

CBEC has issued clarification regarding re-availment of CENVAT credit post expiry of 6 months

November 20, 2014

In brief

The Central Board of Excise and Customs (CBEC), to address the concerns of industry, has issued Circular No. 990/14/2014-CX-8 on November 19, 2014 to clarify the issue of re-availment of CENVAT credit post expiry of six months from the date of invoice. The industry had raised concerns about cases where the CENVAT credit, though originally availed before the expiry of six months, was required to be reversed in compliance with other provisions of the CENVAT credit rules.

In detail

The CBEC has clarified that in the following cases where the CENVAT credit has to be reversed in compliance with the provisions of the CENVAT credit rules:

- Where the payment of value of input service and service tax payable is not made within three months of date of invoice, challan, etc. (refer third proviso to rule 4(7)),
- Where the value of any input or capital goods before being put to use on which CENVAT Credit has

been taken, is written off or provisions are made in Books of accounts (refer rule 3(5B)),

- Where the inputs sent to job worker are not received back within 180 days (refer rule 4(5)(a)),

the limitation period of six months from the date of invoice specified under rule 4(1) and rule 4(7) applicable for availment of credit would not apply at the time of taking re-credit of amount reversed, after having met the conditions prescribed in the relevant rules.

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

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