Circular No.86 /2003
October 3 ,2003

F.No.494/23/2000-Cus VI
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

Subject :- Effective date of payment of Government dues by cheque - reg

I am directed to invite your attention to the Board's Circular No. 28/2003-Cus, dated 24.5.2003, on the above mentioned subject. It was clarified that collection of tax revenues is governed by Central Government Accounts (Receipt & Payment) Rules , 1983, and as per the rule 20 of the same , government dues shall be deemed to have been paid in the case of cheques and drafts tendered to the bank on the date on which it is cleared and entered into the receipts scroll.

2. In view of the in built provisions in the Rule 8(1) of Central Excise Rules, 2002 (w.e.f. 1.3.2003) and Rule 6 (2A) of Service Tax Rules, 1994 (w.e.f 1.8.2002), the subject matter has been re-examined by the Board. It has been decided that in view of specific provisions in the Central Excise and Service Tax Laws , the Circular No. 28/2002, dated 24.5.2002, will not apply to payments of Central Excise duties and Service Tax. In other words in respect of Central Excise duty & Service Tax , the date of payment will be the date of presentation of the cheque in the bank subject to realisation of the cheque.

3. The above instructions may be brought to the notice of all concerned .

4. Kindly acknowledge receipt of this Circular.

5. Hindi version will follow.

D.S. Garbyal
Under Secretary to the Government of India
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