

UNION BUDGET 2010-11 – BULLETIN II
Indirect Taxes – Non - Tariff

A. For Units Availing Exemption Notification Based on Value of Clearances

The under mentioned amendments are applicable w.e.f. **01.04.2010** for:

- Assesses eligible to avail exemption under a notification based on the value of clearances in a financial year
- The assessee shall be eligible, if his aggregate value of clearances of excisable goods for home consumption in preceding financial year, computed in the manner specified in the said notification, did not exceed rupees four hundred lakhs.

Payment of Duty

The duty on goods cleared during a quarter of the financial year shall be paid by the 6th. day of the month following the quarter, if the duty is paid electronically through internet banking and in any other case, by the 5th. day of the month following the quarter, except for the quarter January to March, duty shall be paid by the 31st. day of March. The manner of payment as specified shall be available to the assessee for entire financial year.

(Notification No. 5/2010 C.E. (N.T.) dated 27th. February 2010)

Filing of Returns

The assessee shall file a quarterly return in the form specified by notification by the board within 10 days from the close of the quarter to which the return relates. The filing of return as specified will be available to the assessee for the whole of the financial year.

(Notification No. 5/2010 C.E. (N.T.) dated 27th. February 2010)

Cenvat Credit On Capital Goods

An assessee can avail Cenvat Credit on Capital goods received for the whole of duty paid on such capital goods in one installment in the same financial year.

(Notification no. 6/2010 C.E. (N.T.) dated 27th. February 2010)

B. Other Provisions

1. "Provided further that 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 CENVAT 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."

(Notification no. 6/2010 C.E. (N.T.) dated 27th. February 2010, Applicable from the date of enactment of the finance bill)

2. Dispensing with the pre-authentication of invoices

(Notification No. 5/2010 C.E. (N.T.) dated 27th. February 2010, w.e.f. **01.04.2010**)

3. Create parity in penal provisions for wrong availment of credit in respect of goods and services

(Notification no. 6/2010 C.E. (N.T.) dated 27th. February 2010, Applicable from the date of enactment of the finance bill)

For Federation of Corrugated Box Manufacturers Of India

Bharath Kedia
Chairman, Excise & Taxation