

Conditions for Availing Benefit of SSI E/N : 8/2003-

	- 7 conditions - -
1	Option to Assesee -- <u>Not to Avail 8/2003</u> & pay duty at NRD <u>Time for Exercising Option</u> -- Before effecting any clearance at NRD <u>Once exercised</u> -- Withdrawal during the year not possible
2	Manner of Exercising Option -- Information to AC/DC (alongwith a Copy to SCE)
3	Cenvat on INPUTS (used in mfd of Goods of AVC upto 150 lakhs) -- not to be AVAILED
4	Cenvat on CAPITAL GOODS -- allowed but not to be UTILIZED till AVC crosses 150 lakhs limit
5	One Factory, Multiple Manufacturer : Value of Clearances shall be aggregated before applying the exemption $AVC = VC_{M-1} + VC_{M-2} + \dots + VC_{M-n}$
6	One Manufacturer, Multiple Factories : Value of Clearances shall be aggregated before applying the exemption $AVC = VC_{F-1} + VC_{F-2} + \dots + VC_{F-n}$
7	AVC (Immediate PY) = < 400 lakhs $AVC = VC_{M-1} + VC_{M-2} + \dots + VC_{M-n}$ $AVC = VC_{F-1} + VC_{F-2} + \dots + VC_{F-n}$

Additional Points Regarding SSI: (Benefits/Concessions available to SSI)

	Non-SSI Unit	SSI Unit [i.e., Unit availing 8/2003]
DUE DATES FOR PAYMENT OF EXCISE DUTY ---- Rule 8 of CER, 2002	MONTHLY BASIS (Next 5 Days)	MONTHLY BASIS (Next 15 Days)
DUE DATE FOR FILING OF EXCISE RETURN ---- Rule 12 of CER, 2002	MONTHLY BASIS (Next 10 Days) [E.R.-1]	QUARTERLY BASIS (Next 20 Days) [E.R.-3]
EXCISE REGISTRATION --- Rule 9 of CER, 2002	Registration required (as FP remains dutiable)	<u>Till limit of Rs 150 lakhs is not crossed, FP remains non-dutiable</u> Registration not required – if Declaration filed Even that declaration needn't be filed if AVC (H/C – Home Consumption) in PY = < 90 lakhs

Computation of 150 Lakhs Limit

STATEMENT SHOWING COMPUTATION OF 150 LAKHS LIMIT

		Eligible Clearances	In-eligible Clearances
1.	<u>NON-DUTIABLE CLEARANCES</u>		
	a) <u>Which are exempted u/s 5A (other than 8/2003)</u>	----	√
	b) <u>Which are chargeable to Nil RoD</u> (i.e., on which excise duty is not payable for any other reason)	----	√
2.	<u>CLEARANCES BEARING B/N or T/N</u>		
	a) Clearances bearing B/N or T/N of the manufacturing unit itself	√	----
	b) Clearances bearing B/N or T/N of the Customer		
	i. Goods are cleared for use as OE (Original Equipment) for use in any Machinery/ Equipment or Appliances [- By following End-use based exemption procedure - By simply submitting declaration if AVC of OE in PY is upto 100 lacs in PY]	√	----
	ii. The Customer is any one of the following: 1. Khadi and Village Industries Commission; 2. State Khadi and Village Industry Board; or 3. National Small Industries Corporation; or 4. State Small Industries Development Corp; 5. State Small Industries Corporation;	√	----
	iii. Clearances from factory situated in RURAL AREA	√	----
	iv. Clearances of Accounts Books, Register, Writing Pad and File Folders	√	----
	v. <u>Any other case [Refer Next page for details]</u>	----	√
3.	<u>CLEARANCES OF "INTERMEDIATE GOODS"</u> -- (which are separately exempted under 8/2003)	----	√
4.	<u>CLEARANCES DURING NORMAL COURSE</u>	√	----
	TOTAL	XXXX	XXXX

CURRENT YEAR ED LIABILITY :---

↓
Apply 8/2003 & Pay ED accordingly

↓
Pay ED as applicable normally

STATEMENT SHOWING COMPUTATION OF 400 LAKHS LIMIT

Eligible Clearances (Computed as per previous Statement)	XXXX
Add: Certain Ineligible Clearances (Computed as per previous Statement)	
■ NON-DUTIABLE CLEARANCES All non-dutiable clearances <i>[however, following shall not be included:</i> 1) Clearances availing Job-work Exemption; 2) Clearances to SEZ, 3) Clearances to FTZ, 4) Clearances to 100% EoU, 5) Clearances to EHTP/STP Unit, 6) Clearances to UN or any International Organization <i>]</i>	XXX
TOTAL	XXXX.

ELIGIBILITY FOR EXEMPTION IN THE NEXT YEAR: *Eligible if less than or equal to 400 lakhs*

Clearances bearing brand/trade name of another person -- **SSI Exemption is not available on such clearances**

Conditions to be fulfilled only when exemption can be denied:

- ✓ **Brand Name / Trade Name can be Name /Mark (anything) – which indicates a connection between the branded goods and some person using such brand name.**

It would be irrelevant:

- i) **Whether brand/trade name has been used on SIMILAR or DIS-SIMILAR KIND of goods** **IRUKMANI PAKKWELL - 2004 – SC**;

E.g.

⇒ **Footwear** mfd and cleared – bearing brand name “lotus” – “Lotus” brand name owned by **Another Person who is using them in relation to “Detergent Powder”** ----- “Brand Name will indicate connection between “goods manufactured by SSI Unit” and “Another Person” [it is not the condition that it shall indicate connection between “goods manufactured by SSI Unit” and “Goods mfd by such Another Person”] --- thus, Exemption will not be available

Exception:

However, if SSI unit gets registered the same “brand/trade name” in its own name in relation to “different category of goods [i.e., Footwear], then it can take the benefit of CBEC Circular and can claim the benefit of SSI Exemption.

- ii) **Whether it has been used fully or partially** [Even a use of part of a brand name or trade name, so long as it indicates a connection in the course of trade would be sufficient to disentitle the person from getting exemption under the Notification --**RUKMANNI PAKKWELL – 2004- SC**];

- iii) **Whether it has been used alongwith the brand/trade name of the SSI Unit** **ITEMKAY INVESTMENT (P) LTD. - 2004– SC**;

E.g.

⇒ **Plywood** mfd and cleared – bearing brand name (logo) “Pelican” belonging to the SSI Unit – Plywood also bearing brand/logo “Merino” belonging to **Another Person** ---- Admittably, use of “merino” is for indicating quality aspect (that quality is as that of “Merino” brand of plywood”) -- thus, Exemption will not be available