

INDIRECT TAXES UPDATE - 9

EXCISE DUTY

CENVAT credit taken or utilized of the duty or tax or cess paid on inputs, capital goods and input services used in drawing wires from wire rods shall not be required to be reversed if the assessee has paid excise duty on removal of the said final product and has not claimed a refund thereof even though the process of drawing of wires from wire rods has been held as not amounting to manufacture by the Supreme in the case of *Collector of Central Excise Vs Technoweld Industries 2003 (155) ELT 209 (SC)*. Such non-reversal shall be allowed only for the CENVAT credit taken upto 08.07.2004.

Further, the CENVAT credit taken of excise duty paid by the buyer of such final product made and cleared upto 08.07.2004 shall also not be required to be reversed.

[Notification No. 28/2010 CE (NT) dated 01.09.2010]

The complete text of above notification is available at www.cbec.gov.in

Note: With effect from 09.07.2004, a section note has been inserted in section XV of the First Schedule to the Central Excise Tariff Act so as to provide that 'the process of drawing or redrawing a rod, wire or any other similar article, into wire' shall amount to 'manufacture'. Thus, w.e.f. 09.07.2004, drawing of wires from wire rods is deemed manufacture.

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Feedback

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

Please email idtc@icai.org for feedback.

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