

EXCISE DUTY

APPLICABILITY

As per the charging section 3, Excise duty is leviable only when following conditions are fulfilled:

- There must be a manufacture
- Manufacture must be in India
- The manufacture must result in moveable and marketable goods
- The resultant goods must be excisable goods (mentioned in CETA Act, 1985)

#If principal manufacturer do not take responsibility of goods manufactured by job worker then job worker is responsible to pay excise duty on those goods.

#In case the goods are kept by the Principal Manufacturer in a Warehouse and the manufacturer refuses to pay excise duty then the Warehouse-keeper is liable to pay the same.

Excise Duty can be levied by both Union and State :

- Union : Tobacco and All Other Goods
- State : Alcoholic Liquor for Human Consumption, Opium, Narcotics

ELIGIBILITY FOR REGISTRATION

- Manufacturer including Deemed Manufacturer
- SSI Unit only when turnover crosses 1.50 crores
- Non SSI Unit
- Job Worker / Raw Material Supplier
- Bonded Warehouse
- Trader
- Warehouse Keeper



EXEMPTIONS FROM GETTING REGISTERED

- Manufacturer of those goods which are
 - Chargeable to Nil Rate
 - Fully Exempt
 - Non-Dutiable Goods
- Licensed Units in SEZ, 100% EOUs, Export Processing Zones

PROCEDURE FOR PAN BASED REGISTRATION

Every person who is eligible to get registered shall get himself registered by applying in the form provided on the website: www.aces.gov.in

If the person has more than one premises requiring registration, separate registration certificate shall be obtained for each premise.

The person shall be allotted an Excise Registration Number which is a Unique 15 digit Alpha Numeric Code.

SMALL SCALE INDUSTRIES (SSI)

- **Eligibility for being qualified as SSI** : Domestic turnover in preceeding FY < 4 crores
- **Registration**: Voluntary not mandatory
- **More than 1 Factory** : Registration is required Assessee-wise not factory units-wise
- **CENVAT Credit** : No input credit for raw materials purchased and services availed upto 1.50 crores of turnover, hence no CENVAT Credit on first 1.50 crores
Exception: Input Credit on Capital goods can be booked but can be utilized only when turnover crosses 1.50 crores.

VALUATION

Amount of Excise Duty is assessed in following manner:

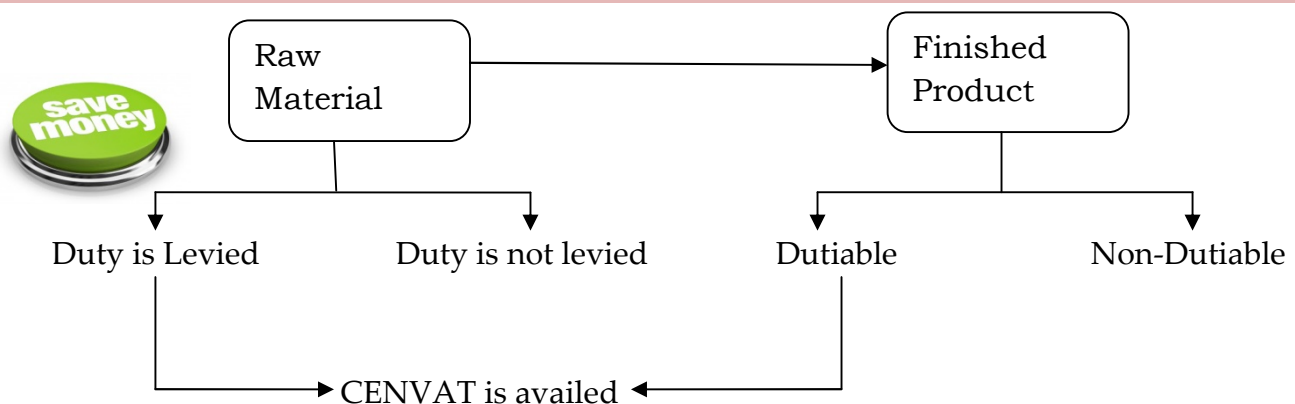
$$\text{Excise Duty} = \text{Assessable Value} \quad * \quad \text{Rate of Duty}$$

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Known Reliable Value
As mentioned in CETA, 1985

If not, then as per Valuation Rule 4(1)

CENVAT CREDIT



* In all the other combinations CENVAT Credit cannot be availed.

RETURNS

Type of Return	Periodicity	Due Date for Filing	Who can File?
ER 1	Monthly	10 th of the next month	Non SSI Units
ER 2	Monthly	10 th of the next month	Manufacturers who are 100% EOUs(Export Oriented Units) and are removing goods into the domestic tariff area
ER 3	Quarterly	10 th of the next month of the completed quarter	Where a manufacturer is eligible to avail the exemption under a notification based on the value of clearances in a Financial Year
ER 4	Yearly	30 th November of next Financial Year	Annual Financial information statement to be submitted by manufacturers who paid excise duty >Rs. 1crore in the preceding financial year.
ER 5	Yearly	30 th April of Next Financial Year	Annual return of information relating to principal inputs used in the manufacture of finished goods. Filed by manufacturers who paid excise duty >Rs. 1crore in the preceding financial year
ER 6	Monthly	10 th of the next month	Monthly return of information relating to principal inputs on which cenvat credit was availed. Filed by manufacturers who paid excise duty exceeding Rs. One crore in the preceding financial year.
ER 7	Yearly	30 th April of the next Financial Year	Manufacturer's Annual Installed Capacity Statement declaring the annual Production Capacity of the factory for the financial year
ER 8	Quarterly	10 th of the next month of the completed quarter	A Manufacturer who opts for the Composition Scheme

* All the Returns should be filed electronically except for the Manufacturing Units situated in Uttar Pradesh & Himachal Pradesh.

DATE OF PAYMENT

Unit	Period
SSI unit	On 5th or 6th of the month of the completed quarter.
Other than SSI Unit	On 5th or 6th of the next month
For all units	For the month of March, duty has to be paid by 31st March.

* 5th for those who physically pay the duty and 6th for those who electronically through Internet Banking.

INTEREST

In case of late payment of Excise duty	<ul style="list-style-type: none"> • Interest is leviable @ 18% per year • Levy of Interest starting from the next day of the due date upto the actual date of payment.
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CHANGES MENTIONED IN BUDGET 2016



There is no change in the Basic Excise Duty leviable under the First Schedule to the Central Excise Tariff Act, 1985

Particulars	Previous Rate	Rate for FY 16-17 onwards
Tobacco	10%	15%
Pan Masala	16%	19%
Mineral & Aerated Water, containing added sugar or other sweetening matter or flavoured	18%	21%

Rubber Sheets & resin rubber sheets for soles & heels	12.5%	6%
PSF / PFY manufactured from plastic scrap or plastic waste including waste PET bottles	2% without CENVAT credit or 6% with CENVAT credit	2% without CENVAT credit or 12.5% with CENVAT credit
Articles of Jewellery [excluding articles of silver jewellery, other than those studded with diamonds, ruby, emerald or sapphire].	-	1% (without Cenvat Credit) and 12.5% (with Cenvat Credit)
Gold Bars manufactured from gold ore or concentrate; gold dore bar and silver dore bar	9%	9.5%
Silver manufactured from silver ore or concentrate; silver dore bar and gold dore bar	8%	8.5%

- Surbhi Jain

Only Those Who Will Take Risk For Going Too Far Can Possibly Find Out How Far One Can Go.

- T. S. Eliot