infrastructure Cess before the expiry of six months from the date of payment of duty on the said motor vehicle, with the Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, having jurisdiction, along with the following documents, namely:-</p> <ol style="list-style-type: none"> <li>(1) an intimation that the amount of refund of Infrastructure Cess claimed has been credited by the manufacturer in his Account Current, also stating the amount of credit so taken;</li> <li>(2) a certificate from an officer authorised by the concerned State Transport Authority, to the effect that the said motor vehicle has been registered for sole use as ambulance or taxi, as the case may be, within three months or such extended period not exceeding a further period of three months as the said Deputy Commissioner of Central Excise or Assistant Commissioner of Central Excise, as the case may be, may allow, from the date of clearance of the said motor vehicle from the factory of the manufacturer;</li> <li>(3) a copy of the document evidencing the payment of Infrastructure Cess, as payable in paragraph (a) above;</li> <li>(4) where the manufacturer has collected an amount, as representing the Infrastructure Cess, in excess of the Infrastructure Cess payable under this exemption from the buyer, an evidence to the effect that the said amount has been duly returned to the buyer; and</li> <li>(5) where the manufacturer has not collected an amount, as representing the Infrastructure Cess, in excess of the Infrastructure Cess payable under this exemption from the buyer, a declaration by the manufacturer to that effect;</li> </ol> <p>(c) the Deputy Commissioner of Central Excise or the Assistant Commissioner of Central Excise, as the case may be, within seven days of the receipt of</p>

	<p>the said claim for refund, after such verification as may be necessary, shall determine the amount refundable to the manufacturer and shall intimate the same to the manufacturer. In case the credit taken by the manufacturer is in excess of the amount so determined, the manufacturer shall, within five days from the receipt of the said intimation, reverse the said excess credit from the said Account Current maintained by him. In case the credit availed is lesser than the amount of refund determined, the manufacturer shall be eligible to take credit of the balance amount; and</p> <p>(d) the recovery of the credit availed irregularly or availed in excess of the amount of credit so determined, and not reversed by the manufacturer within the period specified under paragraph (c), shall be recovered as if it is a recovery of duty of excise erroneously refunded. In case, such irregular or excess credit is utilised for payment of duty of excise on clearance of excisable goods, the said goods shall be considered to have been cleared without payment of duty to the extent of utilisation of such irregular or excess credit.</p>
2	<p>If,-</p> <p>(i) an officer not below the rank of Deputy Secretary to the Government of India in the Department of Heavy Industries certifies that the said goods are capable of being used by the physically handicapped persons; and</p> <p>(ii) the buyer of the car gives an affidavit that he shall not dispose of the car for a period of five years after its purchase.</p>

[F.No. 334/8/2016-TRU]

(Mohit Tewari)  
Under Secretary to the Government of India