

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
NO.1, WILLIAMS ROAD, CANTONMENT, TRICHY.

TRADE NOTICE: 73/2004

DATED: 03.11.2004.

Sub: Communication of Ministry's Notification Nos. 32/2004 – CE (N.T) dated : 29.10.2004, 33/2004 – CE (N.T) dated : 29.10.2004 , 34/2004 – CE (N.T) dated : 01.11.2004, 35/2004 – CE (N.T) dated 01.11.2004 and Notification No. 36/2004 – CE (N.T) dated : 01.11.2004 – Regarding.

Copy of Ministry's Notification No. 32 / 2004 – CE (N.T) dated : 29.10.2004 [F.No. 209/43/2004 - CX.6], Notification No. 33/2004 – CE (N.T) dated : 29.10.2004 [F.No. 209/43/2004 - CX.6], Notification No. 34/2004 – CE (N.T) dated : 01.11.2004 [F.No. 206/4/2004 - CX.6], Notification No. 35/2004 – CE (N.T) dated : 01.11.2004 [F.No. 206/4/2004 - CX.6] and Notification No 36/2004 – CE (N.T) dated 01.11.2004 [F.No. 206/4/2004 - CX.6] are communicated herewith.

The contents of the Trade Notice may be brought to the knowledge of all constituent members of Trade Associations / Chambers of Commerce.

(Issued from file C.No.IV/16/2/2004 – C.Ex.Pol. (Vol. - II))

//ATTESTED//

Sd./xxx
(V. JAYARAMAN)
JOINT COMMISSIONER (TECH)

SUPERINTENDENT (TECH.)

To
As per mailing list I / II / III / All Section in Hqrs., Trichy.

Copy of Ministry's Notification No. 32/2004 – CE (N.T) dated : 29.10.2004

In exercise of the powers conferred by rule 19 of the Central Excise Rules, 2002, the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), number 42/2001-Central Excise (N.T.), dated the 26th June, 2001, namely: -

In the said notification, in Explanation-III, for (g) and the entry relating thereto, the following shall be substituted, namely: -

“(g) the Education cess on excisable goods as levied and collected under section 91 read with section 93 of the Finance (No.2) Act, 2004 (23 of 2004).”

F.No.209/43/2004-CX.6

Neerav Kumar Mallick
Under Secretary to the Government of India

Note: The Principal Notification was published in the Gazette of India vide notification Number 42/2001-Central Excise (N.T.), dated the 26th June, 2001 [G.S.R. 471(E) dated 26th June, 2001] and was last amended vide notification No.16/2004-CE(NT), dated the 10th August 2004 [G.S.R. 512(E) dated 10th August, 2004]

Copy of Ministry's Notification No. 33/2004 – CE (N.T) dated : 29.10.2004

In exercise of the powers conferred by rule 19 of the Central Excise Rules, 2002, the Central Government hereby makes the following further amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue), number 43/2001-Central Excise (N.T.), dated the 26th June, 2001, namely: -

In the said notification, in Explanation-I, for (g) and the entry relating thereto, the following shall be substituted, namely: -

“(g) the Education cess on excisable goods as levied and collected under section 91 read with section 93 of the Finance (No.2) Act, 2004 (23 of 2004).”

[F.No.209/43/2004-CX.6]

Neerav Kumar Mallick
Under Secretary to the Government of India

Note: The Principal Notification was published in the Gazette of India vide notification Number 43/2001-Central Excise (N.T.), dated 26th June, 2001 [G.S.R. 472(E) dated 26th June, 2001] and was last amended vide notification No.15/2004-CE(NT), dated 10th August, 2004 [G.S.R.511(E), dated 10th August, 2004]

Copy of Ministry's Notification No. 34/2004 – CE (N.T) dated : 01.11.2004

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) These rules may be called the Central Excise (Fifth Amendment) Rules, 2004.
- (2) They shall come into force on the date of their publication in the Official Gazette.

2. Rule 12 of the Central Excise Rules, 2002, shall be re-numbered as sub-rule (1) thereof; and after sub-rule (1) as so re-numbered, the following sub-rule shall be inserted namely, :-

“(2)(a) Notwithstanding anything containing in sub-rule (1), every assessee shall submit to the Superintendent of Central Excise, an Annual Financial Information Statement for the preceding financial year to which the statement relates in the form specified by notification by the Board by 30th day of November of the succeeding year.

(b) The Central Government may, by notification, and subject to such conditions or limitations as may be specified in such notification, specify assessee or class of assessees who may not require to submit such an Annual Financial Information Statement.”.

F.No. 206/4/2004-CX 6

Neerav Kumar Mallick
Under Secretary to the Government of India

Note: The principal rules were published in the Gazette of India vide notification No. 4/2002-CE (NT), dated 1st March, 2002 [G.S.R.143 (E), dated the 1st March, 2002] and were last amended by notification No. 27/2004-Central Excise (N.T), dated the 28th September, 2004 [G.S.R. 645(E), dated the 28th September, 2004].

Copy of Ministry’s Notification No. 35/2004 – CE (N.T) dated : 01.11.2004

In exercises of the powers conferred by clause (b) of sub-rule (2) of the rule 12 of the Central Excise Rules, 2002,(hereinafter referred to as the said rules) the Central Government, being satisfied that it is necessary and expedient in the public interest so to do, hereby exempts from the operation of clause (a) sub-rule(2) of rule 12 of the said rules the assessee who paid duty of excise less than One Hundred Lakh Rupees from account current during the financial year to which the Annual Financial Information Statement relates.

F.No. 206/4/2004-CX 6

Neerav Kumar Mallick
Under Secretary to the Government of India

Copy of Ministry’s Notification No. 36/2004 – CE (N.T) dated : 01.11.2004

In exercises of the powers conferred by clause (a) of sub-rule (2) of rule 12 of the Central Excise Rules, 2002, the Central Board of Excise and Customs hereby specifies the following Form for the purposes of the said clause (a) of sub-rule (2) of rule 12, namely,-

“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 components used for manufacturing on which CENVAT credit availed (value as per purchase invoice or import document excluding all taxes). Rs

(b) Total value of inputs including packing materials used for manufacturing on which **CENVAT credit not availed.** Rs

(c) Value of raw material including packing material and components consumed as per Profit and loss account. Rs.

(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

(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 job worker. Rs.

4. Details of Income:

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

(ii) Value and quantity of each major manufactured finished goods sold[@].

Please mention description and Chapter sub-heading. Finished Good CEA¹

	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		

(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

(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 from customers	
3.	Handling, storage, packing & forwarding charges	
4.	Pre-delivery inspection charges	
5.	Product development, Drawing, design and development charges	
6.	Transportation charges received	
7.	Erection & 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	RsŠŠ

5. CENVAT Credit details:

	Credit Aailed (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.

(iii)

(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(1of 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.

ACKNOWLEDGEMENT

Annual Financial Information Statement For The Financial Year _____

	D	D	M	M	Y	Y	Y	Y
Date of receipt								

Name and Signature of the officer with seal

Place:

Date:

[F.No. 206/4/2004-CX 6]

(Neerav Kumar Mallick)
Under Secretary to the Government of India

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 R & D Expenditure Wages, Power & Fuel and Other expenses (other than (a) to (e) above	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, 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 goods	To calculate ratio of value of exempted goods to gross sales value
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 financial year	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.
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.