

The Cenvat credit available for June 2007 is as follows –

Description	Basic duty	Service Tax	Education Cess	SAH Education Cess
Inputs	50,000		1,000	500
Capital Goods (50% will be eligible and balance next year)	6,000		120	60
Input Service		10,000	200	100
Total	56,000	10,000	1,320	660

Credit of Rs 66,000 (56,000 + 10,000) can be utilised for basic duty Credit of education cess and SAH education cess can be utilised only for payment of education cess and SAH education cess on final product only.

Hence, duty payable through GAR-7 challan for June 2007 is as follows –

	Basic Duty Rs	Education Cess Rs	SAH Education Cess Rs
(A) Duty payable	2,00,000	4,000	2,000
(b) Cenvat Credit	66,000	1,320	660
Net amount payable (A-B)	1,34,000	2,680	1,340

Last date for payment is 5th July, 2007.

Question - In aforesaid example, calculate duty payable by GAR-7 challan if assessee had following balance in his PLA account on 6-6-2007 (after debiting utilised amount for payment of duty for May 2007) - Basic duty - Rs 1,70,000, Service tax - Rs 30,000. Education Cess - Rs 4,000. SAH education Cess - Nil.