



CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



By Email/Speed Post

No. CWC/FD-Taxation/STC/12-13

10th April 2013

Service Tax Circular # 69

Subject = Availment & Utilisation of CENVAT Credit in respect of Expenditure incurred by CCs on ARMO & Special Repairs on behalf of ROs.

- 1 The Construction Cells (CCs) are assigned with the responsibility of getting the ARMO and Special Repairs of CFS/ICDs and the Warehouses in respect of the Regions under their respective jurisdiction. However, it has been learnt that the Expenditure incurred by CCs on Repairs carried out on behalf of the concerned Region, together with Service Tax is not promptly transferred to the concerned Regional Office. As a result the concerned ROs can not avail the CENVAT Credit due on such Repair Works while discharging their Service Tax Liability on the Output Services rendered by them.
- 2 Reference, in this regard, is invited to Rule 2(l) of the CENVAT Credit Rules, 2004, which inter-alia defines the 'input service' as follows:

"Input Service" means

- (i) any service used by a provider of Output Service for providing an output service; or
- (ii) used by a manufacturer, whether directly or indirectly, in or in relation to the manufacture of final products and clearance of final products upto the place of removal,

and includes services used in relation to **modernization, renovation or repairs of a factory**, premises of provider of output service or an office relating to such factory or premises, advertisement or sales promotion, market research, storage upto the place of removal, procurement of inputs, accounting, auditing, financing, recruitment and quality control, coaching and training, computer networking, credit rating, share registry, security, business exhibition, legal services, inward transportation of inputs or capital goods and outward transportation upto the place of removal; but excludes

- 3 Thus, it would be clear that the ARMO & Special Repairs of CFS/ICDs & Warehouses being the Premises from where the Output Service of Storage & Warehousing is provided, the Corporation is entitled to avail and utilise the CENVAT Credit in respect of Service Tax paid to the Civil or Electrical Contractors on their Bills for the Repair Work done by them. This is possible if the Bills/Invoices for the Repair Work got done by the Construction Cells are forwarded by them in original to the respective Output Service Providing Unit i.e. the Regional Office on regular basis as enclosures to the relevant Debit Advices.

- 4 The contractor's bill should indicate the component of service tax separately. For this purpose, a draft specimen of the Contractor's Bill/Invoice has been enclosed (For Format, refer Annexure 1), which can be passed on to all the Civil/Electrical Contractors, who would have to be advised to submit their Bills/Invoices as per the specimen enclosed. **After passage of the Bill/Invoice and release of the Payment thereof to the Contractor**, CC would be required to debit the amount thereof inclusive of Service Tax to the concerned Regional Office through a Debit Advice (For Format, refer Annexure 2) enclosing therewith the Original Bill/Invoice received from the Contractor on Month to Month Basis.
- 5 On receipt of the Debit Advice & the Bill/Invoice, the Format of which is compliant to Rule 4(1) of the Service Tax Rules, 1994, the Regional Office would be required to account for the Debit Advice by crediting the Gross Amount to CC's Account and debiting the Repair Expenditure to the Repair & Maintenance Account and Service Tax component to the **CENVAT Credit Availment Account**, which would have to be availed and utilised by RO in accordance with the procedure laid down in the CENVAT Credit Rules, 2004. Since the Service Tax Return for the period from 01.07.2012 onwards is yet to be filed, the Construction Cells are advised to pass on the Debit Advices for the Repair & Maintenance to the concerned Regional Offices immediately, so as to enable them to account for the same in their Books and also avail & utilise the CENVAT Credit due while filing of Service Tax Return.

The receipt of this Circular may please be acknowledged and contents be brought to the notice of all concerned immediately for scrupulous compliance.

This issues with the approval of General Manager (F&A).


(A S Gopalan)

Dy. General Manager (F&A)

Encls. As above (2).

Distribution to:

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

Copies for information to:

1. All HODs at CWC, Corporate Office, New Delhi.
2. All DGM/AGMs/Managers/ (Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
3. PS to SE, CWC, CO, New Delhi.
4. PS to Director (Pers)/Director (MCP)/Director (Fin), CWC, CO, New Delhi.
5. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.
6. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.

Corporate Office: Warehousing Bhawan, 4/1, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi-110016 Telefax No. 26518675 Email ID:
asgopalan58@rediffmail.com

Contractor's Full Name & Address

Permanent Account No.:

Service Tax Regn. No.:

CESS Regn. No. :

Sales Tax/VAT Regn. No.:

Bill/Invoice No. _____

Date: _____

The Executive Engineer

Central Warehousing Corporation

Construction Cell

Bhubaneswar/Chennai/Delhi/Navi Mumbai

Name of Work:**Agreement No. & Date:****Work Order No. & Date:****Date of Commencement:****Date of Completion:**

S. No.	Description of Work Done	Amount (Rs.)
1	Being cost of Civil/Electrical Work done for the Repairs/Special Repairs carried out at CW/CFS/ICD _____ (RO _____) including cost of materials at CW/CFS/ICD _____	
2	Add - Service Tax @ 12.36%	
Rupees		

E&OE

Signature of the Contractor

Central Warehousing Corporation

(A Govt. of India Undertaking)

Construction Cell : Bhubaneswar/Chennai/Delhi/Navi Mumbai

CC's Service Tax Regn. No.

Debit Advice No. _____

Date: _____

The Regional Manager

Central Warehousing Corporation

Regional Office

Following amount has been debited to the Account of RO _____ in the CC's Books in respect of the following transactions:

S. No.	Description of Work Done	Amount (Rs.)
1	Cost of Civil/Electrical Work for the Repair/Special Repair of CW/CFS/ICD _____ got done on behalf of RO, _____ pursuant to your Letter No. _____ dated _____ from M/s Contractor's Full Name vide Bill/Invoice No. _____ dated _____ for Rs. _____ enclosed in original. It is certified that the payment of this Bill/Invoice has since been made to the Contractor in Full inclusive of Service Tax.	
Rupees		

It is requested that this expenditure may be accounted for as the Expenditure on ARMO/Special Repairs and avail necessary CENVAT Credit in respect of the Service Tax component, if admissible under the Rules, by crediting the total amount to CC's Account in RO's Books .

Accounts Officer i/c of
CC's Accounts Wing

Enclosures: Copies of Invoices of contractor as per details given below:

S.No.	Invoice No	Date	Amount	Service Tax
1				
2				
3				