

Excise (Special Provisions) Duty Changes Effective from 2016/05/27

**SCHEDULE**  
**Part I**

| <i>H. S. Heading</i> | <i>H. S. Code</i> | <i>Description</i>  | <i>Excise Duty</i>  |
|----------------------|-------------------|---|---|
| <i>I</i>             | <i>II</i>         | <i>III</i>  | <i>IV</i>   |
| <b>87.03</b>         |                   | <b>Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.</b> |   |
|                      |                   | Other vehicles, with spark-ignition internal combustion reciprocating piston engine :   |   |
|                      | 8703.21           | Of cylinder capacity not exceeding 1,000 cc :   |   |
|                      |                   | <b>Auto-trishaws:</b>   |   |
|                      | 8703.21.51        | With two-stroke petrol engine   | 105% or<br>Rs. 1,600 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|                      | 8703.21.52        | Other, driven by liquefied petroleum (L.P.) gas not more than   | 105% or   |

|   |            |  |   |
|---|------------|--|---|
|   |            | two years old  | Rs. 1,600 per cubic centimeter (cm <sup>3</sup> ) of the engine         |
| ✓ | 8703.21.53 | Other, driven by liquefied petroleum (L.P.) gas more than two years old              | 105% or Rs. 1,600 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.21.54 | Other, not more than two years old   | 105% or Rs. 1,600 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.21.55 | Other, more than two years old   | 105% or Rs. 1,600 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars, not more than three years old : |   |
| ✓ | 8703.21.61 | Hybrid electric vehicles   | 70% or Rs. 1,250 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.21.69 | Other  | 150% or Rs. 1,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars, more than three years old :     |   |
| ✓ | 8703.21.71 | Hybrid electric vehicles   | 70% or Rs. 1,250 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.21.79 | Other:   | 150% or Rs. 1,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other:   |   |
| ✓ | 8703.21.91 | Hybrid electric vehicles, not more than three years old                              | 70% or Rs. 1,250 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.21.92 | Other, not more than three years old   | 150% or Rs. 1,500 per   |

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|   |            |  | cubic centimeter (cm <sup>3</sup> ) of the engine                       |
| ✓ | 8703.21.93 | More than three years old  | 150% or Rs. 1,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   | 8703.22    | Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc:                |   |
|   |            | Motor cars including station wagons and racing cars, not more than three years old : |   |
| ✓ | 8703.22.51 | Hybrid electric vehicles   | 90% or Rs. 2,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.22.59 | Other  | 160% or Rs. 2,750 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars, more than three years old :     |   |
| ✓ | 8703.22.61 | Hybrid electric vehicles   | 90% or Rs. 2,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.22.69 | Other:   | 160% or Rs. 2,750 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other, not more than three years old   |   |
| ✓ | 8703.22.71 | Hybrid electric vehicles   | 90% or Rs. 2,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.22.79 | Other  | 160% or Rs. 2,750 per cubic centimeter of the engine (cm <sup>3</sup> ) |
|   |            | Other, more than three years old   |   |
| ✓ | 8703.22.81 | Hybrid electric vehicles   | 90% or Rs. 2,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.22.89 | Other  | 160% or Rs. 2,750 per cubic centimeter                                  |

|   |            |   |  |
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|   |            |   | (cm <sup>3</sup> ) of the engine   |
|   | 8703.23    | Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc :  |  |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than three years old: |  |
| ✓ | 8703.23.51 | Hybrid electric vehicles of a cylinder capacity not exceeding 1,600 cc  | 90% or<br>Rs. 3,500 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.52 | Other, of a cylinder capacity not exceeding 1,600 cc  | 160% or<br>Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.53 | Other, Hybrid electric vehicles   | 90% or<br>Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.59 | Other   | 160% or<br>Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, more than three years old :    |  |
| ✓ | 8703.23.61 | Hybrid electric vehicles of a cylinder capacity not exceeding 1,600 cc  | 90% or<br>Rs. 3,500 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.62 | Other, of a cylinder capacity not exceeding 1,600 cc  | 160% or<br>Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.63 | Other, Hybrid electric vehicles   | 90% or<br>Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.69 | Other   | 160% or<br>Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, not more than three years old :    |  |
| ✓ | 8703.23.71 | Hybrid electric vehicles  | 150% or<br>Rs. 5,000 per   |

|   |            |  |   |
|---|------------|--|---|
|   |            |  | cubic centimeter (cm <sup>3</sup> ) of the engine                       |
| ✓ | 8703.23.79 | Other  | 220% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, more than three years old : |   |
| ✓ | 8703.23.81 | Hybrid electric vehicles   | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.89 | Other  | 220% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other :  |   |
| ✓ | 8703.23.91 | Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, not more than three years old                      | 90% or Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.92 | Other, of a cylinder capacity not exceeding 2,000 cc, not more than three years old  | 160% or Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.93 | Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, more than three years old                          | 90% or Rs. 4,000 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.23.94 | Other, of a cylinder capacity not exceeding 2,000 cc, more than three years old  | 160% or Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.95 | Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, not more than three years old                          | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.96 | Other, of a cylinder capacity exceeding 2,000 cc, not more than three years old  | 220% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |

|   |            |   |   |
|---|------------|---|---|
| ✓ | 8703.23.97 | Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, more than three years old | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.23.98 | Other, of a cylinder capacity exceeding 2,000 cc, more than three years old                   | 220% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   | 8703.24    | Of a cylinder capacity exceeding 3,000 cc :   |   |
|   |            | Motor cars including station wagons and racing cars not more than three years old :           |   |
| ✓ | 8703.24.51 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.24.59 | Other   | 250% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars, more than three years old :              |   |
| ✓ | 8703.24.61 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.24.69 | Other   | 250% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other, not more than three years old  |   |
| ✓ | 8703.24.71 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.24.79 | Other   | 250% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other, more than three years old  |   |
| ✓ | 8703.24.81 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |

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| ✓ | 8703.24.89  | Other   | 250% or<br>Rs. 7,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |             | Other, vehicles with compression – ignition internal<br>combustion piston engine (diesel or semi diesel): |   |
|   | 8703.31     | Of a cylinder capacity not exceeding 1,500 cc :   |   |
| ✓ | 8703.31. 50 | Auto-trishaws not more than two years old   | 105% or<br>Rs. 1,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
| ✓ | 8703.31. 60 | Auto-trishaws more than two years old   | 105% or<br>Rs. 1,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |             | Motor cars including station wagons and racing cars, not<br>more than three years old :                   |   |
| ✓ | 8703.31.71  | Hybrid electric vehicles  | 90% or<br>Rs. 3,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.31.79  | Other   | 200% or<br>Rs. 3,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |             | Motor cars including station wagons and racing cars, more<br>than three years old :                       |   |
| ✓ | 8703.31.81  | Hybrid electric vehicles  | 90% or<br>Rs. 3,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.31.89  | Other   | 200% or<br>Rs. 3,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |             | Other:  |   |
| ✓ | 8703.31.91  | Hybrid electric vehicles, not more than three years old   | 90% or<br>Rs. 3,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.31.92  | Other, not more than three years old  | 200% or<br>Rs. 3,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |

|   |            |  |   |
|---|------------|--|---|
| ✓ | 8703.31.93 | Hybrid electric vehicles, more than three years old  | 90% or<br>Rs. 3,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.31.94 | Other, more than three years old   | 200% or<br>Rs. 3,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   | 8703.32    | Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc :   |   |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, not more than three years old : |   |
| ✓ | 8703.32.51 | Hybrid electric vehicles of a cylinder capacity not exceeding 1,600 cc   | 90% or<br>Rs. 4,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.32.52 | Other of a cylinder capacity not exceeding 1,600 cc  | 200% or<br>Rs. 4,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
| ✓ | 8703.32.53 | Other hybrid electric vehicles   | 90% or<br>Rs. 4,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.32.59 | Other  | 225% or<br>Rs. 5,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity not exceeding 2,000 cc, more than three years old :     |   |
| ✓ | 8703.32.61 | Hybrid electric vehicles   | 90% or<br>Rs. 4,500 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine  |
| ✓ | 8703.32.69 | Other :  | 225% or<br>Rs. 5,000 per<br>cubic centimeter<br>(cm <sup>3</sup> ) of the<br>engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, not more than three years old:      |   |



|   |            |   |   |
|---|------------|---|---|
| ✓ | 8703.32.71 | Vehicles for the transport of 7 or more persons (adults) including the driver, with non-monocoque body bolted on ladder type heavy duty chassis, with permanent four-wheel drive capability, and a total payload (of persons and cargo) of over 800 kg. | 250% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.72 | Hybrid electric vehicles  | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.79 | Other   | 250% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars of a cylinder capacity exceeding 2,000 cc, more than three years old :  |   |
| ✓ | 8703.32.81 | Hybrid electric vehicles  | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.89 | Other   | 250% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.91 | Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, not more than three years old   | 90% or Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.32.92 | Other, of a cylinder capacity not exceeding 2,000 cc, not more than three years old   | 225% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.94 | Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, not more than three years old   | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.95 | Other, of a cylinder capacity exceeding 2,000 cc, not more than three years old   | 250% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.96 | Hybrid electric vehicles of a cylinder capacity not exceeding 2,000 cc, more than three years old   | 90% or Rs. 4,500 per cubic centimeter (cm <sup>3</sup> ) of the engine  |
| ✓ | 8703.32.97 | Other, of a cylinder capacity not exceeding 2,000 cc, more  | 225% or   |

|   |            |   |   |
|---|------------|---|---|
|   |            | than three years old  | Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine         |
| ✓ | 8703.32.98 | Hybrid electric vehicles of a cylinder capacity exceeding 2,000 cc, more than three years old | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.32.99 | Other, of a cylinder capacity exceeding 2,000 cc, more than three years old                   | 250% or Rs. 6,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   | 8703.33    | Of a cylinder capacity exceeding 2,500 cc :   |   |
|   |            | Motor cars including station wagons and racing cars, not more than three years old :          |   |
| ✓ | 8703.33.51 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.33.59 | Other   | 290% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Motor cars including station wagons and racing cars, more than three years old :              |   |
| ✓ | 8703.33.61 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.33.69 | Other   | 290% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other, not more than three years old  |   |
| ✓ | 8703.33.72 | Hybrid electric vehicles  | 200% or Rs. 7,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
| ✓ | 8703.33.79 | Other   | 290% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other, more than three years old  |   |
| ✓ | 8703.33.81 | Hybrid electric vehicles  | 200% or Rs. 7,000 per   |

|   |            |  |   |
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|   |            |  | cubic centimeter (cm <sup>3</sup> ) of the engine                       |
| ✓ | 8703.33.89 | Other  | 290% or Rs. 7,500 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   | 8703.90    | Other :  |   |
|   |            | Electric auto-trishaws   |   |
| ✓ | 8703.90.11 | Not more than two years old  | 50% Rs. or 10,000/- per kilowatt of the motor power of the engine       |
| ✓ | 8703.90.12 | More than two years old  | 50% or 10,000/- per kilowatt of the motor power of the engine           |
|   |            | Other electric vehicles, not more than three years old   |   |
| ✓ | 8703.90.22 | Not fitted with internal combustion engines, but driven by electric motors powered by on board accumulators charged by external electric source (e.g. National grid)   | 50% or as per the rate specified in Part II                             |
| ✓ | 8703.90.23 | Driven by electric motors powered by on board accumulators charged by external electric source (e.g. National grid) and supported by an internal combustion engine used exclusively to generate electricity by driven a generator on board | 50% or as per the rate specified in Part II                             |
| ✓ | 8703.90.29 | Other  | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |
|   |            | Other electric vehicles, more than three years old   |   |
| ✓ | 8703.90.32 | Not fitted with internal combustion engines, but driven by electric motors powered by on board accumulators charged by external electric source (e.g. National grid)   | 50% or as per the rate specified in Part II                             |
| ✓ | 8703.90.33 | Driven by electric motors powered by on board accumulators charged by external electric source (e.g. National grid) and supported by an internal combustion engine used exclusively to generate electricity by driven a generator on board | 50% or as per the rate specified in Part II                             |
| ✓ | 8703.90.39 | Other  | 150% or Rs. 5,000 per cubic centimeter (cm <sup>3</sup> ) of the engine |

## Part II

| Description                             | Excise Duty Rate   |
|---|--|
| Less than 50 kW*                        | Rs. 15,000/- per kilowatt of the motor power of the engine |
| More than 50 kW* and less than 100 kW*  | Rs. 25,000/- per kilowatt of the motor power of the engine |
| More than 100 kW* and less than 200 kW* | Rs. 35,000/- per kilowatt of the motor power of the engine |
| More than 200 kW *                      | Rs. 45,000/- per kilowatt of the motor power of the engine |

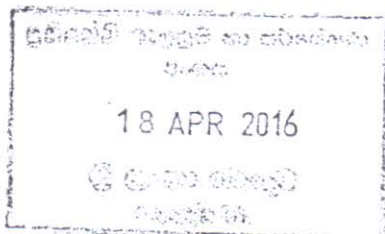
\*kW = kilowatt

## Implementation of Tax Changes – VAT, NBT and STL

You are hereby informed to implement amendments to the Value Added Tax (VAT), Nation Building Tax (NBT) and Share Transaction Levy (STL), as follows:

### 1. Value Added Tax (VAT)

- (i) Amendments to the VAT Act should be implemented with effect from 02.05.2016.
- (ii) VAT rate should be increased to 15%.
- (iii) Threshold for the registration for VAT should be Rs.3 million per quarter or Rs.12 million per annum.
- (iv) Wholesale and retail trade (other than by a manufacturer or importer) should be liable for VAT and the tax should be charged only on liable supplies. The restriction on exempt supplies (deemed VAT) should be removed. Threshold for the VAT liability of wholesale and retail trade should be reduced to Rs.3 million per quarter or Rs.12 million per annum.
- (v) Following supplies which are currently exempted should be liable for VAT.
  - a) Supply of Telecommunication services,
  - b) Import or supply of telecom equipment or machinery, high tech equipment including copper cables for telecom industry,
  - c) The issue of licenses to local telecom operators by TRC.
  - d) Supply of healthcare services
  - e) Supply of goods or services to any specified projects other than housing projects



## **2. Nation Building Tax (NBT)**

- (i) Amendments to the NBT Act should be implemented with effect from 02.05.2016.
- (ii) NBT rate currently applicable should be remained unchanged at 2%.
- (iii) Threshold for the registration for NBT should be Rs.3 million per quarter.
- (iv) The present threshold of Rs.25 million per quarter should be reduced to Rs.3 million per quarter, except for any locally procured agricultural produce in the preparation for sale.
- (vi) The present exemptions on the following articles or services should be removed.
  - a) Telecommunication service,
  - b) Supply of electricity,
  - c) Lubricants
  - d) Supply of goods or services to any specified projects other than housing projects

## **3. Share Transaction Levy**

Share Transaction Levy should be re-imposed with effect from 01.04.2016 at the rate of 0.3 percent from every buyer and seller, on the turnover of every share trading transaction, which is conducted through a Stock Exchange.