

**SIGNIFICANT NOTIFICATIONS / CIRCULARS ISSUED DURING THE PERIOD  
18<sup>TH</sup> Feb, 2014 TO 15<sup>TH</sup> March, 2014**

**A. EXCISE**

**1. CENVAT CREDIT RULES FOR INPUT SERVICE DISTRIBUTORS  
AMENDED**

Rule 7 of Cenvat Credit Rules, 2004 which entails distribution of CENVAT credit by Input Service Distributor has been amended vide *Notification No. 05/2014 – Central Excise (N.T.) dated 24<sup>th</sup> February 2014* as under:

- a. For the units that are exclusively engaged in manufacture of exempted goods or providing of exempted services, service tax paid on input services **used by one or more units** will not be allowed to be distributed as Cenvat Credit.
- b. Credit of service tax paid on input services will be distributed only to the **unit by which** the service is wholly used
- c. Pro Rata distribution of service tax credit shall be based on turnover of units using said input service during relevant period to total turnover of all its units **operational** in current year, during said relevant period.
- d. Relevant Period:
  - (i) If the assessee has turnover in the year preceding to the month/ quarter during which credit is to be distributed: Relevant period will be the preceding financial year if Input Service Distributors turnover is available for that year
  - (ii) If details of turnover are not available for some or all of the units: Relevant period will be the last quarter, previous to the month/ quarter for which credit is distributed, for which turnover details of all units is available will be the relevant period.

*This amendment* will be effective from 1<sup>st</sup> April 2014

*[Notification No. 05/2014 – Central Excise (N.T.) dated 24<sup>th</sup> February 2014]*

**2. Amendments with respect to Importers**

- a. *Notification No. 08/2014-Central Excise (N.T.), Date: February 28, 2014* has amended Rule 9 (1) of Central Excise Rules 2002 so as to require **an importer who issues an invoice on which CENVAT Credit can be taken**, to get registered under central excise. . This is in addition to the existing list of assessee's who need to get registered under the said rule. *Consequential amendment has been made in Form A –Central Excise Registration Application Form vide Notification No. 10/2014-Central Excise (N.T.), Dated: February 28, 2014. Importer has now been included in the said form.*

- b. *Notification No. 09/2014-Central Excise (N.T.), Dated : February 28, 2014* has amended Rule 9 (8) of Cenvat Credit Rules, 2004 so as to require a **registered importer** to submit a return in the prescribed form within 15 days from the end of the respective quarter provided that such return is submitted electronically.  
A new Quarterly Return Form for first stage/ second stage dealer or the registered importer has been provided vide *Notification No. 11/2014-Central Excise (N.T.), Dated : February 28, 2014*

All the above amendments will be effective from 1<sup>st</sup> April 2014.

[*Notification No. 08/2014-Central Excise (N.T.), Dated: February 28, 2014, Notification No. 09/2014-Central Excise (N.T.), Dated: February 28, 2014, Notification No. 10/2014-Central Excise (N.T.), Dated: February 28, 2014, Notification No. 11/2014-Central Excise (N.T.), Dated: February 28, 2014*]

### 3. Refund of CENVAT Credit to Service Providers Covered Under Partial Reverse Charge.

*Notification No. 12/2014–Central Excise (N.T.), Dated: March 03, 2014* has amended Rule 5B of CENVAT Credit Rules, 2004 to provide procedures, safeguards, conditions and limitations for refund of CENVAT Credit to service providers providing following services covered under partial reverse charge:

- Rent a Cab (where service provider has not opted for benefit of abatement)
- Manpower Supply Services
- Security Services
- Works Contract Services

Refund amount = A-B

$$A = \frac{\text{CENVAT credit taken on inputs and input services during the half year}}{\text{turnover of output service under partial reverse charge during the half year}} \quad (*) \quad \frac{\text{turnover of output service under partial reverse charge during the half year}}{\text{total turnover of goods and services during the half year}}$$

B = Service tax paid by the service provider for such partial reverse charge services during the half year

The refund of unutilized CENVAT credit shall not exceed the amount of service tax liability paid or payable by the recipient of service with respect to the partial reverse charge services provided during the period of half year for which refund is claimed.

Refund can be claimed on half yearly basis. The due date for filing of refund claim is within one year from the due date of filing of return for the half year. If more than one return is required to be filed for the half year, then the time limit of one year shall be calculated from the due date of filing of the return for the later period.

Also the last date of filing of application in Form A, for the period starting from the 1st day of July, 2012 to the 30th day of September, 2012, shall be the 30th day of June, 2014. No refund shall be admissible for the CENVAT credit taken on input or input services received prior to the 1st day of July, 2012.

Form A and further details can be obtained from [www.cbec.gov.in](http://www.cbec.gov.in).

*[Notification No. 12/2014—Central Excise (N.T.), Dated: March 03, 2014]*