

**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 42/2007-Central Excise (N.T.)

Dated 27th December, 2007

G.S.R.(E).- In exercise of the powers conferred by clause (id) of Sub-Section (2) of Section 37 read with Sub-Section (2) of Section 9A of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules to amend Central Excise (Compounding of Offences) Rules, 2005, namely:-

1. (1) These rules may be called the Central Excise (Compounding of Offences) Amendment Rules, 2007.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Central Excise (Compounding of Offences) Rules, 2005 (hereinafter referred to as the said rules),-
 - (a) In rule 4, in sub-rule (3), after the proviso, the following shall be inserted, namely :-
“Provided further that application shall not be allowed unless the duty, penalty and interest liable to be paid have been paid for the case for which application has been made.”;
 - (b) for rule 5, the following rule shall be substituted, namely :-
“5. Fixation of the compounding amount.- For the purpose of compounding of offences under the provisions of the Act, the compounding amount shall be as provided in the following Table, namely :-

Table

<i>Sl. No.</i>	<i>Offence</i>	<i>Compounding amount</i>
<i>(1)</i>	<i>(2)</i>	<i>(3)</i>
1.	Offence specified under Section 9(1)(a) of the Act	Rupees fifty thousand for the first offence and to be increased by hundred per cent of this amount for each subsequent offence.
2.	Offence specified under Section 9(1)(b) of the Act	Up to fifty per cent of the amount of duty evasion, subject to minimum of ten percent of duty evasion.
3.	Offence specified under Section 9(1)(bb) of the Act	Upto fifty per cent of the amount of duty evasion, subject to minimum of ten percent of duty evasion.
4.	Offence specified under Section 9(1)(bbb) of the Act	Upto twenty five per cent of the amount of duty evasion, subject to minimum of ten percent of duty evasion.
5.	Offence specified under Section 9(1)(bbbb) of the Act	Upto fifty per cent of the amount of CENVAT Credit wrongly taken or utilized, subject to minimum of ten percent of said amount.
6.	Offence specified under Section 9(1)(c) of the Act	Rupees fifty thousand for the first offence and to be increased by hundred per cent of this amount for each subsequent offence.
7.	Offence specified under Section 9(1)(d) of the Act	Up to twenty five per of the amount of duty evasion, subject to minimum of ten percent of duty evasion.”

Provided that if a person has, in respect of same goods, committed offences falling under more than one category specified above and where amount of duty evasion or amount of CENVAT Credit wrongly taken or utilized is same for all such offences, the compounding amount, in such cases, shall be the amount determined for the offence for which a higher compounding amount has been prescribed.”;

- (c) In the Form appended to the said rules, after serial number 12, the following serial number shall be inserted, namely :-
“12A. Whether the amount of duty, penalty and interest have been paid and if yes, the details thereof.”

Sd/-

(RAHUL NANGARE)

Under Secretary to the Government of India

[F.No. 267/22/2005-CX.8]

Foot Note : The principal Notification No. 37/2005-Central Excise (N.T.), dated the 30th December 2005, was published in the Gazette of India, Part II, Section 3, Sub-Section (i), vide number G.S.R. 756(E), dated the 30th December, 2005.

Member-exporters can avail the Notification No. 37/2005-Central Excise (N.T.), Dated the 30th December, 2005 from the following links :

<http://www.cbec.gov.in/excise/cx-act/notfns-2k5/cent37-2k5.htm>