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News alert
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Draft CENVAT credit rule on distribution of input service credit by Input service distributor (ISD)

The Central Board of Excise and Customs (CBEC), on the recommendation by the Forum chaired by Dr. Parthasarathi Shome, has issued draft CENVAT credit amendment rules relating to distribution of input service credit by ISDs. The draft rules aim to simplify the process of distribution of common input service credit amongst multiple units. Suggestions are requested to be sent to CBEC by 27 December, 2013. (*Refer F. No. 354/246/2012-TRU dated 17 December, 2013*)

Rule 7 of the CENVAT credit rules, 2004 was amended in year 2012 to impose additional conditions in relation to distribution of common input service credit,

which resulted in procedural difficulties in calculation/distribution of credit and its effective utilisation by the receiving units.

The draft rules have proposed to relax the 'total turnover' criteria applicable to *pro rata* distribution of credit and to redefine the 'relevant period' applicable for calculation of total turnover of all the units.

Suggestions can also be e-mailed to S. Jayaprahasam, Technical officer (TRU) at jayaprahasam@gmail.com.

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<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>Chennai 8th Floor, Prestige Palladium Bayan 129-140 Greams Road, Chennai 600 006, India 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 56 & 57, Block DN. Ground Floor, A- Wing Sector - V, Salt Lake. Kolkata - 700 091, West Bengal, India Telephone: +91-033 - 2357 9101/4400 1111 Fax: (91) 033 - 2357 2754</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>	

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