

If credit was available on 1-6-2007, the total Cenvat credit available for June 2007 is as follows

Description	Basic duty Rs	Service Tax Rs	Education Cess Rs	SAH Education Cess Rs
Opening Balance	1,70,000	30,000	4,000	Nil
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	2,26,000	40,000	5,320	660

The duty payable will be as follows -

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 (basic plus service tax)	2,66,000	5,320	660
Net amount payable (A-B)	(-66,000)	(-1,120)	1,340

The credit of education cess of Rs 1,120 is to be carried forward since the credit cannot be utilised for payment of any other duty. Credit of basic duty can be utilised for payment of SAH education cess. Hence, the balance left in basic duty account will be Rs 64,660.

Thus, no excise duty is required to be paid for the month of June 2007. Balance carried forward will be as follows - (a) Basic duty - Rs 64,660 (b) Education Cess - Rs 1,120.

An assessee cleared his manufactured final products during January 2008. The duty payable for the month on his final products was as follows: Basic duty – Rs. 44,000, NCCD – Rs. 2,000, Education cesses – As applicable. During the month, he received various inputs on which total duty paid by suppliers of inputs was as follows - Basic duty – Rs. 40,000 plus applicable education cess. Service tax paid on input services was as follows: Service tax – Rs.