

**IMPLICATIONS OF UNION BUDGET 2015-16
AND
HAND BOOK ON EXCISE & SERVICE TAX
AS RELEVANT TO CORRUGATED BOARD BOX INDUSTRY
(UPDATED AFTER BUDGET ON 28.02.15)**

(For Private Circulation Only)



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Please note, this publication is for the private circulation amongst the members of Federation of Corrugated Box Manufacturers of India. All efforts have been taken to make the notes error free & are based on our interpretation of the statutes. FCBM Office Bearers or Taxation Committee would not be responsible for any action taken on this note without prior consultation of legal experts.



FCBM PRESIDENT'S MESSAGE.
March 14, 2015

Dear Friends

I am thankful to Taxation Committee, Chairman and his team to give me a chance to meet you through this medium.

*It is my Pleasure to present to you the key features of **Union Budget for 2015-16 – ON LINE – in the E-Handbook On Excise & Service Tax As Relevant To The Corrugated Box Industry For F.Y. 2015-16;** as compiled by our highly learned and competent team of Taxation Committee. I congratulate Mr. Manohar Shetty, Chairman Taxation Committee and Vice Chairman Mr. Bharath Kedia for prompt and immediate reaction of Union Budget – Concerning our Industry - is presented ON LINE for the benefit of our members.*

Indian economy is about to take off on fast growth trajectory. The proposal of budget aims at making India fastest growing large economy in the world with real GDP growth expected to be 7.4% in the coming year. Monetary policy framework agreement with R B I have kept the inflation in downward control. Maintaining the fiscal discipline it will be possible to achieve fiscal deficit of 3% of GDP in the years to come. Realistic figures have shown by Hon'ble Finance Minister while presenting the budget without showing any exaggerated revenue projections.

Number of Academic Institutions will be opened up throughout the nation to educate the youth which is 54% below the age of 25 years to encourage skilled community and also to encourage skilled entrepreneurs government has come out with lucrative and encouraging proposals. Even MAKE IN INDIA policies are being carefully pursued to achieve greater self- sufficiency in the area of defence equipment.

The tax proposal concerning our members and our Industry has been dealt with elaborately by the taxation Committee and hence am not touching that issue. MAKE IN INDIA – agenda for all around development providing job creation, pushing hard growth and investment will automatically benefit our Industry too. Government aims at simplifying the tax procedures. Wealth tax abolished. Service tax increased. No change in I. T. Slabs.

Once again I appreciate the work done by taxation committee and hope it will benefit the members to great deal and will find it handy tool to deal with in case of need.

Regards and Good Wishes

*P.S.Shah
President FCBM*

March 14, 2015

Respected Senior Members/ Dear Friends,

*It is great privilege for the Taxation Sub Committee and a personal honour on being given the opportunity by President Sri P S Shah & the esteemed **Managing Committee Members** to present before you this E - compilation on Union Budget Implications 2015-16; Routine Procedures Under Excise & Service Tax, as relevant to the industry.*



The first attempt of such a compilation was in a booklet book let form released on 15th March, 2011; the second booklet was circulated on 21st March 2012. The yearly exercise has been found to be useful by the members, encouraging the Taxation Committee to go a step further & come out; for the first time, with an electronic version for easy accessibility and use.

The Hand Book attempts not only to apprise the readers with changes in the Union Budget 15-16'; it also attempts to provide summarised guidelines to prescribed procedures, suggestive declarations, return formats required to be filed by an assessee, for their ready reference. The software provides the ease of printing any particular section; downloading prescribed declarations formats, keying in the required particulars & printing on one's organisation letter head for submission to the department. Relevant notifications etc. can also be downloaded & attached in the mail for inter office – factory communications.

The Taxation Sub Committee receives several queries by members, further to the clarifications sought by the Excise Range/Audit team from their units. We find that queries from different regions are on similar lines; to which the unit can themselves give a proper reply, provided they have the related Notifications/ Clarifications handy with them. We have included such clarifications by the department on a host of issues such as exemption from filing of ER-4, ER-5 & ER-6 returns; eligibility of quarterly duty payments by SSI Units, eligibility of concessional rate of duty on C.B. Boxes amongst other issues. The Cenvat Credit Rules have also been summarised for your judicious use & ready reference.

The compiler of this publication is grateful to his predecessors especially Sri Bharath Kedia and all who were his supporting pillars.

*This committee acknowledges with gratitude time to time legal advice received from **all the legal luminaries like Lakshmi Kumaran**, M/s Lakshmi Kumaran & Sridharan, New Delhi; who have been always associated with FCBM , and all others who have contributed to this publication in one way or the other.*

We do hope that you will find this e book useful & give us your valuable feedback so that we can improve on the same.

*Yours truly,
Manohar Shetty
Chairman – Taxation Sub Committee, FCBM*

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UNION BUDGET

2015-16 - Implications



A. CENTRAL EXCISE TARIFF

4819 10 - Cartons, boxes and cases, of corrugated paper or paperboard:

4819 10 10 --- Boxes – 6 %

4819 10 90 --- Other – 6%

(Notification No. 12/2012 CE. - 17.03.12 – S.No. 171, Condition no. 13)

(Fitments sold & billed with boxes as a set are eligible to be cleared @ 6% otherwise 12%)

4819 10 10 --- Boxes – 12.5 %

(Standard rate where the above conditional exemption is not applicable)

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

4819 20 - Folding cartons, boxes and cases, of non corrugated paper and paperboard:

4819 20 20 --- Boxes – 12.5%

4819 20 90 --- Other – 12.5%

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

4819 50 - Other packing containers, including record sleeves:

4819 50 10 --- Made of corrugated paper or paperboard – 12.5%

4819 50 90 --- Other 12.5 %

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

4707 RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD

4707 90 00 - Other, including unsorted waste and scrap - 6 %

(Notification No. 12/2012 CE. - 17.03.12 – S.No. 160) (No Change)

4808 PAPER AND PAPERBOARD, CORRUGATED (WITH OR WITHOUT GLUED FLAT SURFACE SHEETS), CREPED, CRINKLED, EMBOSSED OR PERFORATED, IN ROLLS OR SHEETS, OTHER THAN PAPER OF THE KIND DESCRIBED IN HEADING 4803

4808 10 00 - Corrugated paper and paperboard, whether or not perforated - 6%

(Size should be greater than 36x15 cms.)

(As Per The First Schedule of CETA, 1985, Section X, Chapter 48)

Primary Education Cess – 2%, Secondary & Higher Secondary Education Cess – 1% EXEMPTED on Excise Duty w.e.f. 01.03.15

Note:

Please mention relevant Notification No. In invoice etc. where concessional rate of duty is being charged.



SSI EXEMPTION LIMIT

No Change for the industry. The SSI Exemption Limit vide Notification No. 8/2003 C.E continues upto clearances of Rs. 1.5 Crores in a financial year; eligibility criterion of preceding year remains at Rs. 4.0 Crores.

C.E.D. ON RAW MATERIALS TO THE INDUSTRY

PAPER & BOARD - Chapter 48 - **6%**
(Made from unconventional raw material)

GLUES – Cetsh. 3505 20 00 – **12.5%**

PRINTING INK – Cetsh. 3814 00 10 – **12.5%**

STITCHING WIRE – G.I. Wire of Iron Or Non Alloy Steel – Cetsh. 7217 90 12 – **12.5%**
– **Brass** Stitching Wire - Cetsh. 7408 21 90 – **12.5%**

CAPITAL GOODS – Machines, Generator, Boilers, Spare Parts, Motors Generator etc. - The Excise Duty on all goods falling under Chapter 84 & 85 of the Schedule to the Central Excise Tariff Act are 12.5 percent.

B. SERVICE TAX

Service Tax Rates of duty increased from **12% to 14%**, Primary Education Cess – 2%, Secondary & Higher Secondary Education Cess – 1% **exempted**. (W.E.F. date to be notified on enactment of Finance Bill; till then 12.36% applicable.) (Till such time service tax @ 12 %, Edu cess @ 2% and SHE @1% respectively are payable.)

An enabling provision is being made to empower the Central Government to impose a **Swachh Bharat Cess** on all or certain taxable services at a rate of 2% on the **value of such taxable services**.

*The cess is generally calculated on Tax. However the amendment proposed levies the cess on value of service, therefore if the same would be implemented **the total rate of service tax would be 16%**.*

At present, service tax is payable on 25% of the value of **transport for goods transport by road** by a goods transport agency. Service Tax shall be **now payable on 30%** of the value of such service subject to a condition of non-availment of Cenvat Credit on inputs, capital goods and input services. (w.e.f. 01.04.15)

Manpower supply and security services when provided by an individual, HUF, or partnership firm to a body corporate are being brought to **full reverse charge**. Presently, these are taxed under partial reverse charge mechanism. In case of the existing supply of manpower and security agency services now the recipient has to pay the full 100% tax, which was 75% earlier. (w.e.f. 01.04.15)

C. CUSTOMS

There is no change in peak rate for non-agricultural products. It continues to remain at 10%.

Customs Duty continues to remain at 10% on paper & board & Nil on Waste Paper as before.



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Notification exempting Education Cess and SHE on CVD rescinded: Notifications No. 13/2012-Customs and No. 14/2012-Customs both dated 17th March, 2012 exempt Education Cess and Secondary & Higher Education Cess leviable as CVD on imported goods got rescinded, since Education Cess and SHE leviable on excisable goods are being exempted in general, there will be no corresponding levy on CVD on imported goods. **Hence, cess on CVD continues to be exempted as before.**

No Change in Education Cess and SHE as duty of Customs on Imported Goods: There is no change in Education Cess leviable on imported goods under section 91 read with section 94 of the Finance Act, 2004 as a duty of customs and Secondary & Higher Education Cess leviable on imported goods under section 136 read with 139 of the Finance Act, 2007 as a duty of customs. **These Cesses shall continue to be levied on imported goods.**



CHANGES IN CENTRAL EXCISE RULES

Changes in registration procedure vide Notification 7/2015 C.E. (N.T.) – Dated 01.03.2015 is given as under (w.e.f. 01.03.15):

- Application for registration/cancellation shall be filed ONLY by online method
- PAN No is must for getting registration under Excise except government department
- Temporary Registrant should apply for PAN based registration within 3 month
- Email Id, Mobile Number, details of other government Registration details is compulsorily to be quoted on registration application. **Existing applicant should incorporate these details within 3 month.**
- Once duly completed application form is received online on ACES, registration would be granted within two working days and Registration Certificate will be issued online without any examination of the documents and verification of documents or premises before the grant of registration.
- Registration Certificate issued online is sufficient proof of registration. No need to have hard copy of registration. Signature of issuing authority is not required on online registration certificate.
- Verification of the documents and premises shall be carried out post facto. The applicant shall submit self-attested copy of the prescribed documents at the time of the verification of the premises.
- In case of Change in constitution of assessee amounting to change in PAN number, fresh registration is to be obtained. In other cases, intimation of such changes is to be given with 30 days

Direct dispatch of goods to job worker and dispatch of goods from one job worker to another – Manufactured or imported goods can be sent by supplier manufacturer or importer directly to place of job worker. The invoice issued by supplier manufacturer or importer should contain details of purchaser manufacturer (or purchasing service provider) and job worker. – second and fourth proviso to rule 11(2) of Central Excise Rules, inserted w.e.f. 1-3-2015.

If goods are directly sent to a job worker, on the direction of a manufacturer/service provider, the invoice shall state manufacturer/service provider as Buyer and job worker as the consignee and it should provide their details.

The purchasing manufacturer (or purchasing service provider) can avail Cenvat credit as soon as goods are received in the factory of job worker. – rule 4(1) of Cenvat Credit Rules amended w.e.f. 1-3-2015.

Goods purchased by registered dealer can be sent directly to manufacturer – A registered dealer who has purchased goods can instruct manufacturing manufacturer to send goods directly to the ultimate purchaser manufacturer (or purchasing service provider). Details of registered dealer as buyer and buyer manufacturer (or purchasing service provider) receiving the goods shall be shown as consignee third proviso to rule 11(2) of Central Excise Rules, inserted w.e.f. 1-3-2015.

If the goods imported by registered Importer and sent directly to buyer's premises, then invoice issued by the importer shall mention that goods are sent directly from the place or port of import to the buyer's premises.

Other provisions of Rule 11 shall also made to be applicable to registered Importer mutatis mutandis.



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The purchase manufacturer (or purchasing service provider can take Cenvat credit on basis of dealer's invoice – third *proviso* to rule 11(2) of Central Excise Rules, inserted w.e.f. 1-3-2015

[This is 'Transit Invoice and was earlier allowed by way of CBE&C circular No. 96/7/95-CX dated 13-2-1995].

Authentication of invoice by digital signature – Central Excise Invoice can be authenticated by digital signature. If printed copy is sent with transporter, it shall be self attested by manufacturer – rule 11(8) of Central Excise Rules inserted w.e.f. 1-3-2015.

Option to maintain records in electronic mode -Rule 10 of CER 2002, has been amended w.e.f. 1-3-2015 to provide for preserving records in electronic mode and every page of such record preserved shall be authenticated by mean of digital signature. The Central Government may specify the conditions and safeguards for preserving digitally signed records.

Rule 10 prescribe Rules for maintenance of Daily Stock Account (DSA).Now facility of maintenance of DSA is provided in electronic forms as well, with a condition that each page of DSA will be authenticated by Digital Signature.

Export means goods should go outside India – *Explanation* to rule 18 of Central Excise Rules has been amended w.e.f. 1-3-2015, to provide that 'export' means goods to be taken outside India or supplied as stores.

Rule 5(1A) of Cenvat Credit Rules as inserted w.e.f. 1-3-2015 also provides that 'export goods' means goods taken outside India.

[It means that if goods are supplied to EOU or SEZ, rebate of excise duty is not available].

Departmental clarification in case of 'place of removal' – CBE&C, vide circular No. 999/6/2015-CX dated 28-2-2015 has clarified as follows –

In case of goods cleared by manufacturer exporter, transfer of property takes place when goods are handed over to shipping line. In that case, port/ICD/CFS will be the place of removal.

In case of export through merchant exporter, normally, property in goods passes to merchant exporter at the factory gate. Hence, that will be normally place of removal. However, in isolated cases, the port/ICD/CFS can be place of removal depending on facts of the case.



Penal Provisions

Levy of Penalty On Late Filing of Returns & Other Specified Excise Statements - (Rule 12 (6) and 17 (5) inserted in Central Excise Rules, 2002, vide notification no. 8/2015 C.E. (N.T.) dated 01.03.2015)

Earlier non filing/late filing of excise returns was subjected to general penalty under rule 27 of C.E.R. 2002, which is punishable with a penalty, which may extend to Rs. 2,000/-

Sub rule 6 has been inserted in rule 12, which penalizes the assessee for failing to file the Excise Returns or Annual Financial Statement or Annual Installed Capacity Statement, as applicable, with due dates as specified, **with an amount calculated at the rate of one hundred rupees per day subject to a maximum of Rs. 20,000/-**

Section 11AC of CEA, 1944 is proposed to be changed with new provision to impose penalty to tackle two situations as below:

1. Evasion of duty or non payment of duty but without suppression -

- a) a penalty not exceeding 10% of the duty determined or Rs.5000 whichever is higher shall be payable;
- b) no penalty shall be payable if duty and interest payable thereon under section 11AA is paid **before issue of show cause notice**

or

no penalty shall be payable if duty and interest payable thereon under section 11AA is paid **within 30 days of issue of show cause notice**

- c) the penalty will be reduced to 25% provided the 25% of the penalty out of total penalty imposed along with duty and interest is paid within 30 days of the date of communication of such order.

2. Evasion or non payment with suppression -

- a) a penalty equal to the duty so determined shall be payable.
- b) for the period beginning with 8th April, 2011 and upto the date of assent to the Finance Bill, 2015, the penalty payable shall be 50% of the duty so determined provided details of transactions of evasion are recorded
- c) 15% penalty shall be payable, of the duty determined, if duty and interest payable thereon under section 11AA is paid **within 30 days of issue of show cause notice**
- d) the penalty will be reduced to 25% provided the 25% of the penalty out of total penalty imposed along with duty and interest is paid within 30 days of the date of communication of such order.

Appellate Order To Effect Penalty

- a. If duty is reduced by way of an order of Tribunal or Appellate authority then, percentage of penalty shall reduce accordingly depending upon the class of evasion as enumerated above i.e. evasion with suppression or evasion without suppression.
- b. If duty is increased by way of an order of Tribunal or Appellate authority then, percentage of penalty shall increase accordingly depending upon the class of evasion as enumerated above i.e. evasion with suppression or evasion without suppression.



Further, very important explanations has been added to the proposed Section 11AC

Applicability of New Section 11AC

Explanation I covers the following 3 situations:

Situation 1 – where no show cause notice has been issued before the date of assent of president to the Finance Bill, 2015, the provisions of to be enacted new Section 11AC of the Finance Act, 2015 shall be applicable.

Situation 2 – where show cause notice has been issued before the date of assent of president to the Finance Bill, 2015

but

order is not issued before the assent of the president to the Finance Bill 2015 , then provisions of to be enacted new Section 11AC of the Finance Act,2015 shall be applicable .

Provided

such person pays the interest, duty and penalty in terms clause d) of proposed Section 11AC within 30 days from the date on which the Finance Bill, 2015 receives the assent of the President.

Situation 3 – where order **is passed** after the assent of the president to the Finance Bill 2015, then provisions of to be enacted new Section 11AC of the Finance Act, 2015 shall be applicable.

Provided

such person pays the interest, duty and penalty in terms of clause b) or e) of proposed Section 11AC within 30 days from the date of communication of the order.

Explanation II to the proposed Section 11AC is equally important as it explain the word “specified records”

It is pertinent to note that similar explanation already existed, since 2011, in Section 73 of Finance Act, 1994 for service tax as below

Explanation under Section 73 of Finance Act, 1994

For the purposes of this sub-section and section 78, “specified records” means records including computerized data as are required to be maintained by an assessee in accordance with any law for the time being in force or where there is no such requirement, the invoices recorded by the assessee in the books of account shall be considered as the specified records.;

With the proposed new Section 11AC, i foresee reduction in disputes at least in those appeals which used to be filed for getting relief in penalty.



SERVICE TAX CHANGES

Registration Procedure Under Service Tax:

Procedure, conditions and safeguards for registration under service tax will be as prescribed by CBE&C by order – rule 4(9) of Service Tax Rules, inserted w.e.f. 1-3-2015.

The procedure, as prescribed in order No. 1/2015-ST dated 28-2-2015 issued by CBE&C, is as follows –

- Online application for registration in form ST-1 is mandatory. Application should be through ACES (Automation of Central Excise and Service Tax)
- Applicant must have Income Tax PAN. He must have mobile number and e-mail address. On application, applicant will be granted registration within two days. The number will be generated electronically. Online registration through website is adequate proof, even if not signed.
- Assessee can start paying service tax after obtaining registration number electronically
- After application, documents prescribed in CBE&C order No. 1/2015-ST dated 28-2-2015 should be submitted with seven days. These cover copy of PAN, photograph and proof of identity of person, proof of possession of premises, details of main bank account, memorandum and articles and Board resolution.
- Business transaction number with other authorities like Customs Registration Number, IEC (Import Export Code), State Sales Tax Number, CST, Company Index Number etc. should be submitted.
- Verification of premises can be done only with permission of Additional/Joint Commissioner.
- If required clarifications are not provided by assessee, registration can be cancelled after granting personal hearing. If premises are nonexistent, registration can be cancelled by Deputy/Assistant Commissioner

Digitally Signed Invoice Allowed:

Serviced Tax Invoice can be authenticated by digital signature. CBE&C will specify conditions, safeguards and procedures to be followed – Rule 4C of Service Tax Rules, inserted w.e.f. 1-3-2015.

It may be noted that mere computer generated invoice is not ‘digitally signed invoice’.

Records May Be Maintained Electronically:

Records may be preserved in electronic form and every page of the record shall be authenticated by means of digital signature. The procedure and conditions and safeguards will be specified by CBE&C by notification – Rule 5(4) of Service Tax Rules, inserted w.e.f. 1-3-2015

Such record keeping is optional. Even otherwise, private records maintained on computers are acceptable, even if not digitally signed.

Changes In Abatements:

Following changes in abatement will be effective from 1-4-2015. The changes are made by amending Notification No. 26/2012-ST dated 20-6-2012.



Service tax on transport of goods by rail, road or vessel – Service tax on transport of goods by rail, GTA (road) or vessel will be payable on **30%** of value subject to condition of non-availment of Cenvat credit on inputs, capital goods and input services, subject to non-availment of Cenvat Credit [Till 1-4-2015, service tax on GTA was on 25% and service tax on transport by vessel was on 40% of value].

Changes In Reverse Charge:

Following changes are effective from 1-4-2015. The changes are made by amending Notification No. 30/2012-ST dated 20-6-2012.

In case of service tax on manpower supply service and security agency services, **entire 100%** service tax will be payable by service receiver (against present 75%).

New Activities Proposed To Be Covered Under Service Tax:

All services provided by Government to business entity taxable – All services provided by Government to a business entity will be taxable, except those exempted or in negative list. At present, only support services provided by Government are taxable – proposed amendment to section 66D (d) (iv) of Finance Act, 1994 [negative list of services].

Service tax will be payable by business entity under reverse charge.

Note that statutory activities undertaken by Government is not ‘service’ for the simple reason is that there is no ‘consideration’ [as consideration is required to be ‘at the desire of promisor’, as per section 2(d) of Contract Act. Here, the statutory charges are not at the desire of promisor – rather against the desire of promisor].

Reimbursement of expenses includable in value of service tax

There were disputes about inclusion of reimbursement of expenses in value of service tax. There was adverse decision of Delhi High Court.

To get over that decision, it is provided that ‘consideration’ shall include any reimbursable expenditure or cost incurred by the service provider and charged, in course of providing or agreeing to provide service, except in case of prescribed circumstances – *proposed* Explanation (a) to section 67 of Finance Act, 1994.

New Exemptions From Service Tax:

Following new exemptions are given w.e.f. 1-4-2015. The exemptions are given by amending Notification No. 25/2012-ST dated 20-6-2012.

Goods transport upto land customs station – Goods transport service from place of removal upto land customs station will be exempt from service tax – amendment to Notification No. 31/2012-ST dated 20-6-2012.



Changes In Penal Provisions:

The penalty provisions are revamped. The changes will be effective from the date when Finance Bill, 2015 is passed and receives assent of President of India. The changes are clarified in para 5.2 of MF (DR) letter DOF No. 334/5/2015-TRU dated 28-2-2015.

No show cause notice if service tax with interest paid before SCN – Show cause notice cannot be issued if service tax with interest is paid before SCN. This is because show cause notice under section 73(1) of Finance Act, 1994 can be issued only when service tax has not been levied or pair or short levied or short paid or erroneously refunded.

This would be so even if there was suppression of facts, wilful misstatement etc.

Section 73(1) of Finance Act, 1994 does not make any mention of interest. However, proposed section 76(1) and section 78(1) of Finance Act specify that show cause notice should mention interest. Thus, show cause notice must mention interest.

Immediate steps for recovery of self assessed service tax – If an assessee declares amount of service tax payable by him in his ST-3 return (on self assessment) but does not pay the service tax, immediate recovery proceedings can be initiated under section 87 of Finance Act, 1994, without issuing any show cause notice – proposed section 73(1A) of Finance Act, 1994.

The principle is that no demand notice is necessary for admitted liability.

Thus, if amount involved is huge, it will be cheaper to delay filing of ST-3 return and pay late fee of Rs 20,000. However, department can allege suppression of facts and penalty will become payable.

Penalty upto 10% even if no suppression or fraud – Penalty upto 10% of service tax amount will be payable for violation of any provision of service tax law or rules, even when there was no charge of suppression of facts or wilful misstatement – proposed section 76(1) of Finance Act, 1994.

However, if service tax with interest is paid before show cause notice, SCN cannot be issued at all, in view of section 73(1) of Finance Act, 1994. Hence, question of penalty cannot arise.

No penalty if service tax with interest paid within 30 days of issue of SCN, when no allegation of suppression – No penalty will be payable if service tax and interest is paid within 30 days of issue of show cause notice under section 73(1) of Finance Act, 1994 (i.e. where there is no allegation of suppression of facts). – proposed proviso (i) to section 76(1) of Finance Act, 1994.

Penalty @ 25% if service tax, interest and penalty paid within 30 days, when no allegation of suppression – If service tax, interest and reduced penalty is paid within 30 days from the order of adjudicating authority imposing penalty, penalty payable will be 25% of amount involved, where there is no allegation of suppression of facts or wilful misstatement [25% of 10%] – proposed proviso (ii) to section 76(1) of Finance Act, 1994.

If service tax amount gets reduced in appeal, penalty also gets reduced – If service tax amount is reduced in appeal, penalty also gets reduced proportionately, if paid within 30 day [i.e. 2.5% of 10% will be payable – proposed section 76(2) of Finance Act, 1994.

Penalty in case of suppression of facts or wilful misstatement – The penalty provisions are as follows – (a) Penalty 100% of amount involved (b) If tax, interest and reduced penalty paid within 30 days from issue of SCN, penalty @ 15% (c) If service tax, interest and reduced penalty is paid within 30 days from date of adjudication order, penalty @ 25% (d) If amount gets reduced in appeal, then benefit of 25% penalty can be availed if tax, interest and penalty is paid within 30 days from appellate order – proposed section 78 of Finance Act, 1994.



Transitory penalty provisions in respect of adjudications pending – The new provisions of penalty shall apply if adjudication order was not passed before the Finance Bill, 2015 is passed and assented by President of India. If true and complete details of transactions were available in specified records, penalty shall not exceed 50% amount – proposed section 78B of Finance Act, 1994.

13 Revision against order of Commissioner (Appeals) in respect of rebate of service tax

Revision against appellate order of Commissioner (Appeals) in respect of rebate of service tax shall be filed before Government. The existing appeals filed in Tribunal after 2002 shall be transferred to Government – proposed amendments to section 86 of Finance Act, 1994.

It may be noted that section 35EE of Central Excise Act has been made applicable to service tax law w.e.f. 28-5-2012. As per that section, appeal from order of Commissioner (Appeals) lies with Tribunal against all orders, **except** (a) loss of goods occurring in transit from factory to warehouse or to another factory or in storage, whether in factory or warehouse (b) rebate of duty on goods exported outside India or excisable goods used in manufacture of goods which are exported and (c) goods exported without payment of duty.

In these cases, revision application has to be filed before Government. The revision application should be submitted personally to Under Secretary, Revision Application Unit, Government of India, Ministry of Finance, Department of Revenue, 4th floor, Jeevan Deep Building, Sansad Marg, New Delhi – 110001, or sent by registered post to him.

After passing of Finance Bill, 2015, revision application will have to be filed in case of rebate of service tax on exports (and not appeal before CESTAT).



CENVAT CREDIT RULES

Inputs can be dispatched directly to place of job worker, but should be received within 180 days – Manufactured or imported goods can be sent by supplier manufacturer or importer directly to place of job worker. The invoice issued by supplier manufacturer or importer should contain details of purchaser manufacturer (or purchasing service provider) and job worker. – second and fourth proviso to rule 11(2) of Central Excise Rules, inserted w.e.f. 1-3-2015.

The purchasing manufacturer can avail Cenvat credit as soon as goods are received in the factory of job worker. – rule 4(1) of Cenvat Credit Rules amended w.e.f. 1-3-2015.

If the goods were sent directly to job worker, goods should be received by purchasing manufacturer after job work, within 180 days from the date at which inputs were received by first job worker – proviso to rule 4(5)(a)(i) of Cenvat Credit Rules w.e.f. 1-3-2015.

If inputs are not received back within 180 days, Cenvat credit should be reversed, but can be taken back when capital goods are received back in the factory of purchasing manufacturer – rule 4(5)(iii) of Cenvat Credit Rules, inserted w.e.f. 1-3-2015.

Duty paying document valid for one year from its date – The duty paying document will be valid for one year from date of duty paying document (against present time limit of six months) – third proviso to rule 4(1) and fifth proviso (earlier sixth proviso) to rule 4(7) of Cenvat Credit Rules, amended w.e.f. 1-3-2015]. [during 1-9-2014 to 1-3-2015, the time limit was six months].

Direct dispatch of capital goods to job worker – Capital goods can be sent to job worker's place from the supplier manufacturer. The purchaser manufacturer (or purchasing service provider) can avail Cenvat credit of those capital goods as soon as goods reach the place of job worker – amendment to rule 4(2)(a) of Cenvat Credit Rules w.e.f. 1-3-2015.

Capital goods can be sent to job worker for two years – Capital goods can be sent to job worker for processing, testing, repair, re-conditioning or for manufacture of intermediate products. The capital goods should be received by purchasing manufacturer (or purchasing service provider) within two years (against present limit of six months] – rule 4(5) (a) (ii) of Cenvat Credit Rules inserted w.e.f. 1-3-2015.

If capital goods are not received back within two years, Cenvat credit should be reversed, but can be taken back when capital goods are received back in the factory of purchasing manufacturer – rule 4(5)(iii) of Cenvat Credit Rules, inserted w.e.f. 1-3-2015.

Sending inputs from one job worker to another job worker – Inputs can be sent from one job worker to another for further processing for manufacture of intermediate goods. The duly processed intermediate products should be received by purchasing manufacturer (or purchasing service provider) within 180 days – rule 4(5) (a) (i) of Cenvat Credit Rules inserted w.e.f. 1-3-2015.

Cenvat credit of service tax paid under partial reverse charge – In respect of partial reverse charge, the service receiver who is paying service tax can avail Cenvat credit as soon as he pays his portion of service tax (even if he does not make any payment of bill amount to service provider – first proviso to rule 4(7) of Cenvat Credit Rules amended w.e.f. 1-4-2015 [earlier this provision was applicable only where entire service tax was payable by service provider].

No refund of Cenvat credit if goods supplied to EOU or SEZ - Rule 5(1A) of Cenvat Credit Rules as inserted w.e.f. 1-3-2015 also provides that 'export goods' means goods taken outside India.

[It means that if goods are supplied to EOU or SEZ, refund of excise duty is not available].



Recovery of Cenvat credit wrongly taken but not utilized – If Cenvat credit was taken wrongly but not utilized, it can be recovered by department but interest will not be payable and penalty is not imposable – rule 14(1)(i) of Cenvat Credit Rules, inserted w.e.f. 1-3-2015]

Manner of utilisation of credit provided - In Rule 14 it has been provided that all credits taken during a month shall be deemed to have been taken on the last day of the month and the utilisation thereof shall be deemed to have occurred in the following manner, namely: - (i) the opening balance of the month has been utilised first; (ii) credit admissible in terms of these rules taken during the month has been utilised next; (iii) credit inadmissible in terms of these rules taken during the month has been utilised thereafter. (w.e.f. 01.03.15)



DIRECT TAXES

1) INCOME TAX RATES A.Y. 2016-17

A. Resident Individual/Hindu Undivided Family/AOI/BOI

TAXABLE INCOME (Rs.)	MALE < 60 YRS.	FEMALE < 60 YRS.	SENIOR CITIZEN > 60 & < 80 YRS.	VERY SR. CITIZEN > 80 YRS.
Upto 2,50,000	Nil	Nil	Nil	Nil
2,50,001 to 3,00,000	10%	10%	Nil	Nil
3,00,001 to 5 ,00,000	10%	10%	10%	Nil
5,00,001 to 10,00,000	20%	20%	20%	20%
Above Rs. 10,00,000	30%	30%	30%	30%

Primary & Secondary Education Cess: 3% cess on tax in all cases

Rebate: The rebate under Section 87A inserted by Finance Act, 2013 being Rs.2,000/- for individual resident assessee, whose Taxable Income does not exceed Rs.5,00,000/- to continue.

Surcharge: The amount of Income-Tax computed as above, shall be increased by surcharge @ 12% of such Income-Tax in case, the person has taxable income exceeding Rs. 1 Crore. However, marginal relief shall be allowed to ensure that the surcharge payable on excess of income over Rs.1 crore is limited to the amount by which the income exceed Rs.1 crore.

B. Co-operative Societies & Firms

In the case of co-operative societies & FIRMS, the rates of income-tax will continue to be 30% as those specified for assessment year 2015-16. No surcharge will be levied for taxable income below 1 Crore. Surcharge increased from 10 to 12% for & on incomes over Rs. 10.0 Crores. Education cess is applicable @ 3 percent on income tax

C. Companies

The rates of income-tax in the case of companies will continue to be 30% as specified for the assessment year 2015-16. **Surcharge @ 7%** shall be levied in the case of a domestic company, if the total income **exceeds 1 Crore rupees** but does not exceed ten crore rupees. The **surcharge @ 12%** shall be levied, if the total income **exceeds Rs. 10** crore rupees.

Corporate taxes are proposed to be reduced from the existing rate of 30% to 25% over the next 4 years

Secondary & Higher Education Cess @ 2 & 1% respectively will continue to be levied, on the amount of tax computed, including surcharge.

Marginal Relief on Surcharge - The amount payable as Income Tax and Surcharge on Total Income exceeding Rs.1Crore (or Rs.10 Crores for certain companies) shall not exceed the total amount payable as Income Tax on Total Income of Rs. 1 Crore (or Rs. 10 Crores) by more than the amount of Income that exceeds Rs. 1 Crore (or Rs. 10 Crores).

Minimum Alternate Tax (MAT)

The rate of MAT remains to be 18.5% relevant to the assessment year 2016-17. Surcharge as applicable in the case of companies



2) ALLOWANCES/REBATES/DEDUCTIONS/OTHERS

A. Additional Depreciation On Plant & Machinery

Additional depreciation @ 20% is allowed on new plant and machinery installed by a manufacturing unit or a unit engaged in generation and distribution of power. If the asset is installed after 30th September of the previous year only 10% of the additional depreciation was allowed. Now the remaining 10% of the additional depreciation will be allowed in the subsequent previous year.

B. Additional Allowance – State of A.P.

Additional investment allowance (@15%) and additional depreciation (@15%) to new manufacturing units set-up during the period 01.04.2015 to 31.03.2020 in notified areas of Andhra Pradesh and Telangana.

C. Deduction under 80JJAA

All manufacturing units are covered, shall be available to a ‘person’ deriving profits from manufacture of goods in a factory and paying wages to new regular workmen. The eligibility threshold of minimum 100 workmen is reduced to 50.

D. Increase In Deduction Under Section 80D

Investment limit under section 80D of the Income-tax Act raised from ` 15,000 to ` 25,000 for individual other than senior citizen and the limit raised from ` 25,000 to ` 30,000 for senior citizen.

An additional benefit given to super Senior citizen (aged more than eighty years):- it is also proposed to provide that any payment made on account of medical expenditure in respect of a very senior citizen, if no payment has been made to keep in force an insurance on the health of such person, as does not exceed thirty thousand rupees shall be allowed as deduction under section 80D **i.e. the deduction under 80D can be claimed on the basis of expenditure incurred irrespective of payment of insurance made or not.**

Note:-

a) The aggregate deduction for health insurance premia and medical expenditure incurred in respect of parents would be limited to thirty thousand rupees.

b) These amendments will take effect from 1st April, 2016 i.e. the deduction is available from FY 2015-16 i.e. AY 2016-17.

E. Additional Deduction Under Section 80CCD

An additional deduction in respect of any amount paid, of upto fifty thousand rupees for contributions made by any individual assesses under the National Pension Scheme. This limit is not covered under the overall limit mentioned in section 80CCE of the Act except of section 80CCD (1).

Note:-

a) These amendments will take effect from 1st April, 2016 i.e. the deduction is available from FY 2015-16 i.e. AY 2016-17.-

F. Addition Of Sukanya Samriddhi Account Scheme For Deduction Under Section 80C & Other



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The following tax benefits have been envisaged in the Sukanya Samriddhi Account scheme:

- i) The investments made in the Scheme will be eligible for deduction under section 80C.
- ii) The interest accruing on deposits in such account will be exempt from income tax.
- iii) The withdrawal from the said scheme in accordance with the rules of the said scheme will be exempt from tax.

Note:-

a) These amendments will take effect retrospectively from 1st April, 2015 i.e. the deduction is also available for FY 2014-15 i.e. AY 2015-16.

b) Investment limit under section 80C of the Income-tax Act is ` 1.5 lakh

G. Abolition Of Levy Of Wealth-Tax Under Wealth-Tax Act, 1957

It is proposed to abolish the levy of wealth tax under the Wealth-tax Act, 1957 with effect from the 1st April, 2016. Wealth Tax has been abolished w.e.f. Financial Year 2015-16 and onwards. This is however sought to be compensated by the additional 2% surcharge on income of more than 1.0 crore. It is proposed that information relating to assets that were required to be submitted in wealth tax returns will have to be provided in the Income Tax Returns.

H. Mode Of Taking Or Accepting Certain Loans, Deposits And Specified Sums And Mode Of Repayment Of Loans Or Deposits And Specified Advances

269SS:- It is proposed to amend section 269SS, of the Income-tax Act so as to provide that no person shall accept from any person any loan or deposit or any sum of money, **whether as advance or otherwise**, in relation to transfer of an **immovable property** otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, if the amount of such loan or deposit or such specified sum is twenty thousand rupees or more.

269T:- It is also proposed to amend section 269T of the Income-tax Act so as to provide that no person shall repay any loan or deposit made with it or **any specified advance received by it**, otherwise than by an account payee cheque or account payee bank draft or by electronic clearing system through a bank account, if the amount or aggregate amount of loans or deposits or specified advances is twenty thousand rupees or more.

The specified advance shall mean any sum of money in the nature of an advance, by whatever name called, in relation to transfer of an immovable property whether or not the transfer takes place.

Note:-

a) It is further proposed to make consequential amendments in section 271D and section 271E to provide penalty for failure to comply with the amended provisions of section 269SS and 269T, respectively

b) The education cess to continue at 3 percent.

Crux:-

Acceptance or re-payment of an advance of ` 20,000 or more in cash for purchase of immovable property to be prohibited.

- The Indian entity in the chain obligated to furnish information relating to transaction; failure to report may attract a penalty up to 2% of transaction value
- PAN being made mandatory for any purchase or sale exceeding Rupees 1 lakh.

I. TDS & TCS Changes

Please refer to TDS/TCS Chart section for F.Y. 2015-16.



J. Employees Under EPF & ESI To be Provided With Other Options

The Union Finance Minister Shri Arun Jaitley has announced that with respect to Employees Provident Fund (EPF), the employee needs to be provided two options. Firstly, the employee may opt for EPF or the New Pension Scheme (NPS). Secondly, for employees below a certain threshold of monthly income, contribution to EPF should be optional, without affecting or reducing the employer's contribution.

He said, with respect to ESI, the employee should have the option of choosing either ESI or a Health Insurance product, recognized by the Insurance Regulatory Development Authority (IRDA).

The Finance Minister announced that he intends to bring amending legislation in this regard, after stakeholders' consultation.

K. Direct Taxes Code

Since the jurisprudence under the Income-tax Act is well evolved and a large number of Provisions of the proposed DTC have already been included in the Income-tax Act, 1961 and the remaining are proposed to be included through the Finance Bill, 2015, the Government has expressed its resolve of not going ahead with the DTC.



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READY RECKONER – SERVICE TAX – REVERSE CHARGES

	Nature of Service	Service Provider	Service Receiver	% of Service Tax Liability		Remarks
				Provider	Receiver	
1	Insurance	Insurance Agent	Insurance Company	Nil	100%	
2	Goods Transport Agency By Road	Goods Transport Agency (one who issues consignment note by whatever name used)	Consignor Or Consignee who is - (a) factory, society, registered dealer of excisable goods, body corporate, partnership firm, AOP & (b) who is liable to pay freight either himself or through his agent	Nil	100%	Payable on 25% if Cenvat Credit has not been availed by service provider. (Declaration of non availment of C.C. to be taken from provider.) Otherwise Tax payable on 100%. Exemption of Gross Freight Upto Rs. 1,500/- for single full consignment & Rs. 750/- for part consignment continues.
3	Sponsorship Service	Any Person	Any body corporate or partnership firm located in the taxable territory	Nil	100%	
	Sponsorship Service	Any Person	If the above receivers are not located in taxable territory or are other than the above	100%	Nil	The person receiving the money for sponsorship is liable
4	Service of Arbitral Tribunal	Arbitral Tribunal	Business Entity	Nil	100%	
5	Legal Service of Advocate or Advocate Firms	Individual Advocate or Advocate Firms	Business Entity located in Taxable Territory	Nil	100%	
6	Support Service By Govt. or Local Authority.	Government or Local Authority	Business Entity located in Taxable Territory	Nil	100%	Excluding renting of immovable property etc



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7	Renting or hiring of motor vehicle designed to carry passengers to any person who is not in the similar line of business	Individual, HUF, proprietary or partnership firm, AOP located in Taxable Territory	Business Entity Registered as a Body Corporate located in Taxable Territory	Nil	40%	If Cenvat Credit is not taken by provider
				60%	40%	If Cenvat Credit is taken by provider
8	Supply of Manpower or <u>Security Services</u> for any purpose	Individual, HUF, proprietary or partnership firm, AOP located in Taxable Territory	Business Entity Registered As A Body Corporate located in Taxable Territory	25%	75%	<u>Security services</u> " means services relating to the security of any property, whether movable or immovable, or of any person, in any manner and includes the services of investigation, detection or verification, of any fact or activity
9	Service Portion In Execution of Works Contract	Individual, HUF, proprietary or partnership firm, AOP located in Taxable Territory	Business Entity Registered As A Body Corporate located in Taxable Territory	50%	50%	Valuation: a) As Per Valuation Rule 2A(i) S.T.(Determination of Valuation Rules OR b) Under Composition Scheme - On 40% or 60% or 70% of the total amount depending on the nature of W.C.
10	Import of service	Located In Non Taxable Territory	Located In Taxable Territory	Nil	100%	Services received from Non-Taxable Territory
11	Any Taxable Service By A Director of a Co. to the said Co.	Director	Company	Nil	100%	Service Tax will apply in cases where employer - employee relation does not exist between the Co. & the directors

RELEVANT NOTIFICATIONS (Might Be Useful In Filing Returns)

- | | | |
|-----------------------------|---|---|
| Reverse Charges | - | Notification No. 30/2012 S.T. Dated 20.06.12 |
| Abatement & Conditions | - | Notification No. 26/2012 S.T. Dated 20.06.12 |
| S.No. 7 of the Notification | - | Relates To Abatement On GTA |
| S.No. 9 of the Notification | - | Relates To Abatement On Renting of Motor Vehicles |



GTA SERVICES BY ROAD - CONDITIONAL ABATEMENT

The abatement allowed on GTA in serial no. 2 is subject to the following condition – “CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken under the provisions of the CENVAT Credit Rules, 2004.”

(Therefore It Is Highly Advisable To Instruct The Service Provider To Pre-Print/Stamp A Declaration To The Effect On The Consignment Note Or Issue A Letter To The Effect.)

A) EXEMPTIONS

The Mega Exemption Notification No. 25/2012 - S.T. Dated 20.06.12 allows the following exemptions (as relevant to the industry) –

“21. - Services provided by a goods transport agency by way of transportation of –

- (a) agricultural produce;*
- (b) goods where gross amount charged for the transportation of goods on a consignment transported in a single goods carriage does not exceed one thousand five hundred rupees; or*
- (c) goods, where gross amount charged for transportation of all such goods for a single consignee in the goods carriage does not exceed rupees seven hundred fifty;”*

Example –

“A” transports his goods in a goods carriage. No other goods are loaded in the goods carriage. A pays a freight of Rs.1300, “A” is not liable for payment of any service tax. “A” transports his goods in a goods carriage. He pays a freight of Rs.1300. Some other goods are also being transported in the same goods carriage, involving a freight of Rs.500. “A” is not eligible for this exemption.

Gross Amount charged on individual consignment transported in a goods carriage does not exceed Rs 750. An individual consignment’ means all goods transported by a goods transport agency by road in a goods carriage for a consignee. [The intention is that the transporting agency should not split the consignment, so that transport charges of individual consignment remain below Rs 750].

“Individual consignment” means all goods transported by a GTA, in a goods carriage, for a consignee. This exemption will come into play, when the consignments of several consignors are transported together.

“30. Carrying out an intermediate production process as job work in relation to -

- (a) Agriculture, **printing** or textile processing;*
- (b) Any goods on which appropriate duty is payable by the principal manufacturer;*

The following notes are mentioned in the guidance booklet issued by the department -

4.6.1 Would service tax be leviable on processes which do not amount to manufacture or production of goods?

Yes. Service tax would be levied on processes, unless otherwise specified in the negative list, not amounting to manufacture or production of goods carried out by a person for another for consideration. Some of such services relating to processes not amounting to manufacture are exempt as specified in entry no. 30 of Exhibit A2.



4.6.2 Would service tax be leviable on processes on which Central Excise Duty is leviable under the Central Excise Act, 1944 but are otherwise exempted?

No. If Central Excise duty is leviable on a particular process as the same amounts to manufacture then such process would be covered in the negative list even if there is a central excise duty exemption for such process.

7.11.12 What is the tax liability of a person carrying out intermediate production process as job work for clients?

Any process amounting to manufacture or production of goods is in the negative list. If process does not amount to manufacture or production of goods, and is further not covered in clause 30 of mega notification, the same is liable to service tax

NEGATIVE LIST

The services mentioned in the Negative List are excluded from Service Tax as specified in the Act itself in Section 66 D. The following may be of relevance to the industry: -

“5) Trading of goods.”

“6) Any process amounting to manufacture or production of goods.”

“The phrase ‘processes amounting to manufacture or production of goods’ has been defined in section 65B of the Act as a process on which duties of excise are leviable under section 3 of the Central Excise Act, 1944 (1 of 1944) or any process amounting to manufacture of alcoholic liquors for human consumption, opium, Indian hemp and other narcotic drugs and narcotics on which duties of excise are leviable under any State Act. This entry, therefore, covers manufacturing activity carried out on contract or job work basis provided duties of excise are leviable on such processes under the Central Excise Act, 1944 or any of the State Acts.”

B. VALUATION FOR SERVICE TAX ON WORKS CONTRACT

First Rule: Calculate value of service and pay service tax @12.36%.

Second Rule: Pay service tax under “Composite Scheme” on 40%/60%/70% of total value of works contract. Payment of Service Tax on Works Contract under composite scheme -

- a. In case of original works (i.e. new Construction, erection etc.) Pay @40% of total amount. Where total amount includes the value of land, it will be 25% of total amount charged.
- b. Maintenance or repair or reconditioning or restoration or servicing of any goods @ 70% of total amount
- c. Other works contract (other than a & b discussed above e.g. wall tiling installation of electrical fitting of an immovable property) 60% of “Total Amount”

The original work means - all new constructions and all types of additions and alterations to abandoned or damaged structures on land required to make them workable;

Total amount includes the value of all goods and services – VAT - services supplied free of cost under the same contract or any other contract.

- Where value of goods or services supplied free of cost is not ascertainable, the same shall be determined on the basis of the fair market value closely available resemblance.
- Cenvat Credit of duty paid on inputs will not be allowed. However, credit of excise duty paid on capital goods and service tax paid on input services shall be available. It shall be available.



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Explanation - In works contract services, where both service provider and service recipient is the persons liable to pay tax, the service recipient has the option of choosing the valuation method as per choice, independent of valuation method adopted by the provider of service.



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TAX DEDUCTED/COLLECTED AT SOURCE
F.Y. 2015-16 (A.Y. 2016-17)

A. TDS RATE CHART

Sl. No.	Section Of Act	Nature of Payment in brief	Cut Off Amount	Rate %	
				HUF/IND.	Others
1	192	Salaries	Till the estimated yearly taxable amount exceeds tax free limit	On the average rates individual rates	
2	192A	Payment of Accumulated Balance of EPF Scheme 1952 to Employees – w.e.f. 01.06.15	30000	10	
3	193	Interest on debentures	5000	10	10
4	194A	Interest other than Interest on securities (by Bank)	10000	10	10
5	194A	Interest other than Interest on securities (By others)	5000	10	10
6	194C(1)	Contracts Yearly Limit u/s 194C: (Where the aggregate of the amounts paid/credited or likely to be paid/credited to Contractor or Sub-contractor exceeds Rs.75,000 during the financial year, TDS has to be deducted u/s 194C.)	30000	1	2
7	194C(2)	Sub-contracts/ Advertisements	30000	1	2
8	194EE	Payments out of deposits under NSS	2500	20	-
9	194F	Repurchase of units by MF/UTI	1000	20	20
10	194H	Commission or Brokerage	5000	10	10
16	194I	Rent (Land, building or furniture)	180000	10	10
		Rent (P & M or Equipment)	180000	2	2
11	194J	Professional/Technical charges/Royalty & Non-compete fees	30000	10	10
12	194J(1) (ba)	Any remuneration or commission paid to director of the company(Effective from 1 July 2012)	NIL	10	10
13	194LA	Payment on transfer of certain immovable property other than agricultural land (applicable only if amount exceeds : (a) Value exceeds INR 50) (Effective from 1 June 2013)		1	1

B. TCS RATE CHART

Sl.No.	Nature of Goods	Rates in %
1.	Scrap	1
2.	Minerals, being coal or lignite or iron ore	1
3.	Bullion or jewellery (if the sale consideration is paid in cash exceeding INR 2 lakhs)	1



C. EDUCATION CESS & SURCHARGE

No Education Cess on payment made to resident-Education Cess is not deductible/collectible at source in case of resident Individual/HUF /Firm/ AOP/ BOI/ Domestic Company in respect of payment of income other than salary.

Education Cess @ 2% plus secondary & Higher Education Cess @ 1% is deductible at source in case of non-residents and foreign company.

Surcharge on Income-tax - Surcharge on Income-tax is not deductible/collectible at source in case of individual/ HUF /Firm/ AOP / BOI/Domestic Company in respect of payment of income other than salary.

D. CHANGES IN UNION BUDGET 2015-16

L. TDS Under Section 194C:- Clarification Regarding Deduction Of Tax From Payments Made To Transporters/ No Deduction In Payment Made To Transporters Who Is Not Owning More Than 10 Goods Carriage

It is proposed to amend the provisions of section 194C of the Act to expressly provide that the relaxation under sub-section (6) of section 194C of the Act from non deduction of tax shall only be applicable to the payment in the nature of transport charges (whether paid by a person engaged in the business of transport or otherwise) made to an contractor or sub contractor who is engaged in the business of transport i.e. plying, hiring or leasing goods carriage and who is eligible to compute income as per the provisions of section 44AE of the Act (i.e. a person who is not owning more than 10 goods carriage at any time during the previous year) and who has also furnished a declaration to this effect along with his PAN.

Hence, invariably a DECLARATION HAS TO BE OBTAINED FROM EVERY Contractor, sub contractor engaged in TRANSPORTER, that they own 10 or less transport vehicles along with a copy of PAN Self attested, otherwise TDS has to be deducted for payment/credit to Transporter, of single transaction exceeding Rs. 30, 000 or when payment/credit in a financial year reaches Rs. 75, 000. TDS is to be deducted @ 1% for individual/H.U.F. Transporters or 2% for others. Please note, as before, if PAN details are not provided by transporter, TDS is to be deducted @20%. (Please refer to Declaration section for Draft copy of declaration from transporter)

Note:- These amendments will take effect from 1st June, 2015

M. Correction Of TCS Statement

Now section 206C has been amended to enable deductor to file correction statement. The proposed provision shall also incorporate the mechanism for computation of fee payable under section 234E of the Act.

Note:- These amendments will take effect from 1st June, 2015.

N. Relaxing The Requirement Of Obtaining TAN For Certain Deductors

The obtaining of TAN creates a compliance burden for those individuals or Hindu Undivided Family (HUF) who are not liable for audit under section 44AB of the Act. The quoting of TAN for reporting of Tax Deducted at Source (TDS) is a procedural matter and the same result can also be achieved in certain cases by mandating quoting of PAN especially for the transactions which are likely to be one time transaction such as single transaction of acquisition of immovable property from non-resident by an individual or HUF on which tax is deductible under section 195 of the Act.



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To reduce the compliance burden of these types of deductors, it is proposed to amend the provisions of section 203A of the Act so as to provide that the requirement of obtaining and quoting of TAN under section 203A of the Act shall not apply to the notified deductors or collectors.

Note:- These amendments will take effect from 1st June, 2015.

O. Enabling Of Filing Of Form 15G/15H For Payment Made Under Life Insurance Policy

It is, therefore, proposed to amend the provisions of section 197A for making the recipients of payments referred to in section 194DA also eligible for filing self declaration in Form No.15G/15H for non-deduction of tax at source in accordance with the provisions of section 197A.

Note:- These amendments will take effect from 1st June, 2015.

P. TDS Under Section 194A Shall Be Deducted On Interest On Recurring Deposits

The existing threshold limit of Rs 10,000 for non-deduction of tax shall also be applicable in case of interest payment on recurring deposits to safeguard interests of small depositors

Note:- These amendments will take effect from 1st June, 2015

Q. No Double Interest On T.C.S. Under Section 206C(7) & Section 220(2)

It is proposed to provide that where interest is charged for any period under section 206C (7) of the Act on the tax amount specified in the intimation issued under proposed provision, then, no interest shall be charged under section 220(2) of the Act on the same amount for the same period.

Note:- These amendments will take effect from 1st June, 2015.

R. TDS Deduction On EPF

EPF Trustees while paying the accumulated PF balance should deduct 10% TDS (for payments of Rs 30000 or more) - Sec 192 A

S. TDS On Salary

The person responsible for making the payment of salary has to obtain from the assessee the evidence or proof or particulars of prescribed claims (including claim for set-off of loss) - Sec 192

T. TDS On Royalty & Technical Fees

Income of the non-resident by way of Royalty or Fees for technical services - the tax rate is reduced from 25% to 10% - Sec 115A

I. NON SUBMISSION OF PAN BY PAYEE

As earlier higher TDS of 20% for not furnishing correct PAN in case the Payee is not able to furnish Pan to the deductor, tax shall be deducted at the higher of the rates specified in the relevant provision of the I.T. Act or at the rates in force or 20%.

J. TDS IN CASE OF INDIVIDUAL/HUF.

As earlier, an individual or HUF is not liable to deduct tax. However, an individual or HUF, who is liable to tax audit under section 44AB during the immediate preceding financial year, shall be liable to deduct tax under sections 194A, 194C, 194H, 194I and 194J, as the case may be.



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K. TAN/RETURN NOT REQUIRED TO BE FILED BY TRANSFeree OF LAND

As earlier, every transferee, at the time of making payment or crediting any sum by way of consideration for transfer of immovable property (other than agricultural land), shall be required to deduct tax. The transferee would not be required to obtain TAN and also not required to submit TDS Return.

E. PAYMENT, RETURN & CERTIFICATE ISSUANCE DUE DATES

Payment Due Dates:

S.NO.	MONTH ENDING	DUE DATE
1	April To February	By 7 th Of Month immediately following the month of deduction
2	March	TDS - By 30 th April TCS - By 7 th . April

Mode of Payment - E-Payment of tax has to be made in Challan No. ITNS 281, by companies & other deductors liable for Tax Audit. E-Payment is optional for others.

Return Due Dates

Sl. No.	Date of ending of the quarter of the financial year	Return Due date
1.	30 th June	15 th July of the financial year
2.	30 th September	15 th October of the financial year
3.	31 st December	15 th January of the financial year
4.	31 st March	15th May of the financial year immediately following the financial year in which deduction is made

Mode Of Filing Returns – Forms 26Q & 24Q are required to be E-filed, while Form 27A is to be filed physically.

TDS Certificate Due Dates

Sl. No.	Category	Periodicity of furnishing TDS certificate	Due date
1.	Salary (Form No.16)	Annual	By 31 st day of May of the financial year immediately following the financial year in which the income was paid and <u>tax deducted</u>
2.	Non-Salary(Form No.16A)	Quarterly	Within fifteen days from the due date for furnishing the 'statement of TDS'

F. FORMS

Form No. 24Q – Payment of Salary u/s 192

Form No. 27Q – Payment other than salary to a non resident not being a company or a foreign company or resident but not ordinarily resident

Form No. 26Q – Payment other than salary to a resident i.e., all deductee which are not covered under 24Q and 27Q (u/s 193 to 196D)

Form No. 27EQ – Statement of collection of tax

G. PENAL PROVISIONS FOR NON -COMPLIANCE

Disallowance of expenditure under section 40(a) (ia) of Income Tax Act, 1961 (Act):



More fatal than any interest or penalty provisions, non-deductibility of tax at source on certain expenses will not allow you to claim such expenses in computing your business income.

Further, the existing provisions of section 40(a) (ia) of Income-tax Act provide for the disallowance of expenditure like interest, commission, brokerage, professional fees, and others. if tax on such expenditure was not deducted, or after deduction was not paid during the previous year. However, some relaxation has been provided, in case the deduction of tax is made during the last month of the previous year, no disallowance is made if the tax is deposited on or before the due date of filing of return. In addition to above, there are other penal provisions, relating to interest and penalty as below:

<u>Failure</u>	<u>Interest</u>	<u>Penalty</u>
a) For failure to deduct tax at source	Interest chargeable @1% p.m. or part of the month from the date on which it was deductible to the date of on which tax is deducted [Sec 201]	Maximum penalty of 100% on amount of TDS [Sec 221]
b) For failure to pay the tax after deduction	Interest chargeable @1.5% p.m. or part of the month from the date on which it was deducted till the date of payment [Sec 201]	Maximum penalty of 100% on amount of TDS [Sec 221]
c) Default in filing of returns	Not Applicable	Rs 100/day of default(not exceeding the amount of TDS) [Sec 272A(2)]

Routine Procedures



ROUTINE PROCEDURES 2015-16

SMALL SCALE INDUSTRIES – AVAILING EXEMPTION

The SSI benefits of Notification No. 8/2003 C.E. dated 1.3.2003 continues as in the preceding year. An SSI Unit is eligible for exemption from Excise for clearances upto Rs. 1.5 Crores provided turnover in preceding financial year was less than Rs. 4.0 Crores.

CALCULATION OF CLEARANCE WITHIN 1.5 CRORES

Excluded

- Goods exempted under any other notification
- Goods that are non excisable
- Export Sales other than to Nepal & Bhutan
- Export through merchant exporter
- Deemed Exports to S.E.Z, E.O.U., E.H.T.P. or S.T.P
- Intermediary product
- Job work not amounting to manufacture & Trading Goods
- Job work done vide notification 214/86 & 83/94

Included

- Goods manufactured with others brand name in rural areas and cleared without payment of duty

CALCULATION OF RS. 4.0 CRORES TURNOVER

Excluded

- Export Sales other than to Nepal & Bhutan
- Export through merchant exporter
- Deemed Exports to S.E.Z, E.O.U., E.H.T.P. or S.T.P
- Intermediary product
- Job work not amounting to manufacture & Trading Goods
- Job work done vide notification 214/86 & 83/94
- Inputs cleared on Payment of duty as such

Included

- Goods manufactured with others brand name in rural areas and of duty.
- Goods exempted under any other notification
- Goods that are non excisable



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UNITS CONTINUING UNDER SSI EXEMPTION (UN REGISTERED)

1. A progressive total of clearance value shall be maintained.
2. For job work (incoming) either procedure under notification 83/94 C.E. dated 11.04.94 or procedure under notification no.214/86 C.E. dated 25.03.86 has to be followed i.e. declaration of undertaking under these notifications has to be submitted by the person sending the raw materials to your jurisdictional A.C. concerned and other details as prescribed have to be maintained.(Formats available in Declaration section)
3. For job work (outgoing) procedure under notification no.83/94 C.E. & 84/94 C.E. has to be followed i.e. a declaration of undertaking to be submitted both to your jurisdictional A.C. & the jurisdictional A.C. of the Job worker and other details as prescribed has to be maintained. (Format available in Declaration section)
4. If any manufacturer exempted under any other notification or any trader sends goods for job work than the clearance value of the unit doing the job work will be selling price of the principal manufacturer or value as determined as per valuation rules (and not landed cost of the material received plus job charges) and this will be added to the total clearance value of the unit doing job work.
5. **Units availing exemption under 8/2003 must file declaration under Notification No.36/2001-C.E. (N.T.) dated 26.06.2001 as amended, if their clearance value has exceeded Rs. 90 lakhs in the previous financial year in the format enclosed before 15th April of the current financial year.** (Formats available in Declaration section)
6. The units enjoying exemption are not entitled to any cenvat credit of excise or service tax but they will continue to pay service tax on 25% freight till 31.03.15 & on 30% of Freight from 01.04.15, as a consignor or consignee as payer of the goods transport charges by road and fall under any of the six categories as per notification 30/2012-ST. dated 20.06.13.
7. The Units enjoying exemption are also required to pay service tax under reverse charges/partial reverse, on services mentioned in notification no. 30/2012 applicable on business entity/partnership firm/body corporate/corporate etc. as the case may be. (As enumerated in Service Tax Reverse Charges Ready Reckoner before)

REGISTERED UNITS OPTING FOR SSI EXEMPTION – PAYING DUTY TILL 31.03.14



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Intimate to the concerned A.C. with the particulars as prescribed in clause 2(ii) of Notification 8/2003 CE along with the declaration that you will be opting for Exemption before effecting any clearance (Even if a single invoice under duty is issued one cannot claim exemption under notification 8/2003 CE) (Format enclosed)

- Calculate the value of Cenvat involved in stock of raw material, semi finished product and final products as on 31.3.2014 and pay the same to the credit of the Cenvat account or Excise PLA account. Credit remaining in Cenvat credit account if any, will lapse and it cannot be carried forward neither refundable.
- Continue to comply with all the formalities of Excise i.e. keeping records, issue of Excise Invoice (even if it is Nil Duty) and filing of returns etc.
- Job work formalities as per point no 2, 3, & 4 as mentioned above has to be followed till the time availing exemption under notification 8/2003 .But as soon as start paying duty procedure prescribed in point 4, 5, & 6 are to be followed.
- Continue to pay service tax on Goods transport charges by road, if they as a consignor or consignee are paying the transport charges and fall under any of the six categories as per notification 30/2012- ST. (Please refer to S.No. 6 above)
- The Units enjoying exemption are also required to pay service tax under reverse charges/partial reverse, on services mentioned in notification no. 30/2012-ST applicable on business entity/partnership firm/body corporate/corporate etc. as the case may be. (As enumerated in Service Tax Reverse Charges Section before)



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SMALL SCALE INDUSTRIES IN EXCISE

UNITS OPTING FOR DUTY AFTER 1.4.2014 - NOT REGISTERED UNDER EXCISE

1. Apply for registration through ACES system as per **registration procedure vide Notification 7/2015 C.E. (N.T.) – Dated 01.03.2015 is given as under (w.e.f. 01.03.15):**

- Application for registration/cancellation shall be filed ONLY by online method
- PAN No is must for getting registration under Excise except government department
- Temporary Registrant should apply for PAN based registration within 3 month
- Email Id, Mobile Number, details of other government Registration details is compulsorily to be quoted on registration application. **Existing applicant should incorporate these details within 3 month.**
- Once duly completed application form is received online on ACES, registration would be granted within two working days and Registration Certificate will be issued online without any examination of the documents and verification of documents or premises before the grant of registration.
- Registration Certificate issued online is sufficient proof of registration. No need to have hard copy of registration. Signature of issuing authority is not required on online registration certificate.
- Verification of the documents and premises shall be carried out post facto. The applicant shall submit self-attested copy of the following prescribed documents at the time of the verification of the premises –
 - (i) Hard copy of application (ii) Copy of PAN (iii) Copy of ground plan (iv) Partnership Deed/Memorandum of Association (v) Rent /Ownership documents (vi) Personal I.D. Proof

- 2. The person obtaining registration will be entitled to claim transitional Cenvat credit of duty paid on input, work-in-process and finished goods available as on the date of registration, provided the person has documentary evidence to substantiate payment of duty on input lying in stock at various stages. The person thereafter shall prepare the statement of input along with details of duty paying documents and declare to the department before making any clearance.
- 3. Every assessee is required to submit a list in duplicate of records maintained in respect of transactions of receipt, purchase, sales or delivery of goods including inputs and capital goods, input services and financial records and statements including trial balance.
- 4. All other particulars and procedures as per rules to be followed.
- 5. Procedure for job work (for incoming) as per notification 83/94 or 214/86 as the case may be has to be followed.
- 6. Procedure for job work (outgoing) under notification 214/86 read with rule 4(5)(a) of Cenvat credit rules to be followed.
- 7. For job work incoming from Merchant Traders or fully Exempted consumer units under any other notification Excise is leviable on selling price of the principal manufacturer or value as determined as per valuation rules (and not Landed cost of Kraft Paper plus job charges) and these can be cleared on Excise Invoice only.



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8. The SSI unit is required to pay duty for a quarter of the financial year by the **6th day** of the month following the quarter, except for the quarter January to March, duty shall be paid by **the 31st. day of March.**
9. Such units are also entitled for submission of quarterly return, electronically only, by the 10th day of the month after each quarter in prescribed format. The benefits will be applicable to the unit during the entire financial year.
- 10. Every assessee shall electronically pay the service tax payable by him, through internet banking – w.e.f. 01.10.14**
11. Compulsory Electronic Filing of quarterly Returns by all assesses.
12. Service tax on all the services availed in the factory or office as enumerated in cenvat credit rules as per procedure can be taken as cenvat credit.
13. They will continue to pay service tax on Goods transport charges by road, if they as a consignor or consignee are paying the transport charges and fall under any of the six category as per notification 30/2012-ST.
14. The Units are also required to pay service tax under reverse charges/partial reverse, on services mentioned in notification no. 30/2012-ST. applicable on business entity/partnership firm/body corporate/corporate etc. as the case may be. (As enumerated in Service Tax Reverse Charges Section before)
15. Every assessee shall submit to the Superintendent of Central Excise, an Annual Installed Capacity Statement in Form ER -7 (Format Enclosed) declaring the annual production capacity of the factory for the financial year by **30th day of April,** as per notification No. 38/2008 – Central Excise (N.T.) dated 29.09.08
16. Inform change in boundary of premises, address, name of authorized person, change in name of partners, directors or Managing Director in form A-1.
17. Storage Of Inputs Outside Place Of Manufacture - The D.C. of C.E. or the A.C. of Central Excise, as the case may be, having jurisdiction over the factory of a manufacturer of the final products may, in exceptional circumstances, by an order, permit the manufacturer to store the input in respect of which CENVAT credit has been taken, outside such factory, subject to such limitations and conditions as he may specify. (Clause 8 of C.C. Rules 2004)
18. Registration of different portions of same factory - Often a factory has different portions located in adjoining premises, or premises separated by road, railway line or canal. In such case, Commissioner can allow single registration, subject to proper accounting of movement of goods from one premise to other and other conditions and limitations as he may specify. (Para 3 of notification No. 36/2001-CE (NT) dated 26.6.2001.)



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UNITS NOT AVAILING/NOT ELIGIBLE FOR SMALL SCALE BENEFITS

UNITS WHOSE CLEARANCE VALUE IS MORE THAN 4 CRORES FOR HOME CONSUMPTION IN THE FINANCIAL YEAR 2013-14 OR UNITS OPTING FOR DUTY FROM 1.04.2014 WITHOUT SSI BENEFITS

- All the formalities of excise to be followed.
- Monthly payment within 6th of next month if paid electronically through internet banking or 5th of next month, for goods removed during March, payment within 31stMarch and monthly return in ER-1 within 10th day of following month.
- In terms of Notification No 15/2013-Central Excise (N.T.) dated the 22nd November, 2013, an assessee (w.e.f. 1st. January, 2014), who has paid total duty of rupees one lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year, is required to deposit the duty electronically through internet banking under sub-rule (1) of Rule 8 of the Central Excise Rules, 2002.
- For job work (incoming)either procedure under notification 83/94 C.E. dated 11.04.94 or procedure under notification no.214/86 C.E. dated 25.03.86 has to be followed i.e. declaration of undertaking under these notifications has to be submitted by the person sending the raw materials to your jurisdictional A.C. concerned and other details as prescribed have to be maintained. (Formats enclosed in Declaration section)
- Procedure for job work (outgoing) under notification 214/86 read with rule 4(5)(a) of Cenvat credit rules to be followed.
- Compulsory filing of returns electronically through internet banking.
- Service tax on all the services availed in the factory or office as enumerated in cenvat credit rules as per procedure can be taken as cenvat credit. They will continue to pay service tax on Goods transport charges by road if they as a consignor or consignee are paying the transport charges and fall under any of the six categories as per notification 30/2012 - ST. The Units enjoying exemption are also required to pay service tax under reverse charges/partial reverse, on services mentioned in notification no. 30/2012-ST. applicable on business entity/partnership firm/body corporate/corporate etc. as the case may be. (As enumerated in Service Tax Reverse Charges Section before)
- Every assessee shall submit to the Superintendent of Central Excise, an Annual Installed Capacity Statement in Form ER -7 (Format Enclosed) declaring the annual production capacity of the factory for the financial year by 30th day of April, 2014 as per notification No. 38/2008 – Central Excise (N.T.) dated 29.09.08
- Inform change in boundary of premises, address, name of authorized person, change in name of partners, directors or Managing Director in form A-1.
- Storage Of Inputs Outside Place Of Manufacture - The D.C. of C.E. or the A.C. of Central Excise, as the case may be, having jurisdiction over the factory of a manufacturer of the final products may, in exceptional circumstances, by an order, permit the manufacturer to store the input in respect of which CENVAT credit has been taken, outside such factory, subject to such limitations and conditions as he may specify. (Clause 8 of C.C. Rules 2004)
- Registration of different portions of same factory - Often a factory has different portions located in adjoining premises, or premises separated by road, railway line or canal. In such case, Commissioner can allow single registration, subject to proper accounting of



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movement of goods from one premise to other and other conditions and limitations as he may specify. (Para 3 of notification No. 36/2001-CE (NT) dated 26.6.2001.)

UNITS PAYING ANNUALLY DUTY OF MORE THAN RUPEES ONE CRORES (CENVAT CREDIT + PLA.) – OTHER ROUTINE PROCEDURES

- To submit to the Superintendent of Central Excise, annual declaration in Form ER - 5 (attached herewith) for preceding financial year 2013-14 by 30th April 2014 as per Notification No. 40/2004 C.E. (N.T) dated 25.11.2004 giving details of principal inputs, description of finished goods & input/output ratio.
- To submit to the Superintendent of Central Excise, monthly declaration in Form ER - 6 (attached herewith) giving monthly details of each principal inputs – opening balance, receipts, consumption, description & production of finished goods & scrap generated. The declaration is to be filed by 10th of the following month as per notification no. 41/2004 C.E. (N.T.) dated 25.11.2004.
- Submit “Annual Financial Information Statement” in Form ER- 4 (rule 12(2) of Central Excise Rules) by 30th November 2014 vide Notification No. 36/2004 C.E. (N.T.) Dated 01.11.2004. (Format Enclosed)

The Returns are to be filed electronically.



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ROUTINE PROCEDURES – AS SERVICE RECEIVER

A. REGISTRATION

Procedure, conditions and safeguards for registration under service tax will be as prescribed by CBE&C by order – rule 4(9) of Service Tax Rules, inserted w.e.f. 1-3-2015.

The procedure, as prescribed in order No. 1/2015-ST dated 28-2-2015 issued by CBE&C, is as follows –

- Online application for registration in form ST-1 is mandatory. Application should be through ACES (Automation of Central Excise and Service Tax)
- Applicant must have Income Tax PAN. He must have mobile number and e-mail address. On application, applicant will be granted registration within two days. The number will be generated electronically. Online registration through website is adequate proof, even if not signed.
- Assessee can start paying service tax after obtaining registration number electronically
- After application, documents prescribed in CBE&C order No. 1/2015-ST dated 28-2-2015 should be submitted with seven days. These cover copy of PAN, photograph and proof of identity of person, proof of possession of premises, details of main bank account, memorandum and articles and Board resolution.
- Business transaction number with other authorities like Customs Registration Number, IEC (Import Export Code), State Sales Tax Number, CST, Company Index Number etc. should be submitted.
- Verification of premises can be done only with permission of Additional/Joint Commissioner.
- If required clarifications are not provided by assessee, registration can be cancelled after granting personal hearing. If premises are nonexistent, registration can be cancelled by Deputy/Assistant Commissioner

B. PAYMENT & ACCOUNTING CODES

1. Service Tax is payable within **6th day of month** after each quarter. However, service tax for January to March is to be paid within **31st. March**. (For Proprietor, Partnership & HUF concerns)
2. Service Tax is payable monthly within 6th day of next month. However, service tax for March is to be paid within 31st. March. (For Companies)
3. **Every assessee shall electronically pay the service tax payable by him, through internet banking – w.e.f. 01.10.14**
4. Negative List based comprehensive approach to taxation of services came into effect from the first day of July, 2012. Accounting code for the purpose of payment of service tax under the Negative List approach [All Taxable Services – 00441089] was prescribed vide Circular 161/12/2012, dated 6th July, 2012.
5. The Circular No. 165 / 16 / 2012-S.T. dated 20th November 2012 revives the old system of category specific tax code for payment of Service Tax and other dues. It also requires that the liability of interest against late payment of Service Tax has to be discharged under a separate code. This is applicable not only to the Service Tax payers, especially who have been



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providing multiple services but also for the assesses obliged to pay service Tax under Reverse Charge Mechanism. A specific sub-head has been created for payment of "penalty" under various descriptions of services. Henceforth, the sub-head "other receipts" is meant only for payment of interest payable on delayed payment of service tax. Accounting Codes under the sub-head "deduct refunds" is not to be used by the taxpayers, as it is meant for use by the field formations while allowing refund of tax.

C. RETURNS

1. Service Tax return for April to September is to be submitted in Form ST-3 within 25th. October & for October to March within 25th. April.
2. Service Tax Return to be made electronically by all assesses.

D. POINT OF TAXATION IN CASE OF REVERSE CHARGE:

Reverse charge Mechanism- Under this concept service receiver is liable for payment of service tax to the account of the govt. Point of taxation in case of reverse charge is discussed below –

- a) In case advance payment is made to the service provider then date of advance payment is the Point of taxation.
- b) If payment is made within three months from date of the invoice then date of payment will be considered as Point of taxation.
- c) If payment is made after three months from the date of invoice then Point of taxation will be –
 - a) The first day after 3 months from the Date of invoice provided that the invoice has been issued within 30/45 days (as applicable) from completion of provision of service;

E. COMPUTING TAXES - INVOICE

Invoice by the service provider in the above cases, to be raised, as per Rule 4A of the Service Tax Rules 1944 indicate the name, address and the registration no. of the service provider; the name & address of the service receiver, the description & value of taxable service; and the service tax payable thereon, including service tax payable by the provider. The service provider may not charge any service tax as his turnover is below rupees ten lakhs in proceeding, till they cross the turnover of rupees ten lakhs in the current year.

Illustration: **Computing taxes**

Example: Say A is SP and B is SR such that they fall under reverse charge and ratio applicable is 25-75 for SP & SR respectively. Say an invoice of 15 Lacs (excluding tax) has been raised on 1st August, 2013. For the given facts the computation of service tax shall be as under:

Particulars	Amount (Rs)
Invoice Value (excluding tax)	15,00,000/-
Service Tax (Total Service tax) @ 12.36% (A)	1,85,400/-
Total Value	16,85,400/-
Less: Tax Attributable to service receiver and to be borne by SR himself (75% of (A))	1,39,050/-
Amount Payable by SR to SP	15,46,350/-
ST payable by SR	1,39,050/-



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ST payable by SP

46,350/-

Against ST payable the Cenvat available with respective parties can be utilised subject to [Cenvat credit rules, 2004](#).

RAISING SERVICE INVOICE

Above mentioned table shall be our reference point to discuss raising a service invoice. In this case the total service tax payable of Rs. 1, 85,400/- needs to be disclosed. In addition to that service tax attributable to service receiver i.e. Rs. 1, 39,050/- shall be disclosed on invoice so that the SR knows the amount of service tax that is required to be paid by him.

The 14 Days time limit for issuing invoice increased to 30 days from the date of provision of service. The 14 Days time limit for issuing invoice increased to 45 days in case of banking company / financial institutions. In case of continuous supply of services, 14 days time limit increased to 30 days of the completion of each taxable event. No invoice is required to be issued in case of the amount received by service provider from service receiver is in excess of amount mentioned in the invoice by Rs. 1000/-.

F. ACCOUNTING ISSUES

It will be evident from the above that in case of car hire, manpower supply, works contract; the liability is fastened on the recipient of service provided the service provider is of specified person. In case of service provider is other organization like Company, Society, the tax is payable by the service provider himself. The organization responsible for payment of service tax will also have to file ST-3 return for the payment of service tax made by them. It has been the experience that during audit, the auditors invariably ask the company to tally the value of taxable service with the amount shown in the ledger. It will therefore be advisable to maintain separate ledger code for the service for which service tax is payable under reverse charge and service tax payable as service provider. This will help the company in reconciling the amount in the return.

G. CENVAT CREDIT

Time limit for taking Cenvat Credit of Input Services at a glance

Description	When service tax is payable	When Cenvat Credit can be taken	When the Cenvat Credit is required to be reversed?
Entire service tax payable by service provider (normal provision)	Service provider liable to pay service tax on issue of invoices – rule 3(a) of POTR (except where his value of taxable services were less than Rs 50 lakhs per annum in previous financial year, in which case, service tax payable on receipt basis – third proviso to rule 6(1) of Service Tax	On receipt of invoice of service provider (but within one year from date of invoice of service provider (w.e.f. 01.03.15) (earlier within 6 months w.e.f. 01.09.14 till 28.02.15) - rule 4(7) of Cenvat Credit Rules)	If payment of value of input service plus service tax is not made to service provider within three months – Later when payment is made, the Cenvat credit can be taken back – third proviso to rule 4(7) of Cenvat Credit Rules



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	Rules)		
Entire service tax payable by service receiver (under reverse charge)	Service receiver liable to pay service tax on payment of value of input service plus service tax to service provider or three months from date of invoice of service provider (whichever is earlier) – rule 7 of POPS	On payment of service tax by the service receiver by GAR-7 challan (but within one year w.e.f. 01.03.15 from date of GAR-7 challan – (earlier within 6 months w.e.f. 01.09.14 till 28.02.15) – rule 4(7) of Cenvat Credit Rules)	No question of reversal of Cenvat Credit
Portion of service tax charged by service provider in his invoice, in cases where remaining portion of service tax is payable by service receiver under reverse charge	Service provider liable to pay service tax on issue of invoices – rule 3(a) of POTR (except where his value of taxable services were less than Rs 50 lakhs per annum in previous financial year, in which case, service tax payable on receipt basis – third proviso to rule 6(1) of Service Tax Rules)	On receipt of invoice of service provider (but within one year from date of invoice of service provider (w.e.f. 01.03.15) (earlier within 6 months w.e.f. 01.09.14 till 28.02.15) rule 4(7) of Cenvat Credit Rules)	If payment of value of services plus service tax is not made to service provider within three months – Later when payment is made, the Cenvat credit can be taken back – third proviso to rule 4(7) of Cenvat Credit Rules
Portion of service tax payable by service receiver, in cases where partial service tax is payable by service receiver (under reverse charge)	Service receiver liable to pay his portion of service tax, on payment of value of input service plus service tax to service provider or three months from date of invoice of service provider (whichever is earlier) – rule 7 of POPS	On payment of service tax by the service receiver by GAR-7 challan, irrespective of whether payment is made to the service provider – w.e.f. 01.04.15 (but within one year from date of GAR-7 challan.) (Prior to 01.04.15 – On payment of value of services plus service tax to service provider and	No question of reversal of Cenvat Credit



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		payment of portion of service tax paid by servicer receiver by GAR-7 challan (but within six months from date of GAR-7 challan – see sixth proviso to rule 4(7) of Cenvat Credit Rules)	
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LIST OF RETURNS/STATEMENTS – EXCISE

Form of Return	Description	Who is required to file	Time limit for filing return
ER-1 [Rule 12(1) of Central Excise Rules]	Monthly Return by large units	Manufacturers not eligible for SSI concession	10th of following month
ER-2 [Rule 12(1) of Central Excise Rules]	Return by EOU	EOU units	10th of following month
ER-3 [Proviso to Rule 12(1) of Central Excise Rules]	Quarterly Return by SSI	Assesses availing SSI concession	10th of following quarter
ER-4 [rule 12(2) of Central Excise Rules]	Annual Financial Information Statement	Assesses paying duty of Rs one crore or more per annum through Cenvat & PLA	Annually by 30th November of succeeding year
ER-5 [Rules 9A(1) and 9A(2) of Cenvat Credit Rules]	Information relating to Principal Inputs	Assesses paying duty of Rs one crore or more per annum through Cenvat & PLA and manufacturing goods under specified tariff headings	Annually, by 30th April for the current year (e.g. return for 2013-14 is to be filed by 30-4-2013).
ER-6 [Rule 9A(3) of Cenvat Credit Rules]	Monthly return of receipt and consumption of each of Principal Inputs	Assesses required to submit ER-5 return	10th of following month
ER-7 [Rule 12(2A)(a) of Cenvat Credit Rules]	Annual Installed Capacity Statement	All Assesses registered under Excise	Annually, by 30th April for the current year (e.g. return for 2013-14 is to be filed by 30-4-2013)



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CENVAT CREDIT

Credit of inputs, input services and capital goods	Cenvat scheme allows credit of excise duty paid on inputs goods, capital goods and service tax paid on input services [Rule 3(1) of Cenvat Credit Rules]
Utilisation of Cenvat Credit	This credit can be utilised for payment of excise duty on dutiable final products and service tax on taxable output services [Rule 3(4) of Cenvat Credit Rules]
Credit only if manufacture or provision of service	Cenvat credit is available only if there is ‘manufacture’ or ‘provision of taxable output service’.
One to one relation not required	Cenvat Credit Rules do not require one to one relationship [Rule 3(1) read with 3(4) of Cenvat Credit Rules] Entire Cenvat credit is common pool which can be utilised for payment of any eligible duty, service tax or amount.

INPUT (GOODS) ELIGIBLE FOR CENVAT CREDIT

Inputs used in or in relation to manufacture	Inputs which are used in or in relation to manufacture of taxable final product and inputs directly used for provision of taxable output service are eligible for Cenvat credit [Rule 2(k) of Cenvat Credit Rules] Input may be used directly or indirectly in manufacture. Any input integrally connected with manufacturing process is eligible. Process loss is eligible.
Consumables eligible	Consumables are eligible for Cenvat credit.
Accessories, packing material, paint	Accessories, packing material and paints are eligible as inputs.
LDO, HSD and petrol not eligible	LDO, HSD and petrol are not eligible for Cenvat credit [Explanation 1 to Rule 2(k) of Cenvat Credit Rules]
Cement, angles, channels etc. not eligible	Input does not include cement, angles, channels, CTD or TMT used for construction of factory shed, building or foundation or structures to support capital goods [Explanation 2 to Rule 2(k) of Cenvat Credit Rules]
Instant credit	Cenvat credit on input (goods) is instant, i.e. as soon as inputs are received in the factory.



ROUTINE PROCEDURES 2015-16

CENVAT CREDIT ELIGIBILITY OF VARIOUS SERVICES AS INPUT SERVICES

In view of the changes in the Cenvat Credit Rules; following is summary of various input services eligible and not eligible. (Of course, litigation is inevitable in many cases.)

Service	Comment about eligibility
Accounting Expenses	Eligible as specifically included in definition
Advertisement (may be for recruitment, tenders, sales promotion, legal etc. as no restriction)	Eligible as specifically included in definition
Air travel of employees	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Airport Service	Specifically excluded – Hence not eligible <i>except</i> for airport, construction or works contract
Architect Services	Specifically excluded – Hence not eligible except in case of construction or works contract services
Auditing Service	Eligible as specifically included in definition
Authorised Service Station	Specifically excluded – Hence not eligible except where motor vehicle is eligible as capital goods
Banking and other financial services	Eligible under ‘Financing’
Beauty Treatment	Specifically excluded – Hence not eligible
Brand Ambassadors	Eligible as relating to ‘sales promotion’
Business exhibition	Eligible as specifically included in definition
Business Support Service	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Canteen Expenses for employees	Not Eligible as specifically excluded
Clearing & Forwarding Agent	Eligible for inputs and for final products upto place of removal (port is place of removal for export)
Club Membership	Specifically excluded for employee – Hence not eligible [Club membership fee of a director (who is not employee) would be eligible]
Commercial Coaching and training	Eligible as specifically included in definition
Commission Agent	Eligible as relating to ‘sales promotion’ or ‘procurement of inputs’
Computer networking	Eligible as specifically included in definition
Consignment Agent’s expenses	Eligible as consignment agent’s place is ‘place of removal’ when sale is from depot
Construction of a building or a civil structure or a part thereof	Specifically excluded – Hence not eligible <i>except</i> for construction or works contract service
Consulting – Engineering, management	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts,



ROUTINE PROCEDURES 2015-16

	audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Courier	Eligible if related to modernization or repairs of factory or office, accounts, financing, procurement of inputs, sales promotion, inward and outward transportation, share registry, recruitment, legal services
Credit rating	Eligible as specifically included in definition
Customs House Agent	Eligible for procurement of inputs and also for exports as port is place of removal for export
Depot expenses	Eligible as depot is 'place of removal' when sale is from depot
Erection, commissioning or installation	Eligible since in relation to manufacture or provision of taxable goods/services
Financing (Bank charges, Lease, Hire Purch.)	Eligible as specifically included in definition
Foundation or support of capital goods	Specifically excluded – Hence not eligible except for construction or works contract service
Gardening	Eligible if done as a statutory requirement or if in relation to modernization or renovation of factory or office, otherwise not.
General Insurance for machinery, building and transportation of inputs, capital goods and final products upto place of removal	Eligible as in relation to manufacture, provision of taxable services, procurement of inputs, transportation of inputs and final products
General Insurance of motor vehicles	Specifically excluded – Hence not eligible except where motor vehicle is eligible as capital goods
Health Insurance	Insurance of employees not eligible [Insurance of a director (who is not employee) would be eligible]
Hire purchase	Eligible under 'Financing'
Information Technology Software	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Insurance for machinery, building and transportation of inputs, capital goods and final products upto place of removal	Eligible as in relation to manufacture, provision of taxable services, procurement of inputs, transportation of inputs and final products
Insurance (Life or Health)	Insurance of employees not eligible [Insurance of a director (who is not employee) would be eligible]
Intellectual Property Service	Eligible if in relation to manufacture or provision of taxable goods/services, quality control, sales promotion, computer networking
Inward transport	Specifically included under 'Inward transportation of inputs or capital goods'
Job work	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, computer networking
Labour contractor	Eligible if in relation to manufacture or



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	provision of service or modernization or repairs of factory or office, accounts, financing, procurement of inputs, sales promotion, inward and outward transportation, share registry, recruitment, legal services
Leasing	Covered under 'Financing'
Legal Consultancy	Specifically included under 'legal services'
Life Insurance	Insurance of employees not eligible [Insurance of a director (who is not employee) would be eligible]
Maintenance and repairs	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, except of motor vehicles
Mandap Keeper	Eligible if in relation to recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Manpower recruitment and supply	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, recruitment, storage, quality control, accounts, sales promotion, financing, computer networking
Market Research	Eligible as specifically included in definition
Mobile phones (even if in name of employees, if endorsed in favour of employer and reimbursed by employer)	Eligible if related to modernization or repairs of factory or office, accounts, financing, procurement of inputs, sales promotion, inward and outward transportation, share registry, recruitment, legal services but not for personal use of employees
Motor Vehicle Expenses	Presently credit on all motor vehicles is not available except to a few specified service providers. This is being liberalised and credit on motor vehicles, other than those falling under tariff heading 8702, 8703, 8704, 8711 and their chassis, will be allowed. The credit of service tax paid on their hiring, insurance and repair will also be allowed.
Outdoor catering	Not eligible when given to employee – should be eligible if for sales promotion, training, auditing, legal services, security or to directors who are not employees
Outward transportation	Outward transportation upto the place of removal (port is place of removal for export)
Personal Insurance of employees	Not eligible
Port Service	Specifically excluded – Hence not eligible except for port, construction or works contract
Procurement Expenses	Eligible under 'Procurement of inputs'
Quality Control	Eligible as specifically included in definition
Real Estate Agent service	May not be eligible
Recruitment	Eligible as specifically included in definition
Renovation of factory or office building	Renovation of a factory, premises of provider of output service or an office relating to such factory or premises are eligible



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Renting of a cab	Specifically excluded – Hence not eligible except where motor vehicle is eligible as capital goods
Renting of immovable property	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Repairs of factory or office building	Repairs of a factory, premises of provider of output service or an office relating to such factory or premises are eligible
Repairs of vehicles	Specifically excluded – Hence not eligible except where motor vehicle is eligible as capital goods
Residential Colony/quarters Expenses	Not eligible except security and legal services
Residential Complex	Specifically excluded – Hence not eligible <i>except for construction or works contract service</i>
Sales Promotion Expenses	Eligible as specifically included in definition
Security at factory, offices, godown, residential colonies	Eligible as specifically included in definition as ‘Security’ (no restriction where used)
Share registry	Eligible as specifically included in definition
Showroom Expenses	Eligible as ‘sale promotion’
Software	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, financing, computer networking
Storage of inputs and final products	Eligible as specifically included in definition as ‘Storage upto place of removal’
Supply of tangible goods	Specifically excluded – Hence not eligible except where motor vehicle is eligible as capital goods
Supply of tangible goods for use service	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Telephones and telephones at residence of employees	Eligible if related to modernization or repairs of factory or office, accounts, financing, procurement of inputs, sales promotion, inward and outward transportation, share registry, recruitment, legal services but not for personal use of employees
Training	Eligible as specifically included in definition
Transport charges for transport of employees	Not eligible as specifically excluded
Travel by air, road or water except by motor vehicle	Eligible if in relation to manufacture or provision of taxable goods/services, modernization or repairs of factory or office, storage, quality control, recruitment, accounts, audit, sales promotion, procurement of inputs, legal services, financing, computer networking
Works Contract Service	Specifically excluded – Hence not eligible



ROUTINE PROCEDURES 2015-16

provided for services specifically excluded under clause A of 2(l) *except* for construction or works contract service if the service is used for other purpose shall i.e. finishing services , repair, alteration, or restoration , these should be eligible.

Notifications & Circulars



NOTIFICATIONS AND CIRCULARS

CONCESSIONAL RATE OF EXCISE DUTY ON PAPER, BOARD, BOXES & SCRAP

Notification No. 12 /2012-Central Excise

(Only Relevant Portion Reproduced Below)

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

New Delhi, the 17th March, 2012

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) and in supersession of (i) notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2005-Central Excise, dated the 24th February, 2005, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R 95(E), dated the 24th February,2005,(ii) notification No. 3/2006-Central Excise, dated the 1st March,2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 93 (E), dated the 1st March,2006,(iii) notification No. 4/2006-Central Excise, dated the 1st March,2006 , published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 94 (E) dated the 1st March,2006,(iv) notification No. 5/2006-Central Excise, dated the 1st March,2006 , published in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (i), vide number G.S.R 95 (E) dated the 1st March,2006,(v) notification No. 6/2006-Central Excise, dated the 1st March, 2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 96 (E) dated the 1st March,2006, and (vi) notification No. 10/2006-Central Excise, dated the 1st March,2006, published in the Gazette of India, Extraordinary, Part II, Section 3, Subsection (i), vide number G.S.R 100 (E) dated the 1st. March,2006, except as respects things done or omitted to be done before such supersession, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts the excisable goods of the description specified in column (3) of the Table below read with relevant List appended hereto and falling within the Chapter, heading or sub-heading or tariff item of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (hereinafter referred to as the Excise Tariff Act), as are given in the corresponding entry in column (2) of the said Table, from so much of the duty of excise specified thereon under the First Schedule to the Excise Tariff Act, 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:

Provided that nothing contained in this notification shall apply to the goods specified against serial number 296 and 297 of the said Table after the 31st day of March, 2013.

Explanation 1.- For the purposes of this notification, the rates specified in column (4) of the said Table are ad valorem rates, unless otherwise specified.

Explanation 2.- For the purposes of this notification, —brand name means a brand name, whether registered or not, that is to say, a name or a mark, such as a symbol, monogram, label, signature or invented words or any writing which is used in relation to a product, for the purpose of indicating, or so as to indicate, a connection in the course of trade between the product and a person using such name or mark with or without any indication of the identity of that person.



NOTIFICATIONS AND CIRCULARS

Table

Sl. No	Chapter or heading or sub-heading or tariff item of the First Schedule	Description of excisable goods	Rate	Condition No.
(1)	(2)	(3)	(4)	(5)
160	4707	Waste paper and paper scrap	6%	-
163	48	Paper and paperboard or articles made therefrom manufactured, starting from the stage of pulp, in a factory, and such pulp contains not less than 75% by weight of pulp made from materials other than bamboo, hard woods, soft woods, reeds (other than sarkanda) or rags	6%	12
171	4819 10	Cartons, boxes and cases, of corrugated paper or paperboard whether or not pasted with duplex sheets on the outer surface	6%	13

ANNEXURE

Condition No	Conditions
12	(1) The exemption shall not be applicable if the factory in which the said goods are manufactured has a plant attached thereto for making bamboo or wood pulp. (2) The exemption shall not be applicable to a manufacturer of the said goods who avails of the exemption under the notification of the Government of India in the erstwhile Ministry of Finance and Company Affairs (Department of Revenue) No. 8/2003-Central Excise, dated the 1st March, 2003.
13	The exemption shall be applicable to units manufacturing cartons, boxes or cases, as the case may be, starting from the stage of kraft paper, corrugated paper, corrugated sheet, corrugated board or any one or more of these stages and not having the facility to manufacture kraft paper in the same factory.

[F.No.334/1/2012-TRU]

(Raj Kumar Digvijay)

Under Secretary to the Government of India



NOTIFICATIONS AND CIRCULARS

F. No. 354/342/2011/TRU
Government of India
Ministry of Finance
Department of Revenue
Tax Research Unit

New Delhi, dated the 24th February, 2012

To,

All Directors General
All Chief Commissioners of Central Excise and Customs
All Chief Commissioners of Central Excise

Sir/Madam,

Subject: Serial No.96E of Notification No. 4/2006-CE dated 01.03.2006; Tariff classification of Corrugated Paper Board Boxes manufactured from corrugated Paper & Paper Board - Using Kraft Paper & Duplex Board- reg.

Kind attention is invited to Serial No.96E of Notification No. 4/2006-CE dated 01.03.2006 as amended by Notification No. 4/2011-CE Dated 01.03.2011, whereby a concessional rate of 5% central excise duty has been made available to available to Cartons, boxes and cases, of corrugated paper or paperboard whether or not pasted with duplex sheets on the outer surface. Under column (2) of this entry the chapter or heading for Tariff Item of the Schedule has been indicated as 4819 10.

2. Reresentations have been received by this unit wherein it has been stated that some field formations have raised the issue on a member unit; of non eligibility of concessional Excise Duty; on Corrugated Board Boxes manufactured using Corrugated Board made of Kraft Paper & Duplex Paper Board on the ground that the product cannot be classified under Tariff Heading 4819 as Duplex Board has been used & that Kraft Paper is not predominant in the total quantum of Paper & Board used. Therefore demand for Duty of 10% has been raised on such clearances.

3. Board has examined similar issues in the past on more than one occasion. For example, vide Circular no.60/95 dated 4th June, 1995 and Circular no.9/96-Cus dated 13.2.1996, it has been clarified that the benefit of exemption will be available to goods where the goods are squarely covered by the description even though the goods mentioned in the notification are not covered by the Chapter/Heading Nos. /Sub-heading Nos. mentioned in the notification or if the heading no. indicated against the description is "incorrect".

4. In view of this position it is clear that the benefit of concessional rate of excise duty in the instant case is available to Cartons, boxes and cases, of corrugated paper or paperboard whether or not pasted with duplex sheets on the outer surface, subject to Condition No.12 of Notification 4/2006-CE dated 01.03.2006.

5. In this regard, it is requested that all the field formations under your jurisdiction may be advised accordingly, so that pending disputes, if any, may be decided.

Yours faithfully,

(Vivek Johri)
Joint Secretary (TRU-I)
Tel: 011-23092687
Fax: 011-23092031
Email: johri.vivek@nic.in



NOTIFICATIONS AND CIRCULARS

Eastern India Corrugated Box Manufacturers' Association

Affiliated to : Bharat Chamber of Commerce
9, Park Mansions, 2nd Floor,
57A, Park Street, Kolkata-700 016
Phone : 2229 9608/9591 Fax : 033-2229 4947
Gram : Varalchamb, Kolkata



R & D Centre
Merlin Links, 3F & 3G
166B, S. P. Mukherjee Road, Kolkata-700 026
Phone : 2465 6691 Fax : 033-2465 6691
e.mail : eicma@vsnl.net

C O P Y

"Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi, Dated 15th April, 2005.

To
Shri Harish Madan
Federation of Corrugated Box Manufacturers of India
138, Mittal Estate No. 3
Mumbai – 400 059.

Subject : Standard Units of Quantity – regarding

Sir,

1. Please refer to your representation to Secretary Finance dated March 4, 2005 on units of measurement in the 8-digit Central Excise Tariff Schedule.

2. The Additional Note No. (3) to Central Excise Tariff Act 1985 is reproduced below for ease of reference.

"In column (3), the standard unit of quantity as specified for each tariff item to facilitate the collection, comparison and analysis of trade statistics".

3. Thus, standard units of quantity for each tariff item have been specified to facilitate collection, comparison and analysis of trade statistics. The units of quantity are indicative and have not been made mandatory. It would be pertinent to mention here that exactly similar note exists in the 8 digit Customs Tariff also that is in existence since February, 2003. On customs side also it is not mandatory to declare the quantity in terms of the said units of quantity in the bill of entry/shipping bill.

Yours faithfully,

Sd/-

[Abhol Kumar Srivastav]
Deputy Secretary (CX I)"

Copy forwarded for information to : All Members of the Association.

sdn/c/copy13

A. Mukherjee
[A Mukherjee]
Deputy Secretary
29/4/05



Member of : "FEDERATION OF CORRUGATED BOX MANUFACTURERS OF INDIA". MUMBAI



NOTIFICATIONS AND CIRCULARS

Letter No. 61/39/86-CX.2, dated 2-9-1986

"Dividers, partitions, plates made out of corrugated paper/paper board"

Classification [Chapter 48]
Government of India
Ministry of Finance (Department of Revenue)
New Delhi

1. A doubt has been raised as to whether dividers, partitions, plates and other accessories made out of corrugated paper/paper board and used as inherent fitments placed inside the corrugated box with a view to adequately protect and keep the packed products in their position, are part and parcel of the corrugated boxes classifiable along with the same or such partitions, dividers, are classifiable under 4818.90 as other articles of paper/paper board.
2. The matter has been examined in the Ministry and it is clarified that such parts of boxes used for the above said purpose cannot be separately classified under sub-heading 4818.90 as other articles of paper/paper board. They will be classifiable under the heading under the box itself is classifiable.



NOTIFICATIONS AND CIRCULARS

CAPITAL GOOD – CENVAT ON REMOVAL – AFTER BEING PUT TO USE

(Ref: Notification No. 18/2012 – Central Excise (N.T.) Dated 17.03.12)

1 Prior to 17/03/12, as per third proviso to Rule 3(5) of CENVAT Credit Rules, 2004 if the capital goods, in respect of which CENVAT Credit has been taken, are removed, after being used, the manufacturer or provider of output services shall pay an amount equal to the CENVAT Credit taken on the said capital goods reduced by the percentage points calculated by straight line method at the specified rate for each quarter of a year or part thereof from the date of taking the CENVAT Credit.

2 Further, prior to 17/03/12, Rule 3(5A) of CENVAT Credit Rules, 2004 provides that if capital goods are cleared as waste and scrap, the manufacturer was required to pay an amount equal to duty leviable on Transaction Value.

3 Thus, there was a difference in amount required to be paid on removal of capital goods when the same is removed as other than waste and scrap and the same is removed as waste and scrap. Now, such difference has been removed. Now, third proviso to Rule 3(5) has been omitted and Rule 3(5A) has been substituted to provide if the capital goods on which CENVAT credit has been taken are removed after being used whether as capital goods or scrap or waste, assessee shall be required to pay:

(i) An amount equivalent to CENVAT credit taken reduced by percentage specified for retaining the CENVAT credit amount, OR

(ii) An amount equivalent to duty leviable on Transaction value, whichever is higher.

For the purpose of clause (i) hereinabove, the rate for retaining the CENVAT credit are as under:

a) for computers and computer peripherals:

- for each quarter in the first year @10%
- for each quarter in the second year @8%
- for each quarter in the third year @ 5%
- for each quarter in the fourth and fifth year @1%

b) for capital goods, other than computers and computer peripherals

- @ 2.5% for each quarter.

If capital goods are cleared after use, an ‘amount’ payable by reducing the original Cenvat credit @ 2.5% per quarter i.e. 10% per year.(Higher reduction in case of computers)

“ If excise duty calculated on basis of transaction value of the old capital goods is higher, then ‘amount’ equal to that duty payable.

“ For example, capital goods were purchased on which Cenvat Credit availed was ` 1,00,000. These were cleared after use for five years. Then ‘amount’ to be paid (i.e. Cenvat credit to be reversed) is ` 50,000 (10% per year). However, capital goods were sold for ` 5,00,000 on which excise duty payable at current rate of 12.36% is 61,800. In that case, ‘amount’ payable will be ` 61,800.

**IF THE MANUFACTURER HAS NOT TAKEN CENVAT CREDIT AT THE TIME OF PURCHASE,
THEN THE QUESTION OF PAYMENT OF ANY AMOUNT SHOULD NOT ARISE.**



NOTIFICATIONS AND CIRCULARS

CHANGES IN RELATION TO CAPITAL GOODS CLEARED AS SCRAP – W.E.F. 27.09.13

(Ref: Notification No. 12/2013 – Central Excise (N.T.) Dated 27.09.13)

The Cenvat Credit Rules 2004, relating to cenvat & payment of duty on Capital Goods cleared after use have been amended vide Notification No. 12/2013 – C.E. (N.T.) dated 27.09.13 as enclosed herewith.

CBEC has further amended the Cenvat Credit Rules, 2004 wherein new rules called Cenvat Credit (Second Amendment) Rules, 2013 have been introduced.

The Rule 3(5A) has been amended vide this notification whereby the new rule specifies different provision for clearance of used capital goods and the capital goods cleared as waste and scrap.

With respect to used capital goods, the amount that is required to be paid is cenvat credit reduced by percentage points calculated on Straight Line Method for each quarter of a year or part thereof from the date of taking cenvat credit or the duty leviable on the transaction value, whichever is higher, remains unchanged.

However, it has been specified that for capital goods cleared as waste or scrap, the manufacturer is liable to pay duty leviable on the transaction value. Earlier, the provision was same for both used capital goods and capital goods cleared as waste and scrap.

The amendment is summarised as follows -

Cleared As Capital Goods

If the capital goods on which CENVAT credit has been taken are removed after being used whether as capital goods, assessee was and is required to pay:

(i) An amount equivalent to CENVAT credit taken reduced by percentage specified for retaining the CENVAT credit amount, OR

(ii) An amount equivalent to duty leviable on Transaction value,

whichever is higher.

Cleared As Scrap & Waste

If the Capital Goods are cleared as Scrap & Waste, the manufacturer was earlier required to pay duty as per above rule, NOW shall pay **an amount equal to duty leviable on transaction value.**

The above amendments shall come into force from the date of publication of the notification in the official gazette.



NOTIFICATIONS AND CIRCULARS

Notification No. 18/2012 – Central Excise (N.T.) (Only Relevant Portions Re-Produced Below)

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

Government of India
Ministry of Finance
Department of Revenue

New Delhi, the 17th March, 2012

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely : -

1. (1) These rules may be called the CENVAT Credit (Third Amendment) Rules, 2012.
- (2) Save as otherwise provided in these rules, they shall come into force on the 1st day of April, 2012.
3. In rule 3 of the said rules,-
 - (a) in sub-rule (5), the third proviso shall be omitted with effect from the 17th day of March, 2012.
 - (b) for sub-rule (5A), the following sub-rule shall be substituted with effect from the 17th day of March, 2012, namely :-
 - (5A) If the capital goods, on which CENVAT credit has been taken, are removed after being used, whether as capital goods or as scrap or waste, the manufacturer or provider of output services shall pay an amount equal to the CENVAT Credit taken on the said capital goods reduced by the percentage points calculated by straight line method as specified below for each quarter of a year or part thereof from the date of taking the CEVAT Credit, namely:-
 - (a) for computers and computer peripherals : for
 - each quarter in the first year @ 10%
 - for each quarter in the second year @ 8%
 - for each quarter in the third year @ 5%
 - for each quarter in the fourth and fifth year @ 1%
 - (b) for capital goods, other than computers and computer peripherals @ 2.5% for each quarter:
Provided that if the amount so calculated is less than the amount equal to the duty leviable on transaction value, the amount to be paid shall be equal to the duty leviable on transaction value.

(Samar Nanda)
Under Secretary to the Government of India

Note. - The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), dated the 10th September, 2004, vide notification number 23/2004-Central Excise (N.T.), dated the 10th September, 2004, vide number G.S.R. 600(E), dated the 10th September, 2004] and was last amended vide notification number 3/2012- Central Excise (N.T.), dated the 12th March, 2012, vide number G.S.R. 138(E), dated the 12th March, 2012.



NOTIFICATIONS AND CIRCULARS

Notification No. 12/2013 – Central Excise (N.T.)

(Only Relevant Portions Re-Produced Below)

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 12/2013(NT)

New Delhi, the 27th September, 2013

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely : -

1. (1) These rules may be called the CENVAT Credit (Third Amendment) Rules, 2013.
(2) They shall come into force on the date of their publication in official Gazette .
2. In rule 3 of the CENVAT credit rules ,2004, for sub-rules (5A), the following sub-rule shall be substituted-
"(5A) (a) if the capital goods, on which CENVAT credit has been taken, are removed after being used, the manufacturer or provider of output services shall pay an amount equal to the CENVAT Credit taken on the said capital goods reduced by the percentage points calculated by straight line method as specified below for each quarter of a year or part thereof from the date of taking the CEVAT Credit, namely:-
(i) for computers and computer peripherals :
for each quarter in the first year @ 10%
for each quarter in the second year @ 8%
for each quarter in the third year @ 5%
for each quarter in the fourth and fifth year @ 1%
(ii) for capital goods, other than computers and computer peripherals @ 2.5% for each quarter:

Provided that if the amount so calculated is less than the amount equal to the duty leviable on transaction value, the amount to be paid shall be equal to the duty leviable on transaction value.

(b) If the capital goods are waste and scrap the manufacturer shall pay an amount equal to the duty leviable on transaction value."

F.NO. 267/42/2012-CX8

(Vikash Kumar)
Director to the Government of India



NOTIFICATIONS AND CIRCULARS

Circular: 19/90-CX. 8 dated 30-Mar-1990

Waxed paper — Levy of cess

Circular No. 19/90-CX.8, dated 30-3-1990

[From F. No. 262/5/90-CX.8]

Government of India
Central Board of Excise & Customs
New Delhi

Subject : Levy of cess on waxed paper manufactured from base paper purchased from the market.

Enclose find a copy of Ministry of Industry (Department of Industrial Development) letter No. 20(2)/85 - Paper dated 29-1-1990 on the subject for information and necessary action at your end.

Copy of letter No. 20(2)/85 Paper dated 29-1-1990 from
Ministry of Industry (Department of Industrial Development)

Subject : Levy of cess on waxed paper manufactured from base paper purchased from the market
- Draft Audit Para No. 122/85-86 - regarding.

Reference D.O. letter No. 232/364/89-CX.7, dated 6th October, 1989 received from Member (CX), Central Board of Excise & Customs on the subject cited above and to say that this Department has reconsidered the issue. It is reiterated that in terms of Order No. S.O. 862(E), dated 27th October, 1980 as amended by Order No. S.O. 87(E) dated the 3rd February, 1981, a duty of excise shall be levied and collected as a cess for the purpose of development of industries under the IDR Act, 1951 on paper & paper boards, all sorts (including newsprint, paste board, mill board, straw board, card board and corrugated boards). As regards applicability of cess on paper products, Department of Industrial Development is of the view that cess is leviable only on base paper. If, however, paper products like waxed paper, coated paper etc. are produced as a result of single integrated manufacturing process, cess becomes leviable on the product.

2. Further, cess is not leviable on waxed paper, manufactured by a paper converter in his premises after buying base paper from the market. These views are based on the advice of Ministry of Law.

3. This issues with the approval of JS (Paper).



NOTIFICATIONS AND CIRCULARS

F. No. 209/03/11-CX-6
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

New Delhi dated 15th February, 2011

To

The Chief Commissioners of Central Excise (All)
The Commissioners of Central Excise (All)
The Directors General of Customs and Central Excise (All)

Subject: Exemption from filing of ER-4, ER-5 & ER-6 returns -reg.

Sir/Madam,

The undersigned is directed to refer to Notification No. 20/2010-Central Excise (NT) dated 18.05.2010, Notification No. 21/2010-Central Excise (NT) dated 18.05.2010, Notification No. 17/2006-Central Excise (NT) dated 01.08.2006 and Notification No. 39/2004-Central Excise (NT), dated 25.11.2004.

2. It has been brought to the notice of the Board that there is lack of clarity regarding the exemption from filing the Annual Financial Information Statement (ER-4) prescribed under Rule 12(2)(a) of the Central Excise Rules, 2002 and the annual declaration (ER-5) and the monthly return (ER-6) relating to Principal Inputs prescribed under Rule 9A(1) and Rule 9A(3) of the CENVAT Credit Rules, 2004 respectively.

3. Notification No. 17/2006-Central Excise (NT) dated 01.08.2006, as amended, issued under Rule 12(2)(b) of the Central Excise Rules, 2002, inter alia, exempts assessees who paid duty of excise less than Rs. 1 crore in the preceding financial year, from filing the ER-4 return. Similarly, Notification No. 39/2004 Central Excise(NT) dated 25.11.2004, as amended, issued Rule 9A(4) of the CENVAT Credit Rules, 2004, exempts the specified class of manufacturers who paid duty of excise less than Rs. 1 crore in the preceding financial year, from filing ER-5 declaration and ER-6 return. Notification No. 20/2010-Central Excise (NT) and Notification No. 21/2010-Central Excise (NT) both dated 18.05.2010, prescribe that assessee who paid total duty of Rs. 10 lacs or more including the duty paid by utilization of CENVAT credit in the preceding financial year, shall file such return/declaration electronically. A doubt has arisen on account of the different threshold limits prescribed for exemption from filing these returns and for filing these returns electronically.

4. The matter has been examined. The exemption provided under Notification No. 17/2006-Central Excise (NT) dated 01.08.2006 and Notification No. 39/2004-Central

Excise (NT), dated 25.11.2004, as amended, is available to interalia assessee who paid duty of excise less than Rs. 1 crore including the amount paid by utilization of CENVAT credit. It is, therefore, clarified that the assesses or class of assessees who are not required to file the ER-4, ER-5 & ER-6 returns because of the above exemption, are not required to file such returns electronically even if the duty paid by them including the amount paid by utilization of CENAT credit in the preceding financial year exceeds Rs. 10 lacs.

5. Trade and industry as well as field formations may be informed suitably.

Yours faithfully,

15-2-11
(V.P.Singh)

Under Secretary to the Government of India



NOTIFICATIONS AND CIRCULARS

25th November, 2004

Notification No. 39/2004 - Central Excise (N.T.).

In exercise of the powers conferred by sub-rule (4) of the rule 9A of the CENVAT Credit Rules, 2004, the Central Government being satisfied that it is necessary and expedient in the public interest so to do, hereby exempts the following class of manufacturers of final products who manufacture excisable goods -

- (i) Specified in column (2) of the Table annexed hereto and falling under the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) and have paid duties of excise less than rupees one hundred lakhs through account current during the preceding financial year,
- (ii) Other than those specified in column (2) of the said Table annexed hereto and falling under the First schedule to the Central Excise Tariff Act, 1985 (5 of 1986);

From the operation of rule 9A of the said rules.

TABLE

S. No.	Description of Goods
(1)	(2)
1.	All goods falling under Chapters 22, 28, 29, 30, 32, 33, 34, 38, 39, 40, 48, 72, 73, 74, 76, 84, 85, 87, 90 and 94
2.	All goods falling under Heading Nos. 54.02, 54.03, 55.01, 55.02, 55.03 and 55.04

F.No.224/52/2004-CX 6

**Neerav Kumar Mallick
Under Secretary to the Government of India**

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)
Notification No.41/2008-Central Excise (N.T.)**

New Delhi, the 29th September, 2008

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) read with sub-rule (4) of rule 9A of the CENVAT Credit Rules, 2004, the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance Department of Revenue) No. 39/2004-Central Excise (N.T) vide number G.S.R. 768 dated the 25th November, 2004, namely:- In the said notification, in clause (i), the words "through account current" shall be omitted.

[F.No.224/52/2004-CX 6]
(Rahul Nangare)

Under Secretary to the Government of India

Note: The principal notification was published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i) vide notification No. 39/2004-Central Excise (N.T.), dated the 25th November, 2004, number G.S.R.768 (E) dated the 25th November, 2004.



NOTIFICATIONS AND CIRCULARS

1st August, 2006.

Notification No.17/2006-Central Excise (N.T.)

G.S.R. (E) – In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) read with clause (b) of sub-rule (2) of rule 12 of the Central Excise Rules, 2002 and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 35/2004-Central Excise (N.T.) dated the 1st November 2004, G.S.R. 725(E) dated the 1st November 2004, the Central Government, being satisfied that it is necessary and expedient in the public interest so to do, hereby exempts the following assessee or class of assessee from the operation of clause (a) of sub-rule (2) of rule 12 of the said Central Excise Rules, namely:-

- (i) Assessee who paid duty of excise less than one hundred lakh rupees from account current during the financial year to which Annual Financial Information Statement relates;
- (ii) Indian Ordnance Factories, Department of Defence Production, Ministry of Defence.

[F.No. 201/35/2006-CX-6]

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No.42/2008-Central Excise (N.T.)

New Delhi, 29th September, 2008

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) read with clause (b) of sub-rule (2) of rule 12 of the Central Excise Rules, 2002, the Central Government hereby makes the following amendment in the notification of the Government of India, Ministry of Finance (Department of Revenue) No. 17/2006-Central Excise (N.T) vide number G.S.R. 455 dated the 1st August, 2006, namely:-

In the said notification, in clause (i), the words “from account current” shall be omitted.

[F.No.201/35/2006-CX 6]

(Rahul Nangare)
Under Secretary to the Government of India

Note: The principal notification was published in the Gazette of India, Extraordinary, Part II, section 3, sub-section (i), vide notification No. 17/2006-Central Excise (N.T.), dated the 1st August, 2006, number G.S.R. 455(E) dated the 1st August, 2006.



NOTIFICATIONS AND CIRCULARS

SSI EXEMPTION - EXCISE
Notification No. 8/2003 - Central Excise
(As Amended)

1st March, 2003

Exemption to first clearances of specified goods upto a value of ` 1.5 Crore, if CENVAT facility not availed and exemption to goods captivity consumed.

[Notification. No. 8/2003-CE., dt. 1.3.2003 as amended by Notfn. Nos. 30/03, 67/03, 24/04, 10/05, 8/06, 39/06, 45/06, 48/06, 8/07, 8/08 (w.e.f. 1.4.08), 47/08, 2/09, 9/09, 24/10, 8/11, 28/11, 15/12].

In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1 of 1944) (herein after referred to as the Central Excise Act) and in supersession of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 8/2002-Central Excise, dated the 1st March, 2002, published in the Gazette of India vide number G.S.R. 129(E), dated the 1st March, 2002, the Central Government, being satisfied that it is necessary in the public interest so to do, hereby exempts clearances, specified in column (2) of the Table below (hereinafter referred to as the said Table) for home consumption of excisable goods of the description specified in the Annexure appended to this notification (hereinafter referred to as the specified goods), from so much of the aggregate of, -

(i) the duty of excise specified thereon in the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986) (herein after referred to as the First Schedule); and

(ii) the special duty of excise specified thereon in the Second Schedule to the said Central Excise Tariff Act, 1985 (herein after referred to as the Second Schedule), as is in excess of the amount calculated at the rate specified in the corresponding entry in column (3) of the said Table:

Provided that nothing contained in this notification shall apply to a manufacturer who has availed the exemption under notification No. 39/2001-Central Excise, dated the 31st July, 2001, published in the Gazette of India vide number G.S.R. 565 (E), dated the 31st July, 2001, in the same financial year.

Provided further that exemption contained in this notification shall not apply to goods which are chargeable to nil rate of duty or are exempt from the whole of the duty of excise leviable thereon.

Table

S.No.	Value of clearances	Rate of duty
(1)	(2)	(3)
1.	First clearances up to an aggregate value not exceeding one hundred lakh rupees *(one hundred and fifty lakh rupees) made on or after the 1st day of April in any financial year	Nil
2.	All clearances of the specified goods which are used as inputs for further manufacture of any specified goods within the factory of production of the specified goods.	Nil
2.	The exemption contained in this notification shall apply subject to the following conditions, namely: -	

* The words "one hundred and fifty lakh rupees" effective w.e.f. 1st day of April, 2007.



NOTIFICATIONS AND CIRCULARS

(i) a manufacturer has the option not to avail the exemption contained in this notification and instead pay the normal rate of duty on the goods cleared by him. Such option shall be exercised before effecting his first clearances at the normal rate of duty. Such option shall not be withdrawn during the remaining part of the financial year;

(ii) while exercising the option under condition (i), the manufacturer shall inform in writing to the Assistant Commissioner of Central Excise or the Deputy Commissioner of Central Excise with a copy to the Superintendent of Central Excise giving the following particulars, namely:-

(a) name and address of the manufacturer;

(b) location/locations of factory/factories;

(c) description of inputs used in manufacture of specified goods;

(d) description of specified goods produced;

(e) date from which option under this notification has been exercised;

(f) aggregate value of clearances of specified goods (excluding the value of clearances referred to in paragraph 3 of this notification) till the date of exercising the option;

(iii) the manufacturer shall not avail the credit of duty on inputs under rule 3 or rule 11 of the CENVAT Credit Rules, 2002 (herein after referred to as the said rules), paid on inputs used in the manufacture of the specified goods cleared for home consumption, the aggregate value of first clearances of which, as calculated in the manner specified in the said Table does not exceed rupees one hundred lakh *(one hundred and fifty lakh rupees);

Provided that nothing contained in this clause shall apply to the inputs used in the manufacture of specified goods bearing the brand name or trade name of another person, which are ineligible for the grant of this exemption in terms of paragraph 4.

(iv) the manufacturer also does not utilise the credit of duty on capital goods under rule 3 or rule 11 of the said rules, paid on capital goods, for payment of duty, if any, on the aforesaid clearances, the aggregate value of first clearances of which does not exceed one hundred lakh *(one hundred and fifty lakh rupees), as calculated in the manner specified in the said Table;

(v) where a manufacturer clears the specified goods from one or more factories, the exemption in his case shall apply to the aggregate value of clearances mentioned against each of the serial numbers in the said Table and not separately for each factory;

(vi) where the specified goods are cleared by one or more manufacturers from a factory, the exemption shall apply to the aggregate value of clearances mentioned against each of the serial numbers in the said Table and not separately for each manufacturer;

(vii) the aggregate value of clearances of all excisable goods for home consumption by a manufacturer from one or more factories, or from a factory by one or more manufacturers, does not exceed rupees three hundred lakhs in the preceding financial year.

[The words “rupees three hundred lakhs”, shall be substituted as “rupees four hundred lakhs” w.e.f. 1st day of April, 2005]

Provided that for the purposes of availing of exemption under this notification for the financial year 2012-13, the aggregate value of clearances of articles of jewellery (other than silver jewellery) falling under Chapter heading 7113 of the First Schedule, for home consumption by a



NOTIFICATIONS AND CIRCULARS

manufacturer from one or more factories, or from a factory by one or more manufacturers, for the financial year 2011-12 shall be calculated on the basis of tariff value fixed in accordance with notification no. 09/2012-Central Excise (NT), dated the 17th March, 2012.

3. For the purposes of determining the first clearances upto an aggregate value not exceeding rupees one hundred lakh *(one hundred and fifty lakh rupees) made on or after the 1st day of April in any financial year, mentioned against serial no.1 of the said Table, the following clearances shall not be taken into account, namely:-

* The words "one hundred and fifty lakh rupees" effective w.e.f. 1st day of April, 2007

- (a) clearances, which are exempt from the whole of the excise duty leviable thereon (other than an exemption based on quantity or value of clearances) under any other notification or on which no excise duty is payable for any other reason;
- (b) clearances bearing the brand name or trade name of another person, which are ineligible for the grant of this exemption in terms of paragraph 4;
- (c) clearances of the specified goods which are used as inputs for further manufacture of any specified goods within the factory of production of the specified goods;
- (d) clearances of strips of plastics used within the factory of production for weaving of fabrics or for manufacture of sacks or bags made of polymers of ethylene or propylene.

3A. For the purposes of determining the aggregate value of clearances of all excisable goods for home consumption, mentioned in clause (vii) of paragraph 2 of this notification, the following clearances shall not be taken into account, namely:-

- (a) clearances of excisable goods without payment of duty
 - (i) to a unit in a free trade zone; or
 - (ii) to a unit in a special economic zone; or
 - (iii) to a hundred percent export-oriented undertaking; or
 - (iv) to a unit in an Electronic Hardware Technology Park or Software Technology Park; or
 - (v) supplied to the United Nations or an international organization for their official use or supplied to projects funded by them, on which exemption of duty is available under notification of the Government of India in the erstwhile Ministry of Finance (Department of Revenue) No.108/95- Central Excise, dated the 28th August, 1995, vide number GSR. 602 (E), dated the 28th August, 1995.
- (b) clearances bearing the brand name or trade name of another person, which are ineligible for the grant of this exemption in terms of paragraph 4;
- (c) clearances of the specified goods which are used as inputs for further manufacture of any specified goods within the factory of production of the specified goods;
- (d) clearances of strips of plastics used within the factory of production for weaving of fabrics or for manufacture of sacks or bags made of polymers of ethylene or propylene.
- (e) clearances, which are exempt from the whole of the excise duty leviable thereon under notifications No. 214/86-Central Excise, dated the 25th March, 1986 (G.S.R. 547 (E), dated the 25th March, 1986), or No. 83/94-Central Excise, dated the 11th April, 1994 (G.S.R. 375(E), dated the 11th April 1994), or No. 84/94-Central Excise, dated the 11th April, 1994 (G.S.R. 376(E), dated the 11th April, 1994).



NOTIFICATIONS AND CIRCULARS

4. The exemption contained in this notification shall not apply to specified goods bearing a brand name or trade name, whether registered or not, of another person, except in the following cases:-

(a) where the specified goods, being in the nature of components or parts of any machinery or equipment or appliances, are cleared for use as original equipment in the manufacture of the said machinery or equipment or appliances by following the procedure laid down in the Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of * The words "one hundred and fifty lakh rupees" effective w.e.f. 1st day of April, 2007

Provided that manufacturers, whose aggregate value of clearances of the specified goods for use as original equipment does not exceed rupees one hundred lakhs in the financial year 2002-2003 as calculated in the manner specified in paragraph 1, may submit a declaration regarding such use instead of following the procedure laid down in the said Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable Goods) Rules, 2001;

(b) where the specified goods bear a brand name or trade name of-

- (i) the Khadi and Village Industries Commission; or
- (ii) a State Khadi and Village Industry Board; or
- (iii) the National Small Industries Corporation; or
- (iv) a State Small Industries Development Corporation; or
- (v) a State Small Industries Corporation;

(c) where the specified goods are manufactured in a factory located in a rural area;

(d) where the specified goods are account books, registers, writing pads and file folders falling under heading 4820 or 4821 of the said First Schedule.

(e) where the specified goods are in the nature of packing materials and are meant for use as packing material by or on behalf of the person whose brand name they bear.

Provided that in respect of plastic containers and plastic bottles, the exemption under this notifications shall apply only where such plastic containers or plastic bottles are meant for use as packing materials by the person whose brand name such goods bear

Explanation - For, the removal of doubts it is hereby clarified that "packing material" includes labels of all kinds.

4A. Notwithstanding anything contained in the preceding paragraphs, the exemption in respect of goods specified in entries (xi), (xii) and (xiv) of the Annexure, contained in this notification, shall be restricted to rupees ten lakhs during the month of March of the financial year 2005-06.

4B. Notwithstanding anything contained in the preceding paragraphs, the exemption in respect of goods specified in clause (e) of paragraph 4, contained in this notification, shall be restricted to rupees ninety lakhs for the remaining part of the financial year 2008-09.

5. This notification shall come into force on the 1st day of April, 2003.

Explanation.- For the purposes of this notification,-

(A) "brand name" or "trade name" means a brand name or a trade name, whether registered or not, that is to say, a name or a mark, such as symbol, monogram, label, signature or invented word or writing which is used in relation to such specified goods for the purpose of indicating, or so as to indicate a connection in the course of trade between such specified goods and some person using such name or mark with or without any indication of the identity of that person;

(B) where the specified goods manufactured by a manufacturer bear a brand name or trade name, whether registered or not, of another manufacturer or trader, such specified goods shall not, merely by reason of that fact, be deemed to have been manufactured by such other manufacturer or trader;



NOTIFICATIONS AND CIRCULARS

(C) "value" means,-

(i) in respect of specified goods which have been notified under section 4A of the Central Excise Act, the value as determined in accordance with the provisions of that section, and

(ii) in respect of specified goods other than those referred to in sub clause (i), the value as determined in accordance with the provisions of section 4 of the Central Excise Act, or the tariff value fixed under section 3 of the said Act;

(D) in the determination of the value of clearances of Chinaware or Porcelain ware or both, where a manufacturer gets Chinaware or Porcelain ware or both fired in a kiln belonging to or maintained by a Pottery Development Centre run by the Central Government or a State Government or by the Khadi and Village Industries Commission, the value of the Chinaware or Porcelain ware or both, belonging to the said manufacturer and fired in such kiln shall be taken into account;

(E) where the specified goods are manufactured in a factory belonging to or maintained by the Central Government or by a State Government, or by a State Industries Corporation, or by a State Small Industries Corporation or by the Khadi and Village Industries Commission, then the value of excisable goods cleared from such factory alone shall be taken into account;

(F) "normal rate of duty" means the aggregate of duty of excise specified in the said First Schedule and the special duty of excise specified in the said Second Schedule read with any relevant notification (other than this notification or a notification in which exemption is based on the value or quantity of clearance) issued under sub-section (1) of section 5A of the Central Excise Act;

(G) "clearances for home consumption", wherever referred to in this notification, shall include clearances for export to Bhutan and Nepal;

(H) "rural area" means the area comprised in a village as defined in the land revenue records, excluding-

(i) the area under any municipal committee, municipal corporation, town area committee, cantonment board or notified area committee, or

(ii) any area that may be notified as an urban area by the Central Government or a State Government.

(I) In respect of goods falling under chapter 61, 62 or 63 of the First Schedule, the expression "manufacturer" shall include a person who is liable to pay the duty of excise leviable on such goods under sub-rule (1A) of rule 4 of the Central Excise Rules, 2002.

(J) "retail sale price" means the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes local or otherwise, freight, transport charges, commission payable to dealers, and all charges towards advertisement, delivery, packing, forwarding and the like, as the case may be, and the price is the sole consideration of such sale;

ANNEXURE

Description of excisable goods falling under Chapter, heading, sub-heading or tariff items of the First Schedule to the Central Excise Tariff Act, 1985, namely:-

(i)	all goods falling under Chapter 2, 3, 4 and 5
(ii)	all goods falling under Chapter 7 or 8
(iii)	all goods falling under Chapter 9 (except heading 0902)



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(iv)	all goods falling under sub-heading 2101
(v)	all goods falling under heading 2102, 2103 or 2104
(vi)	all goods falling under tariff item 2105 00 00
(vii)	all goods falling under heading 2106 (except tariff item 2106 90 20)
(viii)	all goods falling under heading 2201 or 2202
(ix)	all goods falling under tariff item 2207 20 00
(x)	all goods falling under heading 2209
(xi)	Tobacco, used for smoking through 'hookah' or 'chilam', commonly known as 'hookah' tobacco or 'gudaku' falling under tariff item 2403 10 10
(xii)	Other smoking tobacco falling under tariff item 2403 10 90, other than those bearing a brand name
(xiii)	Chewing tobacco, chewing tobacco preparations and tobacco extracts and essences, falling under heading 2403, other than those bearing a brand name
(xiv)	Other manufactured tobacco and manufactured tobacco substitutes falling under 2403 99 90, other than those bearing a brand name
(xv)	all goods falling under Chapters 25, 26, 27, 28, 29, 30 (except sterile absorbable surgical or dental yarns and sterile surgical or dental adhesion barriers), 31 or 32.
(xvi)	all goods falling under Chapter 33 (except tariff item 3301 29 37)
(xvii)	all goods falling under Chapter 34 or 35
(xviii)	all goods falling under heading 3601, 3602, 3603 or 3604
(xix)	Bengal lights falling under heading 3605
(xx)	all goods falling under heading 3606
(xxi)	all goods falling under heading 3703 (except photographic paper and paper board)
(xxii)	all goods falling under heading 3704, 3705, 3706 or 3707
(xxiii)	all goods falling under Chapter 38
(xxiv)	all goods falling under Chapter 39 (other than strips of plastics intended for weaving of fabrics or sacks of polyurethane foam, falling under Ch. 39 of the said First Schedule).
(xxv)	all goods falling under Chapter 40, 41, 42, 43, 44, 45, 46, 47, 48 or 49
(xxvi)	all goods falling under- (a) Chapter 57, 61, 62, 63, 64, 65, 66, 67 or 68 (b) Headings 5805, 5807 (c) Tariff item 5601 10 00
(xxvii)	all goods falling under Chapter 69 (excluding ceramic tiles other than those subjected to the process of printing, decorating or ornamenting in a factory which does not have the facilities (including plant and equipment) of producing ceramic tiles)
(xxviii)	all goods falling under Chapter 70 or 71
(xxix)	all goods falling under Chapter 72 (except stainless steel patties / pattas)
(xxx)	all goods falling under Chapters 73
(xxxi)	all goods falling under headings 7401 and 7402
(xxxii)	following goods falling under tariff item 7403 21 00, namely:- (a) cast brass bars/rods of a length not exceeding three feet (b) cast brass bars/rods of a length not exceeding ten feet used in the factory of production for making wires of copper alloys falling under sub-heading 7408 (other than wire of which the maximum cross-sectional dimension exceeds 6 mm and wire of which the maximum cross-sectional dimension does not exceed 0.315 mm and used for manufacture of Zari) (c) copper flats of a weight not exceeding two kilograms used for making copper strips falling under heading 7409 (d) brass billets weighing up to five kilograms
(xxxiii)	all goods falling under heading 7404, 7405 or 7406
(xxxiv)	all goods falling under heading 7407 (except bars and rods of refined copper and copper alloys)
(xxxv)	all goods falling under heading 7408 (except wire of which the maximum cross-sectional dimension exceeds 6 mm and)



NOTIFICATIONS AND CIRCULARS

(xxxvi)	copper strips produced from copper flats of a weight not exceeding two kilograms, falling under heading 7409
(xxxvii)	all goods falling under headings 7410, 7411, 7412, tariff item 7413 00 00, headings 7415, 7418 or 7419 (except copper circles, whether or not trimmed)
(xxxviii)	all goods falling under Chapter 75 or 76 (except aluminium circles, whether or not trimmed)
(xxxix)	all goods falling under Chapters 77, 78, 79, 80, 81, 82 or 83
(xl)	all goods falling under Chapter 84* (w.e.f the date of publication of notification no.39/06- C.E. dated 10.8.06 in the official Gazette and till 31.12.06).
(xli)	all goods falling under Chapter 85 or 86
(xlii)	all goods falling under headings 8707, 8708, 8709, 8710, 8712, 8713, 8714, 8715 or 8716
(xlii)	powered cycles and powered cycle rickshaw ("powered cycle" or powered rickshaw means a mechanically propelled cycle or, as the case may be, mechanically propelled cycle rickshaw, which may also be peddled, if any necessity arises for so doing) falling under heading 8711
(xliv)	all goods falling under Chapters 88, 89 or 90
(xlv)	watches of retail sale price not exceeding ` 500 per piece and parts thereof, falling under heading 9101 or 9102
(xlvi)	all goods falling under headings 9103, 9104, 9105, 9106, 9107, 9108, 9109, 9110, 9111, 9112, 9113 or 9114
(xlvii)	all goods falling under Chapters 92
(xlviii)	all goods falling under headings 9301 or 9305
(xlix)	parts falling under heading 9306 or 9307
(l)	air guns, air rifles and air pistols which are exempt from the provisions of the Arms Act, 1959 (54 of 1959), falling under tariff item 9304 00 00
(li)	all goods falling under Chapters 94 or 95
(lii)	all goods falling under Chapters 96 (except tariff item 9605 00 10).

* For the entry (xl), with effect from 1st day of April, 2006, the following entry substituted:
 "all goods falling under Chapter 84 {other than power driven pumps primarily designed for handling water which do not conform to standards specified by BIS (Bureau of Indian Standards) for such pumps}"}

- 1 In paragraph 3, sub-paragraph (d) and entries relating thereto shall be omitted w.e.f. 1st day of April 2008.
- 2 In paragraph 3A, sub paragraph (d) and the entries relating thereto shall be omitted w.e.f. 1st day of April 2008.
- 3 In the annexure, for Sl. No. (xxiv) and entries relating thereto, the following entry shall be substituted w.e.f 1st April 2008:
 "(xxiv) all goods falling under chapter 39 (other than polyurethane foam and articles of polyurethane foam) of the said First Schedule."

Alok Shukla
 Deputy Secretary to the Government of India

F. No.334/1/2003 -TRU



NOTIFICATIONS AND CIRCULARS

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No.47/2008-Central Excise

New Delhi, the 1st September, 2008

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), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 8/2003-Central Excise, dated the 1st March, 2003 [G.S.R. 138(E), dated the 1st March, 2003], namely: -

In the said notification,

(i) in paragraph 4, after clause (d), the following shall be inserted, namely: -

"(e) Where the specified goods are in the nature of packing materials, namely, printed cartons of paper or paper board, metal containers, HDPE woven sacks, adhesive tapes, stickers, PP caps, crown corks, metal labels."

(ii) after paragraph 4A, the following shall be inserted, namely:-

"4B Notwithstanding anything contained in the preceding paragraphs, the exemption in respect of goods specified in clause (e) of paragraph 4, contained in this notification, shall be restricted to rupees ninety lakhs for the remaining part of the financial year 2008-09."

[F.No. 354/124/2008-TRU]

(Unmesh Wagh)

Under Secretary to the Government of India

Note: The principal notification No.8/2003-Central Excise, dated the 1st March, 2003 was published in the Gazette of India, Extraordinary, vide number G.S.R.138 (E), dated the 1st March, 2003 and was last amended by notification No.8/2008-Central Excise, dated the 1st March, 2008 which was published in the Gazette of India, Extraordinary [vide number G.S.R. 136(E), dated the 1st March, 2008].



NOTIFICATIONS AND CIRCULARS

[TO BE PUBLISHED IN GAZETTE OF INDIA,
 EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]
 GOVERNMENT OF INDIA
 MINISTRY OF FINANCE
 (DEPARTMENT OF REVENUE)

Notification No: 24 /2009-Central Excise (N.T.)

New Delhi, the 21st October, 2009

G.S.R (E) – Whereas the Central Government is satisfied that a practice was generally prevalent regarding levy of duty of excise (including non-levy thereof) under section 3 of the Central Excise Act, 1944 (1 of 1944) (hereinafter referred to as the said Act), on goods of description given in column (2) of the table below, manufactured by a unit availing benefit of Notification number given in column (4) of the table below, affixing the brand name or trade name of another person who was not eligible for the grant of exemption under the said notification and that such goods were liable to duty of excise which was not being levied under section 3 of the said Act according to the said practice during the period as specified in column (3) of the said table, namely:-

TABLE

Sl.No.	Description	Period	Notification number.
(1)	(2)	(3)	(4)
1.	Packing materials, namely, printed cartons of paper or paper board, metal containers, high density polyethylene woven sacks, adhesive tapes, stickers, pilfer proof caps, crown corks, metal labels.	1 st October, 1987 to 31 st August, 2008	(i)Notification No.175/86-CE, dated 1.3.1986 (ii)Notification No.1/93-CE, dated 28.2.1993 (iii)Notification No.16/97-CE, dated 1.4.1997 (iv)Notification No.38/97- CE, dated 27.6.97 (v)Notification No.8/98-CE, dated 2.6.1998 (vi)Notification No.9/98-CE, dated 2.6.1998 (vii)Notification No.8/99-CE, dated 28.2.1999 (viii)Notification No.9/99-CE, dated 8.2.1999 (ix)Notification No.8/2000-CE, dated .3.2000 (x)Notification No.9/2000-CE, dated 1.3.2000 (xi)Notification No.8/2001-CE, dated 1.3.2001 (xii)Notification No.9/2001-CE, dated 1.3.2001 (xiii)Notification No.8/2002-CE, dated .3.2002 (xiv)Notification No.9/2002-CE, dated 1.3.2002 (xv)Notification No.8/2003-CE, dated 1.3.2003 till issue of amending Notification No.47/2008-CE, dated 1.9.2008 (xvi)Notification No.9/2003-CE, dated 1.3.2003 (Rescinded vide Notification No.11/2005- CE, dated 1.3.2005)
2	Plastic bags	1 st October, 1987 to 10 th February 2009	(i)Notification No.175/86-CE, dated 1.3.1986 (ii)Notification No.1/93-CE, dated 28.2.1993 (iii))Notification No.16/97-CE, dated 1.4.1997 (iv)Notification No.38/97-CE, dated 27.6.97 (v)Notification No.8/98-CE, dated 2.6.1998 (vi)Notification No.9/98-CE, dated 2.6.1998 (vii)Notification No.8/99-CE, dated 28.2.1999 (viii)Notification No.9/99-CE, dated 28.2.1999 (ix)Notification No.8/2000-CE, dated 1.3.2000 (x)Notification No.9/2000- CE, dated 1.3.2000 (xi)Notification No.8/2001-CE, dated 1.3.2001



NOTIFICATIONS AND CIRCULARS

			(xii)Notification No.9/2001-CE, dated 1.3.2001 (xiii)Notification No.8/2002- CE, dated 1.3.2002 (xiv)Notification No.9/2002-CE, dated 1.3.2002 (xv)Notification No.8/2003-CE, dated 1.3.2003 till issue of amending Notification No.2/2009-CE, dated 11.2.2009 (xvi) Notification No.9/2003-CE, dated 1.3.2003 (Rescinded vide Notification No.11/2005 CE, dated 1.3.2005)
3.	Printed laminated rolls	1 st October, 1987 to 6 th July, 2009	(i) Notification No.175/86- CE, dated 1.3.1986 (ii)Notification No.1/93-CE, dated 28.2.1993 (iii)Notification No.16/97-CE, dated 1.8.1997 (iv)Notification No.38/97-CE, dated 27.6.97 (v)Notification No.8/98-CE, dated 2.6.1998 (vi)Notification No.9/98-CE, dated 2.6.1998 (vii)Notification No.8/99-CE, dated 28.2.1999 (viii)Notification No.9/99-CE, dated 28.2.1999 (ix)Notification No.8/2000-CE, dated 1.3.2000 (x)Notification No.9/2000-CE, dated 1.3.2000 (xi)Notification No.8/2001-CE, dated 1.3.2001 (xii)Notification No.9/2001-CE, dated 1.3.2001 (xiii)Notification No.8/2002-CE, dated 1.3.2002 (xiv)Notification No.9/2002-CE, dated 1.3.2002 (xv)Notification No.8/2003-CE, dated 1.3.2003 till issue of amending Notification No 9/2009-CE, dated 7.7.2009 (xvi)Notification No.9/2003-CE, dated 1.3.2003 (Rescinded vide Notification No.11/2005 CE, dated 1.3.2005)

2. Now, therefore, in exercise of the powers conferred by section 11C of the said Act, the Central Government hereby directs that the whole of duty of excise leviable under the said Act on such goods manufactured by a unit, where the manufacturer has affixed the specified goods with a brand name or a trade name of another person who is not eligible for grant of exemption under the relevant notification, and has not paid the excise duty leviable thereon on the reasonable belief that he was entitled to the benefit of said notification, but for the said practice, shall not be required to be paid for the period as specified in column (3) of the said table in accordance with the said practice.

Explanation: 'Brand name' or 'Trade name' means 'Brand name' or 'Trade name' as defined in the notification numbers given in column (4) of the table above.

[F.No.115/1/2009-CX-3]

(Rajesh Verma)
Under Secretary to the Government of India



NOTIFICATIONS AND CIRCULARS

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

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

New Delhi, the 29th April, 2010

Notification No. 24/2010-Central Excise

G.S.R. (E).- In exercise of the powers conferred by sub-section (1) of section 5A of the Central Excise Act, 1944 (1of 1944), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), [No. 8/2003-Central Excise](#), dated the 1st March, 2003, published in the Gazette of India, Extraordinary, vide number G.S.R. 138(E), dated the 1st March, 2003, namely:-

In the said notification, in paragraph 4, for clause (e) and proviso thereto, the following shall be substituted, namely: -

“(e) where the specified goods are in the nature of packing materials and are meant for use as packing material by or on behalf of the person whose brand name they bear.”

[F.No. B-1/22/2010-TRU]

(Prashant Kumar)

Under Secretary to the Government of India

Note. - The principal notification number 8/2003-Central Excise, dated the 1st March, 2003 published vide number G.S.R. 138(E), dated the 1st March, 2003 was last amended vide notification number. 4/2010-Central Excise, dated the 27th February, 2010, published vide number G.S.R. 467(E), dated the 27th February, 2010.



NOTIFICATIONS AND CIRCULARS

SSI UNITS - QUARTERLY PAYMENTS & RETURNS

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

Government of India
Ministry of Finance
(Department of Revenue)

New Delhi, the 27th February, 2010

Notification No. 5/2010-CE (NT) Dated 27/2/2010

Central Excise (Amendment) Rules, 2010.- G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944), the Central Government hereby makes the following rules further to amend the Central Excise Rules, 2002, namely:-

1. (a) These rules may be called the Central Excise (Amendment) Rules, 2010.

(b) They shall come into force from the 1st day of April, 2010.

2. In the Central Excise Rules, 2002, -

(a) in rule 8, in sub-rule(1), for the second proviso, the following proviso and explanations shall be substituted, namely:- "Provided further that where an assessee is eligible to avail of the exemption under a notification based on the value of clearances in a financial year , the duty on goods cleared during a quarter of the financial year shall be paid by the 6th day of the month following that quarter, if the duty is paid electronically through internet banking and in any other case , by the 5th day of the month following that quarter , except in case of goods removed during the last quarter, starting from the 1st day of January and ending on the 31st day of March, for which the duty shall be paid by the 31st day of March.

Explanation1. - For the purposes of this proviso, it is hereby clarified that an assessee shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.

Explanation2. - The manner of payment as specified in this proviso shall be available to the assessee for the whole of the financial year." -

(a) In rule 11, sub-rule (5) shall be omitted;

(b) In rule 12, in sub-rule (1)-

(i) In the second proviso, clause (a) shall be omitted;

(ii) After the second proviso, the following proviso and explanations shall be inserted, namely:- "Provided also that where an assessee is eligible to avail of the exemption under a notification based on the value of clearances in a financial year, he shall file a quarterly return in the form specified ,by notification, by the Board, of production and removal of goods and other relevant particulars within ten days after the close of the quarter to which the return relates.

Explanation1. - For the purposes of this proviso, it is hereby clarified that an assessee shall be eligible, if his aggregate value of clearances of all excisable goods for home consumption in the preceding financial year computed in the manner specified in the said notification did not exceed rupees four hundred lakhs.

Explanation2. - The filing of returns as specified in this proviso shall be available to the assessee for the whole of the financial year."

[F. No.334/1/2010]
(Prashant Kumar)

Under Secretary to the Government of India



NOTIFICATIONS AND CIRCULARS

Levy of Education Cess & SHES On Other Cesses

Circular No.978/2/2014-CX

F.No.262/2/2008-CX.8

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

New Delhi, the 7th January, 2014

To

- (1) The Chief Commissioner of Central Excise (All)
- (2) The Chief Commissioner of Central Excise & Customs (All)
- (3) The Chief Commissioner of Customs (All)
- (4) Directors General (All)
- (5) Webmaster.cbec@icegate.gov.in

Madam/Sir,

Sub: Levy of the Education Cess and the Secondary and Higher Education Cess on other cesses- reg.

Attention is invited to Circular No.345/2/2004-TRU (Pt.) dated 10th August, 2004, in which it was clarified that the Education Cess chargeable under Section 93(1) of the Finance (No.2) Act, 2004 is to be calculated by taking into account only such duties which are both levied and collected by the Department of Revenue.

2. Representations have been received from trade and field formations seeking clarification as to whether the Education Cess chargeable under Section 93(1) of the Finance (No.2) Act, 2004 and the Secondary and Higher Education Cess chargeable under Section 138(1) of the Finance Act, 2007 should be calculated taking into account the cesses which are collected by the Department of Revenue but levied under an Act which is administered by different departments such as Sugar Cess levied under Sugar Cess Act, 1982, Tea Cess levied under Tea Act, 1953 etc.

3. The matter has been examined. A cess levied under an Act which is not administered by Ministry of Finance (Department of Revenue) but only collected by Department of Revenue under the provisions of that Act cannot be treated as a duty which is both levied and collected by the Department of Revenue.

4. It is, therefore, reiterated that the Education Cess and the Secondary and Higher Education Cess are not to be calculated on cesses which are levied under Acts administered by Department/Ministries other than Ministry of Finance (Department of Revenue) but are only collected by the Department of Revenue in terms of those Acts.

5. All pending assessment may be finalized accordingly.

6. Difficulties, if any, may be brought to the notice of Board.

Yours faithfully,

(Vikas Kumar)
Director (CX.8)



NOTIFICATIONS AND CIRCULARS

I.T. CIRCULARS - TDS U/S 194C Not APPLICABLE ON PRINTED MATERIAL "SOLD"

CIRCULAR -INCOME-TAX ACT

Section 194C of the Income-tax Act, 1961 - Deduction of tax at source - Payments to contractors and sub-contractors - Applicability of TDS provisions of section 194C on Contract for Fabrication of Article or Thing as per Specifications given by the Assessee - Contradiction between two Circulars of CBDT - Resolution thereof

Circular No. 13/2006, dated 13-12-2006

1. Representations have been received in the Board seeking clarification on the applicability of section 194C on such transactions, where the assessee has outsourced certain work relating to fabrication or manufacturing of article or thing in accordance with the specifications given by the assessee. Circular No. 681, dated 8-3-1994 of the Board clarifies in para 7(vi) that the provisions of section 194C would not apply to contracts for sale of goods and further clarifies that where the property in the article or thing so fabricated passes from the fabricator-contractor to the assessee only after such article or thing is delivered to the assessee, such contract would be a contract for sale and so outside the purview of section 194C. However, in reply to question No. 15 in Circular No. 715, dated 8-8-1995 on the subject of applicability of section 194C, in respect of contract for supply printed material as per prescribed specifications, it has been said that such contracts would also be covered under section 194C. It has been represented that the views expressed in these two circulars, to the extent as pointed out above, are in contradiction to each other.
2. The matter has been examined by the Board and it is considered that exclusive reliance on Question/Answer No. 15 of Circular No. 715, without taking into account the principles laid down in Circular No. 681 is not justified. Before taking a decision on the applicability of TDS under section 194C on a contract, it would have to be examined whether the contract in question is a 'contract for work' or a 'contract for sale' and TDS shall be applicable only where it is a 'contract for work'.
3. It is, therefore, clarified that *the provisions of section 194C would apply in respect of a contract for supply of any article or thing as per prescribed specifications only if it is a contract for work and not a contract for sale as per the principles in this regard laid down in para 7(vi) of Circular No. 681, dated 8-3-1994.*



NOTIFICATIONS AND CIRCULARS

Circular: No. 681, dated 8-3-1994.

SECTION 194C / PAYMENTS TO CONTRACTORS AND SUB-CONTRACTORS

1114. Applicability of section 194C to service contracts - Clarification regarding Supreme Court judgment in Associated Cement Co. Ltd. v. CIT [1993] 67 Taxman 346/201 ITR 435

7. The conclusion flowing from the aforesaid judgments of the Supreme Court and the Patna High Court is that the provisions of section 194C would apply to all types of contracts, including transport contracts, labour contracts, service contracts etc. In the light of these judgments, the Board has decided to withdraw their above-mentioned Circular Nos. 86 and 93 and para 11 of Circular No. 108 and issue the following guidelines in regard to the applicability of the provisions of section 194C:

(vi)The provisions of this section will not cover contracts for sale of goods —

(b)Where, however, the contractor undertakes to supply any article or thing fabricated according to the specifications given by Government or any other specified person and the property in such article or thing passes to the Government or such person only after such article or thing is delivered, the contract will be a contract for sale and as such outside the purview of this section.

Circular: No. 714, dated 3-8-1995.

1126. Clarifications on various provisions relating to tax deduction at source regarding changes introduced through Finance Act, 1995

The Finance Act, 1995, has enlarged the scope of income-tax deduction at source by making various amendments. In regard to the changes introduced through the Finance Act, 1995, a number of queries have been received from the various associations and professional bodies on the scope of tax deduction at source. It would be desirable to clarify the doubts by issuing a public circular in the form of question answers as under:

Question 15: Whether section 194C would apply in respect of supply of printed material as per prescribed specifications?

Answer: Yes.

Note: Only Clauses/Portions of Circular Nos. 681 & 714 justifying non-applicability of TDS on Printed material re-produced here. Full text of circulars available under circulars in Income Tax Web site

Declaration Formats

DECLARATIONS



DECLARATION U/N NO. 214/86 C.E. - REGISTERED UNIT – JOB WORK

Date:

To
The Assistant Commissioner
(Concerned A.C. of Job Worker)
Central Excise, Division, Range
Address
City – Pin Code

Dear Sir/Madam

Ref: **Central Excise Registration No.:**
Sub: **Declaration Vide Notification No. 214/86 C.E. Dated 25.03.1986**

We are a manufacturer registered with Central Excise.

Our factory is located at _____.

We will be sending some raw materials/semi-finished goods for processing/job work and return to (Name & address of the job worker)

In terms of para 2 of Notification No. 214/86 CE dated 25.3.1986 we hereby give undertaking that The goods received back by us after job work will be-

- 1) Used in or in relation to manufacture of final products in our factory or
- 2) Removed from our factory without payment of duty to FTZ/EOU/STP/EHTP unit or
- 3) Removed on payment of duty for home consumption from our factory as such or
- 4) Used in the manufacture of goods of the description specified in column(2) of table annexed to Notification No.214/86 by another job worker who will utilize it in terms of notification No.214/86 CE.

We also undertake to produce evidence that the goods received from job worker are used or removed in the manner prescribed above. We also undertake to discharge liabilities in respect of Central Excise duty leviable on our finished products.

This is for your information.

Thanking you

Yours faithfully

For
Designation

DECLARATIONS



UNDERTAKING U/N NO. 83/94 – EXEMPTED UNITS – JOB WORK

Date:

To,

The Assistant Commissioner of Central Excise,
(A.C. falling under Job Workers Jurisdiction)
Central Excise, Commissionerate –, Division -
City – Pin Code

Dear Sir/Madam

Sub: **Undertaking under Notification No. 83/94 dated 11-04-1994.**

We are a SSI. Unit exempt under Notification no. 8/2003 (as amended) dated 1/03/2003, as our turnover is below Rs. 150 lakhs. Our factory is located at

We will be sending from time to time some raw materials/semi-finished goods for processing/job work and return as per following details: -

Name & address of job worker/processor –

1.

In terms of Notification No. 83/94-dated 11/04/1994, we hereby give following undertaking –

- a) The goods received back by us after job work will be used by us in our factory in or in relation to manufacture of final products in our factory which are exempted from whole of excise duty leviable thereon u/n no. 8/2003.
- b) In the event of our failure to do so, we undertake to pay excise duty, if any, payable on such goods, but for the exemption contained in this notification, as if such goods are manufactured by us and sold on our account.
- c) We also undertake to produce evidence that the goods received from job worker are used or removed in the manner prescribed above.

Kindly acknowledge receipt on a copy of this letter & oblige.

Thanking you,

Yours faithfully,

For

Designation

DECLARATIONS



UNDERTAKING U/N NO. 84/94 - EXEMPTED UNITS - JOB WORK

Date:

To
The Assistant Commissioner of Central Excise,
(A.C. falling under the units own Jurisdiction)
Central Excise, Commissionerate – Division -
City – Pin Code

Dear Sir/Madam

Sub: **Undertaking under Notification No. 84/94 dated 11-04-1994.**

We are a SSI. Unit exempt under Notification no. 8/2003 dated 1/03/2003 as amended, as our turnover is below Rs. 150 lakhs. Our factory is located at

We will be sending from time to time some raw materials/semi-finished goods for processing/job work and return as per following details: -

Name & address of job workers/processors –

1.
2.
3.

(Names & addresses of all job workers to be mentioned above)

In terms of Notification No. 84/94-dated 11/04/1994, we hereby give following undertaking –

- (a) The goods received back by us after job work will be used by us in our factory in or in relation to manufacture of final products in our factory which are exempted from whole of excise duty leviable thereon u/n no. 8/2003.
- (b) In the event of our failure to do so, we undertake to pay excise duty, if any, payable on such goods, but for the exemption contained in this notification, as if such goods are manufactured by us and sold on our account.
- (c) We also undertake to produce evidence that the goods received from job worker are used or removed in the manner prescribed above.

Kindly acknowledge receipt on a copy of this letter & oblige.

Thanking you,
Yours faithfully,

For
Designation

DECLARATIONS



DECLARATION U/N NO 36/2001 C.E. (N.T.) – REGISTRATION EXEMPTION

Date:

To
The Assistant Commissioner,
Central Excise, Commissionerate –
Division Range
City – Pin Code

Dear Sir/Madam

Sub: **Declaration Under Notification No. 36/2001 C.E. (N.T.) Dated 26.06.01 As Amended**

I/We.....declare that to the best of my/our knowledge and belief the information furnished in the Schedule below is true and complete.

I/We undertake to apply for a Central Excise registration certificate in the proper form as soon as the value of the goods, mentioned in the said Schedule, cleared for home consumption in a financial year, reaches the full exemption limit.

I/We undertake to apply for a Central Excise Registration in the proper form as soon as the goods mentioned in the Schedule become chargeable to duty.

I/We undertake to maintain such records and follow such procedure as may be prescribed by the Commissioner in relation to the exempted goods.

I/We also undertake to intimate any change in the information furnished in the said Schedule.

THE SCHEDELE

1. Name and full address of the factory:
2. Name and addresses of other factories/manufacturers (producing such goods) in whom the manufacturer claiming the exemption has proprietary interest:
3. Status of business (tick only one box):

Proprietorship Partnership Registered Company

Unregistered Company Trust Society Others

4. Permanent Account Number (PAN) allotted by the Income tax Dep't:

<input type="text"/>								
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DECLARATIONS

5. VAT registration number allotted by the State VAT Dep't.:

--	--	--	--	--	--	--	--	--	--

6. Details of electricity connection:

(a) Name of electricity supplying company

--	--	--	--	--	--	--	--	--	--

(b) Total number of electricity meters installed in the factory

--	--

(c) (i) Electricity consumer number:

--	--	--	--	--	--	--	--	--	--

(ii) Electricity meter number(s):

--	--	--	--	--	--	--	--	--	--

(d) Sanctioned electricity load:

(i) Unit of measurement (HP/KWh/others-specify)

--	--	--	--	--

(ii) Quantity

--	--	--	--	--

7. Details of the excisable goods manufactured by the factory during the preceding financial year 2012-14

S.No.	Description of excisable goods	Classification under First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986)	Value of clearance (Rs.)	Notification No. and date, availed	Sr. No. in the notification (if any).
1.	2.	3.	4.	5.	6.

Kindly acknowledge receipt on a copy of this letter & oblige.

For

Designation

DECLARATIONS



DECLARATION U/N NO. 8/2003 CE. - SSI EXEMPTION – 01.04.2014 **REGISTERED UNIT PAYING DUTY UPTO 31.3.2013**

Date:

The Assistant Commissioner
Central Excise, Division -, Range
Address
City – Pin Code

Dear Sir/Madam,

Ref: **Central Excise Registration No.:**

Sub: **Exercising of the option under Para 2 of Notification no.8/2003 CE. Dated 1.3.2003**

We hereby exercise our option to avail exemption under Notification No.8/2003 CE. dated 1.3.2003 with effect from 1.4.2014.

We will discontinue taking Cenvat Credit from 1.4.2014 and we are sending separately a list of Cenvat Credit involved in our finished product, semi finished product and raw materials lying in stock as on 1.4.2014 opening.

We will clear goods as specified under full exemption upto a clearance value of Rs.150 lakhs for home consumption.

Our particulars as required are as under:

(a) Name and Address of the Manufacturer:

(b) Location of factory:

(c) Description of specified goods produced: goods under Heading Nos. 48081010, 48191010, 48191090, 48192020, 48192090, 48195010, 48195090 & 47079000.
(Whichever is applicable to be stated)

(d) Date from which option under this notification is being exercised: 01.04.2014

(e) Aggregate value of clearances of the specified goods till the exercising of the option:
(Aggregate value of the clearance of the preceding financial year shall be stated here.)

Kindly acknowledge the receipt.

Yours faithfully,

For.....
Designation

Enclosed: List of Cenvat Credit On Opening Stock



DECLARATIONS

Form E.R.-4
Original / Duplicate

[See rule 12(2)(a) of the Central Excise Rules, 2002]

ANNUAL FINANCIAL INFORMATION STATEMENT FOR THE FINANCIAL YEAR _____
(All figure relating to value and amount to be given in Rs. lakhs)

1. Registration Number

2. Name of the Assessee

3. Details of expenditure:

(i) Details of inputs including packing material and components used for manufacture.

- (a) Total value of inputs including packing materials and Rs.....
components used for manufacturing on which CENVAT credit availed (value as per purchase invoice or import document excluding all taxes).
(b) Total value of inputs including packing materials used for manufacturing on which CENVAT credit not availed.
(c) Value of raw material including packing material and Rs.....
components consumed as per Profit and loss account.

(ii) Value and quantity of each major raw material consumed in the manufacture of goods #.

(a) Description of raw material.....Raw Material 'A'

	Quantity (Please specify the unit also)	Value
Opening stock of Raw material		
(+) Purchase of raw material		
(-) Closing Stock of Raw Material		
Raw Material consumption		

(b) Please state description of final product {as mentioned at Sr. No. 4 (ii) below}, where the raw material is principally used



DECLARATIONS

(iii) Details of other expenditure

(a)	Total Inward Freight	Rs.....
(b)	Total Outward Freight	Rs.....
(c)	Advertisement/Sales Promotion	Rs.....
(d)	Commission paid for sales of manufactured goods	Rs.....
(e)	Total R & D expenditure	Rs.....
(f)	Wages	Rs.....
(g)	Power and Fuel	Rs.....
(h)	Other expenses* {excluding (a) to (g) above}.	Rs.....

(iv) Details of goods got manufactured by the assessee through job workers:

(a) Whether goods are got manufactured through job worker? Yes/No

(b) If yes, whether any raw material/inputs are supplied to job worker? Yes/No

(c) Whether any raw material/inputs are used by the job worker which are not supplied by the assessee? Yes/No

(d) Total amount paid by the assessee to jobworker. Rs.

4. Details of Income:

(i) Total Sales value (Gross) as per Profit & Loss account Rs.....

	Quantity (Please specify the unit also)	Value (excluding Taxes)
Opening stock of finished goods		
(+) Production of finished goods		
(-) Closing Stock of finished goods		
Finished goods sold		

DECLARATIONS



(iii) Details of trading activity {excluding inputs cleared as such as per Sr. No.(viii) below}

	Quantity (Please also specify the unit)	Value (excluding Taxes)
Opening stock of Trading Goods		
(+) Purchase of Trading Goods		
(-) Closing Stock of Trading Goods		
Trading Goods sold		

- (iv) Sale value of non-excisable and fully exempted goods (excluding the goods exported) cleared during the financial year. Rs.
- (v) Value of goods exported under Bond Rs.
- (vi) Value of goods exported under claim for rebate Rs.
- (vii) Total value of sale of waste and scrap. Rs.
- (viii) Value of inputs on which CENVAT credit has been availed and cleared as such:
- (a) On payment of amount equal to the credit availed. Rs.
 - (b) Without payment of any such amount to job worker (excluding the value of both the inputs as such or the inputs used in job worked goods, received back by the assessee from job worker). Rs.
- (ix) Total Sales Tax paid Rs.
- (x) Details of other income:

Sl.No.	Category	Amount
1.	Warranty charges from buyers	
2.	Advertisement/Marketing expenditure recovered form customers	
3.	Handling, storage, packing and forwarding charges	
4.	Pre-delivery inspection charges	
5.	Product development, drawing, design and development charges	
6.	Transportation charges received	
7.	Erection and Commissioning charges received	
8.	Technical, Engineering, consultancy etc. charges received	
9.	Other receipts/income (excluding (1) to (8) above	



(xi) Total "Other income" as per Profit and Loss Account. Rs.....

(xii) Details of job work undertaken by the assessee for others:

- | | | |
|-----|---|---------|
| (a) | Whether any such job work activity carried out by the assessee? | Yes/No |
| (b) | Whether job work done using own raw material / inputs (i.e. other than those supplied by the person for whom job-work is done). | Yes/No |
| (c) | Whether job work goods are cleared on payment of duty or without payment of duty | Yes/No |
| (d) | Total amount of job work charges received during the financial year | Rs..... |

5. CENVAT Credit details:

	Credit Availed (Rs.)	Credit utilised (Rs.)
On inputs		
On Capital Goods		
On Taxable input Service		

6. (i) I/We _____ declare that the particulars declared above have been compared with the records and books of my/our factory/warehouse and the same are true and correct to the best of my/our knowledge.

(ii) I/we am/are authorized to sign this return.

(Name in capital letters and signature
of the assessee or authorized signatory)

Place:

Date:

Note: # To be given separately and distinctly for each major raw material consumed on the lines of

Sl. No. 3 (ii) (a) (1) of Part II of the Schedule VI pertaining to section 211 of the Companies Act, 1956(1 of 1956), i.e. each such raw material which in value independently accounts for 10 % or more of the total value of the raw materials consumed.

* other expenses include all expenses like interest, depreciation, other overheads as shown in Profit and loss Account.

@ To be given separately and distinctly for each class of major finished goods sold i.e. each such finished goods which in value independently accounts for 10 % or more of the total value of the finished goods sold as clarified in Note 3 to the para 3 of Part II of the Schedule VI pertaining to section 211 of the Companies Act, 1956(1 of 1956).

Please enclose copy of Profit and Loss Account and Balance Sheet.



DECLARATIONS

ACKNOWLEDGEMENT

Annual Financial Information Statement For The Financial Year _____

Date of receipt	D	D	M	M	Y	Y	Y	Y

Name and signature of the officer with seal

Place:

Date:

DECLARATIONS



Instructions

Ref. No.	Particulars sought for	Purpose
3 (i) (a) to (c)	Value of raw material consumption	To compute the ratio of value of CENVATable purchase to Gross sales of excisable goods and to match it with the ratio of CENVAT to Cash duty.
3 (ii)	Item-wise value and quantity of major raw material consumed	(i) Computation of physical input-output ratio (ii) Co-relation with CENVAT availment (iii) Computation of unit value of raw material for checking value addition.
3 (iii) (a)	Value of Capital Goods supplied free of cost by the customer	To ascertain whether the amortised value is included in the value of the final product.
3 (iii) (b)	Value of Capital Goods sold /cleared	To facilitate scrutiny of appropriate payment of duty on the said Capital Goods
3 (iii) (c)	Amount of balance 50% CENVAT credit brought forward from previous year and availed during the year	To ascertain correctness of availment of Capital goods credit.
3 (iv) (a) to (h)	Total Freight Advertisement/Sales Promotion Commission paid for sales of manufactured goods	To calculate ratio of individual items of expenditure to Gross Sales Value to find out possibility of unaccounted sales (e.g. where electricity charges are accounted for in the books but goods produced are removed without accounting for, on comparing the ratio of similar units,

DECLARATIONS



	R & D Expenditure Wages, Power & Fuel and Other expenses (other than (a) to (e) above	variation in ratio may show such cases. The said ratio coupled with trend of freight outward to sale value ratio may also indicate same trend). Also it indicates whether any taxable service received for taking action against service provider.
3 (v) (a) to (c)	Details of goods manufactured from Job worker	To co-relate with valuation and verify whether CENVAT credit provisions are complied with
4 (i)	Total Sales value (Gross)	Used in determining all the ratios and derive the value of excise duty payable and match with duty payment in the tax return.
4 (ii)	Item-wise value and quantity of major finished goods sole	(i) Computation of unit value of finished products for checking value addition. (ii) Computation of physical input-output ratio
4 (iii)	Details of trading activity (other than trading of inputs on CENVAT Credit availed and removed as such)	(i) To calculate ratio of Trading Sales Value to gross sales value (chances of clearance of manufactured goods in the guise of trading goods & clearances of credit availed goods as Trading goods) (ii) To ascertain the trend in profit margin of trading goods vis-à-vis goods manufactured by the assessee.
4 (iv)	Sales value of non excisable / exempted	To calculate ratio of value of exempted goods to gross sales value

DECLARATIONS



	goods	
4 (v) & (vi)	Value of goods exported under Bond and/or under rebate	To derive value of dutiable sales and compare with value shown in tax return
4 (vii)	Total value of scrap sales	To calculate ratio of scrap sales value to gross sales value.
4 (viii)	Value of inputs cleared as such on which CENVAT credit availed	To facilitate scrutiny of CENVAT availment during audit i.e. whether appropriate duty payment made.
4 (ix)	Total Sales Tax paid	To calculate ratio of Sales Tax to Excise duty
4 (x)	Details of other incomes as per Profit & Loss A/c	Whether individual elements of other income form part of valuation of goods. Whether appropriate ST has been discharged on each of the elements under specified service tax category.
4 (xi)	Total "Other income" as per P & L A/c.	To calculate ratio of other income to total sales value. To validate the information given in 4 (x)
4 (xii) (a) to (d)	The information on Job work carried out Whether own raw material/inputs used in manufacture of job work goods Job Work goods cleared on payment of duty or without payment of duty Total amount of job work received during the	To ascertain whether Job Work is relevant as a source of risk. To co-relate with valuation and availment of CENVAT credit on inputs. To co-relate with valuation and to study trends in job work income vis-à-vis total sales value.



DECLARATIONS

	financial year	
5	CENVAT Credit details	To co-relate with actual availment of CENVAT credit and to calculate ratio of CENVAT credit availment to total duty payment. The availment and utilisation of taxable input service credit would indicate cross sectoral service tax credit trend.



DECLARATION

FORM ER-5

{sub-rule (1) of rule 9A of CENVAT Credit Rules, 2004}

1. Name of the manufacturer:

2. PAN based Registration Number:

3. Annual Declaration

- (i) New declaration
(ii) Amendments to declaration already filed

(Pl. tick the appropriate box)

4. Declaration for the Financial Year _____

Sr. No.	Description of principal inputs	Central Excise Tariff Sub-Heading No. of principal inputs	Quantity code*	Description of finished goods in which principal input mentioned in column (2) is used	Central Excise Tariff Sub-Heading No. of finished goods	Quantity code*	Quantity of principal input mentioned in column (2) required for use in the manufacture of unit quantity of finished goods mentioned in column (5)
1	2	3	4	5	6	7	8

*NOTE. - Please indicate the abbreviation referred to in Instruction No. 7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide Notification No.25/2004-Central Excise (N.T.), dated the 27th September, 2004 published vide G.S.R.No.643 (E) dated the 25th September, 2004.



DECLARATION

5. (i) I/We _____ hereby declare that the information given above is true, correct and complete in every respect to the best of my/our knowledge and belief.

(ii) I/We am/are authorized to sign this declaration.

(Name in capital letters and signature
of the assessee or authorized signatory)

Place:

Date:

ACKNOWLEDGEMENT

Declaration for the Financial Year _____

Date of receipt

D	D	M	M	Y	Y	Y	Y

Place:

Date:

Name and signature of the officer with seal



DECLARATION

FORM ER-6

{sub-rule (3) of rule 9A of CENVAT Credit Rules, 2004}

1. Name of the manufacturer:

2. PAN based Registration Number: _____

3. Month to which the return relates:

4. Details of receipt and consumption of principal inputs and finished excisable goods:

TABLE

5. Details of waste and scrap arising during manufacture and cleared/destroyed:

TABLE

S.No.	Description of waste and scrap	Quantity code*	Quantity	
			Cleared	Destroyed
1	2	3	4(A)	4(B)

NOTE. - (1) Finished goods mentioned in Column (9B) should be stated in respect of each of the inputs mentioned in Columns (2) and (6).

(2) *Please indicate the abbreviation referred to in Instruction No. 7 mentioned in Form E.R.-1 and Form E.R.-3 specified in the Government of India, Ministry of Finance (Department of Revenue) vide No.25/2004-Central Excise (N.T.), dated the 27th September, 2004 published vide G.S.R.No 643 (E) dated the 25th September, 2004.

DECLARATION



6. (i) I/We _____ declare that the particulars declared above have been compared with the records and books of my/our factory/warehouse and the same are true and correct to the best of my/our knowledge.

(ii) I/we am/are authorized to sign this return.

(Name in capital letters and signature
of the assessee or authorized signatory)

Place:

Date:

ACKNOWLEDGEMENT

Return of receipt and consumption of principal inputs and finished excisable goods for the month ending _____

D D M M Y Y Y Y

Date of receipt								
-----------------	--	--	--	--	--	--	--	--

Name and signature of the officer with seal



DECLARATIONS

Form E.R.-7

Annual Installed Capacity Statement

1. Name of the manufacturer:
2. Address of factory
3. Central excise registration number:

--	--	--	--	--	--	--	--	--	--	--	--	--

4. (i) Annual declaration
- (ii) Amendments to declaration already filed
(Pl. tick the appropriate box)
5. Installed capacity as on -----
6. Details of installed capacity of the factory

Sl No	Description of each class of goods manufactured	Unit of measure	Annual production capacity

7. Details of main plant and machineries installed

Sl. No.	Description of main machineries /plant	Technical specifications (make, model, etc.)	Year of installation

8. Details of electricity connection:

- (a) Name of electricity supplying company

--	--	--	--	--	--	--	--	--	--	--	--

- (b) Total number of electricity meters installed in the factory

--	--

- (c) (i) Electricity consumer number:

--	--	--	--	--	--	--	--	--	--	--

DECLARATIONS



(ii) Electricity meter number(s):

--	--	--	--	--	--	--	--	--	--

(d) Sanctioned electricity load:

(i) Unit of measurement (HP/KWh/others-specify)

--	--	--	--	--

(ii) Quantity

--	--	--	--	--

(e) (i) Whether captive power plant installed
(ii) If so, its installed capacity

9. (i) I/We _____ hereby declare that the information given above is true, correct and complete in every respect to the best of my/our knowledge and belief.

(ii) I/We am/are authorized to sign this declaration.

(Name in capital letters and signature
of the assessee or authorized signature)

Place:

Date:

ACKNOWLEDGEMENT

	D	D	M	M	Y	Y	Y	Y
Date of receipt								

Place:

Date:

Name and signature of the officer with seal

**INSTRUCTIONS**

1. In serial number 6, 'Each Class of Goods' means a broad category of goods which are cleared/sold from factory. For example, for a pharmaceutical unit, all types of tablets, capsules and syrup will be regarded as different classes of goods
2. In serial number 7, 'Main machineries/plant' means the machineries/plant producing the final product or intermediate product. For example, for a factory producing steel bar from iron ore, the kiln (used for making sponge iron), furnace (used for making ingot) and rolling mill (used for making steel bar) would be regarded as the main machinery/plant.
3. Where the excise duty is levied at specific rate, the same quantity measurement code as applicable for payment of duty shall be used for providing installed capacity.
4. Wherever quantity codes appear, indicate relevant abbreviations as given below.

Quantities	Abbreviations	Quantities	Abbreviations
Centimetre(s)	cm	Metre(s)	m
Cubic centimetre(s)	cm ³	Square metre(s)	M ²
Cubic metre(s)	m ³	Millimetre(s)	mm
Gram(s)	g	Metric tonne	mt
Kilogram	kg	Number of pairs	pa
Kilolitre	kl	Quintal	q
Litre(s)	l	Tonne(s)	t
Thousand in number	Tu	Number	u

5. In case, any substantial expansion/addition of machineries is carried out during the year resulting into increase in the installed capacity by more than 25% of one class of product, an amendment to the declaration should be filed within 30 days of commencement of production of these new machineries.”

DECLARATIONS



Original For Buyer

RANGE : DIVISION : COMMISSIONERATE : Address to be mentioned here ECC NO. : TIN NO. : C.S.T. NO. : S. TAX NO.: PAN NO. :	INVOICE FOR CLEARANCE OF EXCISABLE GOODS FROM A FACTORY OR WAREHOUSE TAX INVOICE CUM EXCISE INVOICE Under Rule 11 of Central Excise Rules, 2002 ABC PRINTING & PACKAGING WORKS AN ISO - 9001 : 2008 Certified Company Organisation Address To Be Mentioned Here Call : Fax : E-mail :																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Sl. No.</th> <th style="width: 45%;">Description of the excisable goods</th> <th style="width: 15%;">Tariff Heading</th> <th style="width: 15%;">Sl. No.</th> <th style="width: 45%;">Description of the excisable goods</th> <th style="width: 15%;">Tariff Heading</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1.</td> <td>Corrugated Paper & Paper Board in Rolls or Sheets</td> <td style="text-align: center;">4808 10 00</td> <td style="text-align: center;">3.</td> <td>Others</td> <td style="text-align: center;">4819 10 90 Not. No. 12/2012 CE - 17.03.12 S. No. 171, Condition no.13</td> </tr> <tr> <td style="text-align: center;">2.</td> <td>Cartons, Boxes, of Corrugated Paper or Paper Board</td> <td style="text-align: center;">4819 10 10 Not. No. 12/2012 CE - 17.03.12 S. No. 171, Condition no.13</td> <td style="text-align: center;">4.</td> <td>Recovered Waste & Scrap of Paper & Paper Board</td> <td style="text-align: center;">4707 90 00 Not. No. 12/2012 CE - 17.03.12 S. No. 160</td> </tr> </tbody> </table>		Sl. No.	Description of the excisable goods	Tariff Heading	Sl. No.	Description of the excisable goods	Tariff Heading	1.	Corrugated Paper & Paper Board in Rolls or Sheets	4808 10 00	3.	Others	4819 10 90 Not. No. 12/2012 CE - 17.03.12 S. No. 171, Condition no.13	2.	Cartons, Boxes, of Corrugated Paper or Paper Board	4819 10 10 Not. No. 12/2012 CE - 17.03.12 S. No. 171, Condition no.13	4.	Recovered Waste & Scrap of Paper & Paper Board	4707 90 00 Not. No. 12/2012 CE - 17.03.12 S. No. 160	
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BUYERS NAME AND ADDRESS:

ABCD LTD
KASBA
KOLKATA 700 107
ECC NO:ABCDE9010FEM001
TIN NO:1961560****
CST NO:1961560****
PAN NO:ABCDE9010F

RANGE:RANGE-II
DIVSN:TOLLYGUNGE
COMTE:KOL-V

EXCISE Invoice No:374/2012-13 Date:07.03.2013
Challan No:374/2012-13 Date:07.03.2013
Order No : Date:
Issue Date & Time: 07.03.13 & 5.00PM
Removal Date & Time: 07.03.13 & 5.25PM
Mode of Transport:BY ROAD
Vehicle No :WB41D-9761
Destination:KOLKATA

SL.NO	DESCRIPTION OF GOODS	QUANTITY	UNIT	RATE AMOUNT RS.
1	ABCD-5PLY CORRUGATED BOARD BOXES	1000	PCS	40.00 40000.00

TOTAL	1000 ASSESSABLE VALUE 40000.00
-------	--------------------------------

TOTAL EXCISE DUTY PAYABLE(IN WORDS): RUPEES TWO THOUSAND FOUR HUNDRED SEVENTY TWO ONLY	Add Cen Exc Duty 6% 2400.00
---	-----------------------------

SUB TOTAL: Add VAT-4%	42400.00 1696.00
--------------------------	---------------------

GRAND TOTAL RUPEES FORTY FOUR THOUSAND AND NINETY SIX ONLY 44096.00	
---	--

PLEASE PAY BY A/C PAYEE CHEQUE / DRAFT ONLY	PLA PAYABLE /RG - 23	For ABC PRINTING & PACKAGING WORKS
Declaration : Certified that the particulars given above are true and correct and the amount indicated represents the price actually charged and that there is no flow of additional consideration directly or indirectly from the buyer. REMARKS : SUBJECT TO KOLKATA JURISDICTION • INTEREST ON DELAYED PAYMENT @18% PER ANNUM		Partner / Authorised Signatory

NOTE: The invoice is to be printed in four copies. The first copy is marked 'Original for Buyer' as per specimen above. The other three copies would have the same format and would be marked 'Sellers Copy', 'Duplicate for Transporter' & 'Extra Copy' respectively.



**Declaration On Letter Head - Contractor/Sub Contractor/ Transporter –
In Transport Business – Owning Upto TEN Vehicles - In Previous F.Y. –
Non Deduction of TDS**

Date:

To
Name of Organisation
Address
City – Pin Code

Dear Sir

Sub: Declaration – Non Deduction of TDS – (Current) F.Y. –

This to declare that the number of goods carriage vehicles, owned by me/us during the (previous) financial year _____ is/are _____.

We are pleased to enclose herewith, our self attested Pan Card.

Since the goods carriage owned by us are not more than **TEN** in the previous financial year, we are covered under provisions of section 44AE of the Income Tax Act & since we are furnishing our Pan Card details, we request you, not to deduct TDS on freight charges paid or credited to our account for the current financial year.

Yours truly

for (Name of Transporter)

Authorised Signatory

Enclosed: a/a