

IDT - Template for Applicability



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Post Budget 2014- Central Excise

There could be various situations which we have examined separately as follows:

1. Goods Earlier exempted now exemption withdrawn./ Not liable or nil rated in Central Excise tariff

- Goods removed prior to 10.7.2012 not liable: This would be even if finished goods are removed to depots or warehouses. Subsequent sales should have stamp that these goods have been manufactured and removed from factory prior to 10.7.12 to avoid seizure in between.
- Goods at job workers premises in progress , in stock at factory/ies liable
- Whether manufacturing own / unbranded goods : If so then the value of manufactured goods in 13- 14 is to be examined. [including exempted goods] This is to determine whether the SSI exemption of ₹ 150 Lakhs is eligible for goods removed after 10 July 14.
- If branded goods or not SSI then liable from 10th July midnight.
- Registration of factory/ies, dealers who supply major material under CE
- Stock taking and availment of credit on stocks in hand
- Invoice/ Delivery documents format with adequate disclosure's.
- Paying duty after adjusting credit by 5th of August 2014
- Filing of returns by 10th August 2014.

2. Added to Process amounting to Manufacture in Chapter notes.

- First time goods made liable or process amounting to manufacture – Liability from the notified date.

- Procuring all inputs under duty paying documents
- Removing all finished goods after they are manufactured promptly to the customer or depot.
- Getting registration etc as in case of A above and all subsequent activities thereon.

3. Reduction in rate: This maybe unlikely. However if this happens all goods in factory still to be removed when removed would be at lower rate from 10th July midnight.

4. **Increase in rate:** All goods in factory would be removed at higher rate from 10th July Midnight.
5. **Exempted:** All goods post midnight of 10 July would not be on payment of duty mentioning that these are removed post 10th July if document not clear. Further the Cenvat credit on raw material, WIP, FG which are still in stock may require to be reversed.

Post Budget 2014 – Service Tax

The changes possible are only by way of change in rate, withdrawal of exemption or addition to negative list/ exempted services. See template.

Post Budget 2014- Customs

The changes would depend on the filing of the Bill of Entry for imported goods as well as those which are removed from the bonded warehouse. See template.

Template for IDT

Impact of Budget - Template- Indirect Taxes- [Normal Applicability unless specifically set out]

<u>Central Excise</u>	<u>Applicable from</u>	<u>Applicable to</u>	<u>Not Applicable to</u>
1. Increase in rate [from 2-4 or 12 -14]	Midnight 10th July	Fin. Goods in Factory	Goods removed to depot
		FG with JW- Third party	Goods in Transit to customers
2. Decrease in rate [from 12 -10]	As above	As above	As above
3. Earlier exemption withdrawn	As above	As above	As above
Stock Taking of RM/ WIP/FG needed			
Evaluation of SSI etc			
4. Earlier nil rate now levied	As above	As above	As above

for 1st time			
Stock Taking of RM/ WIP/FG needed			
5. Deemed Manufacture added	On passing of Bill +	Goods deemed mfred after date	Fin. Goods in Factory
Stock Taking of RM/ WIP/FG needed	On Pres. Accent		Goods removed to depot
Evaluation of SSI etc			Goods in Transit to customers
6.MRP added	wef date notified	goods removed after date	same as above
<u>Service Tax</u>			
a. Increase/ decrease	Maybe dt specified	services after such date/ invoice raised/advance received[could be 2 out of three post change then increase/decrease applies]	Completed Service-risk could be
	POTR as Relevant*		taxed as change in effective rate
b. Additional to Negative List + Exempt.	Maybe dt specified	Services provided after such date	completed services
	POTR as Relevant*		
c. Withdrawl from Negative + exempt.	As above	services after such date taxed	Completed Service
* POTR may be amended.- However date			
rendering service maybe important.-wrt Constitution			
<u>Customs Duty</u>			
i. Increase/ Decrease in rate	10 July Midnight	BOE filed after 10th	BOE filed before 10th

	BOE filing	Goods in Warehouse pn 10th-not	
		crossed customs frontier	
ii. Exemption/ Withdrawal	As above	As above	As above
<u>AL IDT</u>			
Rules / Notification normally date specified			
Provisional Collection Act may have to be seen.			
Areas of Doubt:			
Changes in exemptions entries-what if dates from when applicable not specified			
Retrospective amendments-beneficial/detrimental			