

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

NOTIFICATION
No. 6/2015-Central Excise (N.T.)

New Delhi, the 1st March, 2015

G.S.R. (E).- In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely : –

1. (1) These rules may be called the CENVAT Credit (Amendment) Rules, 2015.
 - (2) Save as otherwise provided in these rules, they shall come into force on the 1st day of March, 2015.
2. In the CENVAT Credit Rules, 2004 (hereinafter referred to as the said rules), in rule 4, –
 - (a) in sub-rule (1), –
 - (i) after the words “the provider of output service” , occurring at the end and before the first proviso, the words “or in the premises of the job worker, in case goods are sent directly to the job worker on the direction of the manufacturer or the provider of output service, as the case may be,” shall be inserted;
 - (ii) in the third proviso, for the words “six months”, the words “one year” shall be substituted;
 - (b) in sub-rule (2), in clause (a), after the words “for captive use within the factory,” the words “or in the premises of the job worker, in case capital goods are sent directly to the job worker on the direction of the manufacturer or the provider of output service, as the case may be,” shall be inserted;
 - (c) in sub-rule (5), for clause (a), the following clause shall be substituted, namely: –

“(a) (i) The CENVAT credit on inputs shall be allowed even if any inputs as such or after being partially processed are sent to a job worker and from there subsequently sent to another job worker and likewise, for further processing, testing, repairing, re-conditioning or for the manufacture of intermediate goods necessary for the manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or the provider of output service taking the CENVAT credit that the inputs or the products produced therefrom are received back by the manufacturer or the provider of output

service, as the case may be, within one hundred and eighty days of their being sent from the factory or premises of the provider of output service, as the case may be:

Provided that credit shall also be allowed even if any inputs are directly sent to a job worker without their being first brought to the premises of the manufacturer or the provider of output service, as the case may be, and in such a case, the period of one hundred and eighty days shall be counted from the date of receipt of the inputs by the job worker;

(ii) the CENVAT credit on capital goods shall be allowed even if any capital goods as such are sent to a job worker for further processing, testing, repair, re-conditioning or for the manufacture of intermediate goods necessary for the manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or the provider of output service taking the CENVAT credit that the capital goods are received back by the manufacturer or the provider of output service, as the case may be, within two years of their being so sent:

Provided that credit shall be allowed even if any capital goods are directly sent to a job worker without their being first brought to the premises of the manufacturer or the provider of output service, as the case may be, and in such a case, the period of two years shall be counted from the date of receipt of the capital goods by the job worker;

(iii) if the inputs or capital goods, as the case may be, are not received back within the time specified under sub-clause (i) or (ii), as the case may be, by the manufacturer or the provider of output service, the manufacturer or the provider of output service shall pay an amount equivalent to the CENVAT credit attributable to the inputs or capital goods, as the case may be, by debiting the CENVAT credit or otherwise, but the manufacturer or the provider of output service may take the CENVAT credit again when the inputs or capital goods, as the case may be, are received back in the factory or in the premises of the provider of output service.”;

(d) in sub-rule (7), –

(i) for the first, second and third provisos, the following provisos shall be substituted, with effect from the 1st day of April 2015, namely:-

“Provided that in respect of input service where whole or part of the service tax is liable to be paid by the recipient of service, credit of service tax payable by the service recipient shall be allowed after such service tax is paid:”

“Provided further that in case the payment of the value of input service and the service tax paid or payable as indicated in the invoice, bill or, as the case may be, challan referred to in rule 9 is not made within three months of the date of the invoice, bill or, as the case may be, challan, the manufacturer or the service provider who has taken credit on such input service, shall pay an amount equal to the CENVAT credit availed on such input service, except an amount equal to the CENVAT credit of the tax that is paid by the manufacturer or the service provider as recipient of service, and in case the said payment is

made, the manufacturer or output service provider, as the case may be, shall be entitled to take the credit of the amount equivalent to the CENVAT credit paid earlier subject to the other provisions of these rules.”;

- (ii) in the sixth proviso, for the words “six months”, the words “one year” shall be substituted;
- (iii) in the Explanations I and II, for the words “sub-rule”, the word “rule” shall be substituted.

3. In the said rules, in rule 5, in Explanation 1, after clause (1), the following clause shall be inserted, namely:—

“(1A) "export goods" means any goods which are to be taken out of India to a place outside India.”.

4. In the said rules, in rule 6, in sub-rule (1), after the proviso, the following Explanations shall be inserted, namely: —

“Explanation 1. — For the purposes of this rule, exempted goods or final products as defined in clauses (d) and (h) of rule 2 shall include non-excisable goods cleared for a consideration from the factory.

Explanation 2. — Value of non-excisable goods for the purposes of this rule, shall be the invoice value and where such invoice value is not available, such value shall be determined by using reasonable means consistent with the principles of valuation contained in the Excise Act and the rules made thereunder.”.

5. In the said rules, in rule 9, in sub-rule (4), the following proviso shall be inserted at the end, namely:—

“Provided that provisions of this sub-rule shall apply *mutatis mutandis* to an importer who issues an invoice on which CENVAT credit can be taken.”.

6. In the said rules, in rule 12AAA, —

(a) after the words “restrictions on a manufacturer” , the words “registered importer,” shall be inserted.

(b) after the words “suspension of registration in case of” , the words “an importer or” shall be inserted.

7. In the said rules, for rule 14, the following rule shall be substituted, namely:—

“14. Recovery of CENVAT credit wrongly taken or erroneously refunded. —

(1) (i) Where the CENVAT credit has been taken wrongly but not utilised, the same shall be recovered from the manufacturer or the provider of output service, as the case may be, and the provisions of section 11A of the Excise Act or section 73 of the Finance Act, 1994 (32 of 1994), as the case may be, shall apply *mutatis mutandis* for effecting such recoveries;

(ii) Where the CENVAT credit has been taken and utilised wrongly or has been erroneously refunded, the same shall be recovered along with interest from the

manufacturer or the provider of output service, as the case may be, and the provisions of sections 11A and 11AA of the Excise Act or sections 73 and 75 of the Finance Act, 1994, as the case may be, shall apply *mutatis mutandis* for effecting such recoveries.

- (2) For the purposes of sub-rule (1), all credits taken during a month shall be deemed to have been taken on the last day of the month and the utilisation thereof shall be deemed to have occurred in the following manner, namely: -
- (i) the opening balance of the month has been utilised first;
 - (ii) credit admissible in terms of these rules taken during the month has been utilised next;
 - (iii) credit inadmissible in terms of these rules taken during the month has been utilised thereafter.”.

8. In the said rules, in rule 15, with effect from the date on which the Finance Bill, 2015 receives the assent of the President, –
- (a) in sub-rule (1), for the words “not exceeding the duty or service tax on such goods or services, as the case may be, or two thousand rupees, whichever is greater.”, the words, brackets, figures and letters “in terms of clause (a) or clause (b) of sub-section (1) of section 11AC of the Excise Act or sub-section (1) of section 76 of the Finance Act (32 of 1994), as the case may be” shall be substituted;
 - (b) in sub-rule (2), for the words, figures and letters “section 11AC of the Excise Act.”, the words, brackets, figures and letters “clause (c), clause (d) or clause (e) of sub-section (1) of section 11AC of the Excise Act.” shall be substituted;
 - (c) in sub-rule (3), for the words and figures “penalty in terms of the provisions of section 78”, the words brackets and figures “penalty in terms of the provisions of sub-section (1) of section 78” shall be substituted.

[F. No. 334/5/2015-TRU]

(Akshay Joshi)
Under Secretary to the Government of India

Note.- The principal rules were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* notification No. 23/2004 - Central Excise (N.T.) dated the 10th September, 2004 *vide* number G.S.R. 600(E) dated the 10th September, 2004 and last amended *vide* notification No. 26/2014 - Central Excise (N.T.) dated 27th August, 2014 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), by number G.S.R. 619 (E), dated the 27th August, 2014.