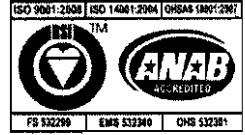




**CENTRAL WAREHOUSING CORPORATION**  
(A GOVT. OF INDIA UNDERTAKING)



**By Speed Post / Email**

No. CWC/FD-Taxation/ST(Gen)/2015-16

681

Date: 25.06.2015

**Service Tax Circular # 86**

**Subject= CENVAT CREDIT Rules 2004**

Please refer to the ST Circular Nos 74 and 83 dated 27.11.2013 and 14.10.2014 respectively detailing the procedure to be followed for availing, utilizing and distribution of CENVAT Credit. However, it has been noticed that certain ROs/Units are not following uniform practice for CENVAT Credit. Accordingly, some of the additional relevant provisions with regard to CENVAT CREDIT (Specific to CWC) are summarised hereunder for guidance of all the units:

**A. Cenvat Credit of Input Services:**

Rule 2(l) of CENVAT Credit Rules defines the input services eligible for availing CENVAT and also defines input services specifically excluded, which are not eligible for CENVAT Credit. It has been noticed that some of the ROs/Units are wrongly availing the CENVAT Credit on specifically excluded category of services.

Accordingly, it is advised to not avail CENVAT for the following category of services henceforth:

- 1. Service tax paid for hiring of motor vehicles.**
- 2. Service tax paid on insurance of owned staff car and repair and maintenance of staff car.**
- 3. Service tax paid on travelling/other benefits of employees for personal use e.g. LTC etc.**
- 4. Service tax paid on the Service portion in execution of a works contract and construction services in so far as they are used for Construction or execution of works contract of a building**

**5. or a civil structure or a part thereof or Laying of foundation or making of structures for support of capital goods.**

**B. In terms Rule 2(k) CENVAT Credit of excise duty paid on chemical purchased for PCS services is allowed. So same may please be availed.**

**C. Cenvat Credit of Capital Goods:**

CENVAT Credit in respect of capital goods is not allowed where the provider of output service claims depreciation under Section 32 of Income Tax Act, 1961. As a policy decision, Corporation is not availing Cenvat Credit on excise duty paid/ payable in respect of Capital Goods and claiming depreciation under income tax Act 1961.

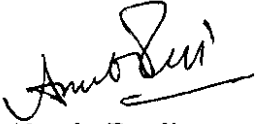
**Therefore, CENVAT CREDIT of excise duty paid/payable on capital goods is not to be availed.**

**D. Conditions for allowing CENVAT credit (Relevant Provisions of Rule 4(7))**

1. CENVAT credit in respect of input services shall be allowed on or after the receipt of the invoice, bill. The invoice /bill should be as per Rule 4A of Service Tax Rules 1994 and should contain the following:-
  - (i) the name, address and the registration number of Service Provider;
  - (ii) the name and address of the person receiving taxable services;
  - (iii) Description and value of taxable service provided or agreed to be provided and ;
  - (iv) The service tax payable thereon;
2. CENVAT in respect of input service on which service tax liability is to be discharged under RCM shall be allowed after payment of service tax under RCM on actual deposit of Service Tax.

3. If payment of invoice/bill is not made to input service provider by the corporation within 3 months from the date of invoice/bill, CWC is liable to reverse the amount of any CENVAT availed immediately after the expiry of 3 months .
4. In case CWC refunds any payment or part thereof to the input service provider or receives any credit note from the input service provider for which CENVAT has been taken, CWC is liable to reverse the amount of such CENVAT availed immediately.
5. No CENVAT credit can be availed **after one year from the date of issue of invoice**, bill or challan as the case may be.

This issues with the approval of GM(F&A)



(Amit Puri)

**Dy. General Manager (TAX)**

**Distribution to:**

1. All Regional Manager of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/(Sr.) Asstt. Manager 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 Managing Director, CWC,CO, New Delhi.
4. PS to Director(Fin)/Director(Pers),CWC,CO, New Delhi.
5. PS to CVO/OSD(Recovery)/GM(F&A)s, CWC, CO, New Delhi.
- ✓ 6. PS to GM(System), CWC, CO, New Delhi with a request to place this Circular on CWC's website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.