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## Availment of cenvat credit

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 [vivek shah](#) (In service )  13 June 2013

We, XYZ Private Limited ,We are in to manufacturing and processing through Job worker MNO Pvt Ltd who is having Manufacturing ECC no. We ( XYZ) don't have our own manufacturing facility in India. Since we are manufacturing our finished goods at Third Party Job Worker's place, are we eligible to avail the Service Tax paid on the services which are directly or indirectly related to the Manufacturing and processing of goods at Third Party Job Worker's Place We are also paying service tax on various services received like Office Rent, Depot Charges, Clearing & Forwarding charges for Import, Chartered Accountant Services, GTA Services Telephone, Electricity, Royalty fees, Bank Charges etc. We have accumulated these service tax in balance sheet for availing Cenvat Credit at Job Worker's place. QUERY Can we pass on the accumulated Service

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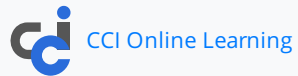
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Tax paid on the above mentioned services to our Job worker MNO Pvt Ltd for availing Cenvat Credit against dispatch of Excisable goods. If yes, then please provide us the details of the relevant law/section/rule under which we can avail the same.



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• • • [Aayswariya RG](#) (Knowledge Seeker) 14 June 2013

### As per Cenvat Credit rules 2004, Section 2 (n),

**"job work"** means processing or working upon of raw material or semi-finished goods supplied to the job worker, so as to complete a part or whole of the process resulting in the manufacture or finishing of an article or any operation which is essential for aforesaid process and the expression "job worker" shall be construed accordingly;

### Conditions on allowing cenvat credit - Section 4 (1)(a),



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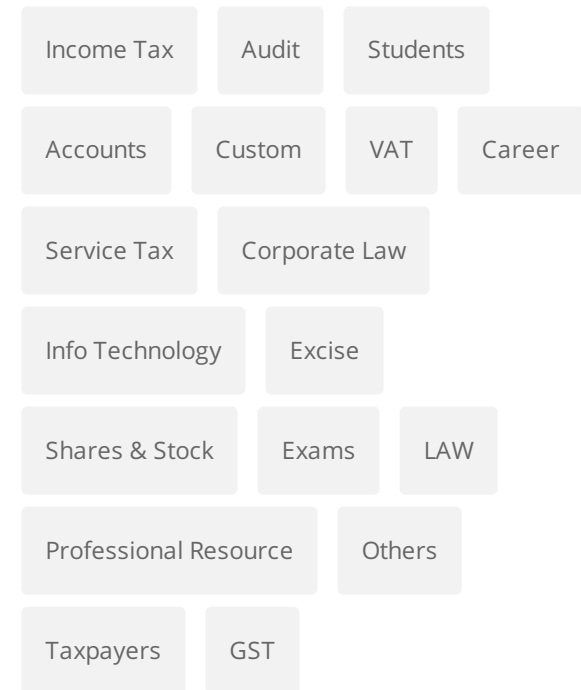
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The CENVAT credit in respect of inputs may be taken immediately on receipt of the inputs in the factory of the manufacturer or in the premises of the provider of output service. **Provided** that in respect of final products, namely, articles of jewellery falling under heading 7113 of the First Schedule to the Excise Tariff Act, the CENVAT credit of duty paid on inputs may be taken immediately on receipt of such inputs in the registered premises of the person who get such final products manufactured on his behalf, on job work basis, subject to the condition that the inputs are used in the manufacture of such final product by the job worker.

### **Product sent for repair, testing etc**

Section 5(a) - The CENVAT credit shall be allowed even if any inputs or capital goods as such or after being partially processed are sent to a job worker for further processing, testing, repair, re-conditioning, or for the manufacture of intermediate goods necessary for the manufacture of final products or any other purpose, and it is established from the records, challans or memos or any other document produced by the manufacturer or provider of output service taking the CENVAT credit that the goods are received back in the factory within one hundred and eighty days of their being sent to a job worker and if the inputs or the capital goods are not received back within one hundred eighty days, the manufacturer or provider of output service shall pay an amount equivalent to the CENVAT credit attributable to the inputs or capital goods by debiting the CENVAT credit or otherwise, but the manufacturer or provider of output service can take the CENVAT credit again when the inputs or capital goods are received back in his factory or in the premises of the provider of output service.

Hope it clarifies.



Thanks.



• • • [Niket](#) (article)  06 May 2014

Me still not clear please help me whether we pass on the accumulated Service Tax paid on the above mentioned services to our Job worker MNO Pvt Ltd for availing Cenvat Credit against dispatch of Excisable goods.?



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