

8,000. Education cess – Rs. 160. There is no opening balance in his PLA account. How much duty the assessee will be required to pay through account current for the month of January 2008? (ICWA Inter June 2006 adopted)

Education Cess payable on final products is Rs 920 (2% of Rs 46,000). SAH education cess payable on final products is Rs 460.

Education cess on his inputs is Rs 800 (2% of Rs 40,000) > SAH education cess on inputs is Rs 400. The Cenvat credit available for the month of January, 2008 is as follows –

Description	Basic duty	Service Tax	Education Cess	SAH Education Cess
Inputs	40,000		800	400
Input Service		8,000	160	80
Total	40,000	8,000	960	480

Credit of Rs 48,000 (40,000 + 8,000) can be utilised for payment of any duty.

Credit of education cess of Rs 960 can be utilised only for payment of education cess on final product.

Credit of SAH education cess of Rs 960 can be utilised only for payment of education cess on final product.

	Basic Duty Rs	NCCD	Education Cess Rs	SAH Education Cess Rs
(A) Duty payable	44,000	2,000	920	460
(b) Cenvat Credit (basic plus service tax)	48,000		960	480
Net amount payable (A-B)	(-4,000)		(-40)	(-20)

The credit of basic duty and service tax of Rs 4,000 can be utilised for payment of NCCD of Rs 2,000. Hence for the month of January, 2008, assessee is not required to pay any duty through PLA.

He will carry forward following balances for February 2008 - Basic duty - Rs 2,000. Education Cess - Rs 40. SAH education Cess - Rs 20.

Question – An assessee cleared his manufactured final products during July 2007. The duty payable for July 2007 on his final products was as follows – Basic – Rs 49,000. NCCD – Rs