

F.No. 212/17/2000-CX.6

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Dated : 1-9-2000

Subject : Monthly payment of Central Excise Duty by Small Scale industries - Instructions - Regarding

I am directed to say that certain doubts have been raised as to mode of payment of duty by a manufacture claiming to be in the small scale sector which may be having one or more than one unit specially where he may be manufacturing branded goods for others on job work basis in one or both of the units. It is pertinent to note that where as for the rate of duty purposes, the value of clearances of one or more units is clubbed under SSI exemption scheme (like Notification no. 9/1999-Central Excise prior to 1.3.2000 and Notification no. 9/2000-Central Excise thereafter), in so far as mode of payment is concerned duty liability had to be determined and discharged for production and clearances unit-wise, as per the Central Excise Law, depending upon duty liability for clearances effected from each unit. Thus, if for goods produced in the same unit, manufacturers

availed/avail of the benefit of exemption under Notification No. 9/1999-Central Excise prior to 1.3.2000 and Notification No. 9/2000-Central Excise and also had/has to pay duty on branded goods manufactured for others at normal rates outside the SSI exemption, then he would/will be eligible to discharge duty on monthly payment basis for all the clearances effected from the same factory/unit. Rule 173GG prior to 1.4.2000 (effective from 1st June, 1999) and rule 173G(1) thereafter, is attracted in this case and there is no intention to deny the benefit of monthly payments (by 15th of the following month) to branded goods cleared from the same unit.

2. It may, however, be mentioned that if in any unit, which may also be owned by small scale manufacturer, only branded goods for others are manufactured on which normal rate of duty is payable, then benefit of Rule 173GG/173G(1) cannot be claimed as for that unit the manufacturer is not availing of the exemption based upon value of clearances in a financial year. Such manufacturing units should be treated at par with "other than SSI units" and duty payment provisions applied accordingly.

3. The Board desires that the Commissioners should carefully examine the provisions made in the law and ensure proper implementation. Any difficulties noticed should be intimated to the Board at the earliest.

4. Receipt of this Circular may please be acknowledged.

5. Trade and field formations may be suitably informed.

6. Hindi version will follow.

P.K.Sinha

Under Secretary (CX.6)