



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 cleared without payment of duty
- Goods exempted under any other notification
- Goods that are non excisable



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 31st MARCH IN PREVIOUS F.Y.

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)

1. Calculate the value of Cenvat involved in stock of raw material, semi finished product and final products as on 31st. March of previous F.Y. 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.
2. 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.
3. 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.
4. 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)
5. 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)