

Sharing insights

News Alert
15 March 2012



Imposition of restrictions to prevent evasion and default in payment of Excise duty

The Central Board of Excise and Customs (CBEC) has come out with a series of notifications to introduce provisions regarding imposition of restrictions to prevent misuse of CENVAT credit, evasion and default in payment of excise duty by a manufacturer, first stage and second stage dealer or an exporter. (*Refer Central Excise Notification No. 3/2012, 4/2012 & 5/2012 all issued on 12 March 2012*)

The notifications lists a number of offences such as removal of goods without the cover of an invoice and without payment of duty, under valuation, taking of CENVAT credit without

receiving goods or against an invoice which a person has reason to believe as not genuine, etc.

The notification empowers the Chief Commissioner of Central Excise or Director General of Central Excise Intelligence to recommend to the CBEC the withdrawal of various facilities, which could include withdrawal of monthly payment facility and restrictions on utilisation of CENVAT credit for a manufacturer; withdrawal of self sealing/removal facility for an exporter and suspension of registration for a first and second stage dealer.

Our Offices

For private circulation only

<p>Ahmedabad President Plaza, 1st Floor Plot No 36 Opp Muktidham Derasar Thaltej Cross Road, SG Highway Ahmedabad, Gujarat 380054 Phone +91-79 3091 7000</p>	<p>Bangalore 6th Floor, Millenia Tower 'D' 1 & 2, Murphy Road, Ulsoor, Bangalore 560 008 Phone +91-80 4079 7000</p>	<p>Bhubaneswar IDCOL House, Sardar Patel Bhawan Block III, Ground Floor, Unit 2 Bhubaneswar 751009 Phone +91-674 253 2279 / 2296</p>	<p>Chennai PwC Center, 2nd Floor 32, Khader Nawaz Khan Road Nungambakkam Chennai 600 006 Phone +91-44 4228 5000</p>	<p>Hyderabad #8-2-293/82/A/113A Road no. 36, Jubilee Hills, Hyderabad 500 034, Andhra Pradesh Phone +91-40 6624 6600</p>
<p>Kolkata South City Pinnacle, 4th Floor, Plot – XI/1, Block EP, Sector V Salt Lake Electronic Complex Bidhan Nagar Kolkata 700 091 Phone +91-33 4404 6000 / 44048225</p>	<p>Mumbai PwC House, Plot No. 18A, Guru Nanak Road - (Station Road), Bandra (West), Mumbai - 400 050 Phone +91-22 6689 1000</p>	<p>Gurgaon Building No. 10, Tower - C 17th & 18th Floor, DLF Cyber City, Gurgaon Haryana -122002 Phone : +91-124 330 6000</p>	<p>Pune GF-02, Tower C, Panchshil Tech Park, Don Bosco School Road, Yerwada, Pune - 411 006 Phone +91-20 4100 4444</p>	<p>For more information contact us at, pwctr.knowledgemanagement@in.pwc.com</p>

The above information is a summary of recent developments and is not intended to be advice on any particular matter. PricewaterhouseCoopers expressly disclaims liability to any person in respect of anything done in reliance of the contents of these publications. Professional advice should be sought before taking action on any of the information contained in it. Without prior permission of PricewaterhouseCoopers, this Alert may not be quoted in whole or in part or otherwise referred to in any documents

©2012 PricewaterhouseCoopers. All rights reserved. "PwC", a registered trademark, refers to PricewaterhouseCoopers Private Limited (a limited company in India) or, as the context requires, other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.