CENVAT CREDIT RULES 2004

1. ***What is CENVAT Credit Scheme with reference to Service Tax assessees?***

   The CENVAT Credit Rules, 2004, introduced with effect from 10.9.2004, provides for availment of the credit of the Service Tax paid on the input services/Central Excise duties paid on inputs & capital goods/Additional Customs duty leviable under section 3 of the Customs Tariff Act, equivalent to the duties of excise. Such credit availed by a Service provider can be utilized for discharging Service Tax Liability.

2. ***What are the duties / taxes that can be availed as credit?***

   Duties paid on the inputs, capital goods and the Service Tax paid on the input services can be taken as credit. Education Cess and Secondary & Higher Education Cess paid on the Excise duty and Service Tax can also be taken as credit. However, the credit of such Education Cess and Secondary & higher Education Cess availed can be utilized only for payment of Education Cess and Secondary & Higher Education Cess respectively relating to output service.

   The interest and penalty amounts cannot be taken as credit.

3. ***What is meant by 'input', 'input service' and 'capital goods' for a service provider?***

   "Input" means—

   i. all goods used in the factory by the manufacturer of the final product; or

   ii. any goods including accessories, cleared along with the final product, the value of which is included in the value of the final product and goods used for providing free warranty for final products; or

   iii. all goods used for generation of electricity or steam for captive use; or

   iv. all goods used for providing any output service;

Exclusions from definition of Input :

(A) light diesel oil, high speed diesel oil or motor spirit, commonly known as petrol;

(B) any goods used for—

(a)construction or execution of works contract of a building or a civil structure or a part thereof; or

(b)laying of foundation or making of structures for support of capital goods,

except for the provision of service portion in the execution of a works contract or construction service as listed under clause (b) of section 66E of the Act;]

(C) capital goods except when used as parts or components in the manufacture of a final product;

(D) motor vehicles;

(E) any goods, such as food items, goods used in a guesthouse, residential colony, club or a recreation facility and clinical establishment, when such goods are used primarily for personal use or consumption of any employee; and

(F)any goods which have no relationship whatsoever with the manufacture of a final product.

Explanation.*—For the purpose of this clause, "free warranty" means a warranty provided by the manufacturer, the value of which is included in the price of the final product and is not charged separately from the customer.****[Rule 2(K) of CCR 2004,]***

"Input service" means any service,—

i. 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.

Exclusions from definition of Input Service :

(A) service portion in the execution of a works contract and construction services including service listed under clause (b) of section 66E of the Finance Act (hereinafter referred as specified services) in so far as they are used for—

(a)construction or execution of works contract of a building or a civil structure or a part thereof; or

(b)laying of foundation or making of structures for support of capital goods,
except for the provision of one or more of the specified services; or]

(B) services provided by way of renting of a motor vehicle, in so far as they relate to a motor vehicle which is not a capital goods; or

(BA) service of general insurance business, servicing, repair and maintenance, in so far as they relate to a motor vehicle which is not a capital goods, except when used by—

(a)a manufacturer of a motor vehicle in respect of a motor vehicle manufactured by such person; or

(b)an insurance company in respect of a motor vehicle insured or reinsured by such person; or]

(C) such as those provided in relation to outdoor catering, beauty treatment, health services, cosmetic and

*plastic surgery, membership of a club, health and fitness centre, life insurance, health insurance and travel benefits extended to employees on vacation such as Leave or Home Travel Concession, when such services are used primarily for personal use or consumption of any employee;] [**Rule 2 (l) of CCR 2004,]***

<u>"Capital goods" means:—</u>

(A) the following goods, namely:—

(i) all goods falling under Chapter 82, Chapter 84, Chapter 85, Chapter 90, [heading 6805, grinding wheels and the like, and parts thereof falling under heading 6804] of the First Schedule to the Excise Tariff Act;

(ia) outside the factory of the manufacturer of the final products for generation of electricity for captive use within the factory; or

(ii)pollution control equipment;

(iii)components, spares and accessories of the goods specified at (i) and (ii);

(iv)moulds and dies, jigs and fixtures;

(v)refractories and refractory materials;

(vi)tubes and pipes and fittings thereof;

(vii)storage tank; [and]

[(viii)motor vehicles other than those falling under tariff headings 8702, 8703, 8704, 8711 and their chassis [but including dumpers and tippers;]used—

(1) in the factory of the manufacturer of the final products, but does not include any equipment or appliance used in an office; or

(2)for providing output service;

(B) motor vehicle designed for transportation of goods including their chassis registered in the name of the service provider, when used for—

(i)providing an output service of renting of such motor vehicle; or

(ii)transportation of inputs and capital goods used for providing an output service; or

(iii)providing an output service of courier agency;]

[(C) motor vehicle designed to carry passengers including their chassis, registered in the name of the provider of service, when used for providing output service of—

(i)transportation of passengers; or

(ii)renting of such motor vehicle; or

(iii)imparting motor driving skills;]

(D) components, spares and accessories of motor vehicles which are capital goods for the assessee;] ***[Rule 2 (a) of CCR 2004]***

4. *When is CENVAT credit allowed?*

(i) CENVAT credit on inputs is allowed immediately on receipt of inputs in the factory of the manufacturer or in the premises of the provider of output service.
Provided further that the CENVAT credit in respect of inputs may be taken by the provider of output service when the inputs are delivered to such provider, subject to maintenance of documentary evidence of delivery and location of the inputs ***[Rule 4(1) of CCR 2004].***

(ii) CENVAT credit on input service is allowed on or after the day which the invoice is received. However, the payment in respect of such invoice should be made within 3 months of date of invoice.

In case of an input service where the service tax is paid on reverse charge by the recipient of the service, the CENVAT credit shall be allowed on or after the day on which payment is made of the value of input service and the service tax paid or payable as indicated in invoice, bill or, as the case may be, challan referred to in rule 9. ***[Rule 4(7) of CCR 2004].***

*(iii)CENVAT Credit on Capital goods is allowed as under-not exceeding 50% of the duty paid in current Financial Year immediately on the receipt of capital good and remaining in any subsequent Financial Year where they are in possession of the output service provider.****[Rule 4(2) of CCR 2004].***

Capital goods obtained on lease/hire purchase/loan agreement are eligible for taking CENVAT credit.
The CENVAT credit in respect of capital goods shall not be allowed in respect of that part of the value of capital goods which represents the amount of duty on such capital goods, which the manufacturer or provider of output service claims as depreciation under section 32 of the Income-tax Act, 1961(43 of 1961).

5. *Is it compulsory that the inputs / capital goods are to be purchased only from the manufacturers for the purpose of availment of credit?*

No. *The inputs/capital goods can be procured from the First stage and Second stage dealers also.*

Those dealers should have registered themselves with the Central Excise Department. The invoices issued by them should contain proper details about the payment of duty on those goods ***[Rule 9 of CENVAT Credit Rules, 2004]***

6. What are the documents prescribed for availment of the CENVAT Credit?

The documents on which CENVAT credit can be availed are as follows:-

(i) Invoice issued by the manufacturers and his depot/ consignment agents
(ii) Invoice issued by the Importer and his depot/consignment agents
(iii) First stage and Second stage dealer registered with the Central Excise Department
(iv) Bill of Entry
(v) Invoice/Bill/Challan issued by the provider of input Services
(vi) Invoice/Bill/Challan issued by the Input Service distributor.
(vii) Certificate issued by the Appraiser of Customs in respect of the goods imported through Foreign Post Office.
(viii) A Challan evidencing payment of service tax by the service recipient as the person liable to pay service tax. ***[Rule 9 of CENVAT Credit Rules, 2004]***

7. Whether it is necessary to avail credit only after making payment against the bill / invoice/challan in respect of input services?

No*. it is not necessary to avail credit only after making payment against the bill / invoice/challan in respect of input services Credit of Service Tax on the input services can be availed, on the receipt of invoice / bill/Challans. However the payment in respect of invoice should be made within 3 months of date of invoice.*

However, in case of an input service where the service tax is paid on reverse charge by the recipient of the service, the CENVAT credit shall be allowed on or after the day on which payment is made of the value of input service to the vendor and after payment of service tax to the department. ***[Rule 4(7) of the CENVAT Credit Rules, 2004] .***

8. Is there any duty to be paid if the capital goods, on which CENVAT credit has been taken, are removed after being used?

If the capital goods, on which CENVAT credit has been taken, are removed after being used, whether as capital goods or as scrap or waste, the manufacturer or provider of output services shall pay an amount equal to the CENVAT Credit taken on the said capital goods reduced by the percentage points calculated by straight line method as specified below for each quarter of a year or part thereof from the date of taking the CEVAT Credit, namely:—

(a) *for computers and computer peripherals:*

for each quarter in the first year @ 10%
for each quarter in the second year @ 8%
for each quarter in the third year @ 5%
for each quarter in the fourth and fifth year @ 1%

(b) *for capital goods, other than computers and computer peripherals @ 2.5% for each quarter*:

Provided that if the amount so calculated is less than the amount equal to the duty leviable on transaction value, the amount to be paid shall be equal to the duty leviable on transaction value.
[Rule 4 (5A) of CCR 2004]

9. Is unutilized CENVAT credit refundable?

A) a service provider who provides an output service which is exported without payment of service tax, shall be allowed refund of CENVAT credit as determined by the following formula subject to procedure, safeguards, conditions and limitations, as may be specified by the Board by notification in the Official Gazette:

Refund amount = (Export turnover of goods+ Export turnover of services) x Net CENVAT credit

Total turnover

B) A provider of service providing services notified under sub-section (2) of section 68 of the Finance Act and being unable to utilise the CENVAT credit availed on inputs and input services for payment of service tax on such output services, shall be allowed refund of such unutilised CENVAT credit subject to procedure, safeguards, conditions and limitations, as may be specified by the Board by notification in the Official Gazette

10. Whether CENVAT is admissible in respect of Inputs, Input Services and Capital goods if used exclusively in relation to exempted service?

***No** .CENVAT Credit is not admissible in respect of Inputs ,Input Services and Capital goods if used exclusively in relation to exempted service.**[Rule 6 (1) & 6(4)of CCR Rules 2004]**.*

11. What should be done, if an assessee is rendering both taxable services as well as exempted services, but the inputs and input services are common?

*If an assessee is rendering both taxable services as well as exempted services, the assessee can maintain separate accounts for the receipt, consumption and inventory of input and input service meant for providing taxable output service and for use in the exempted services. Credit should be taken only on that quantity of input /input services which are used for the service on which Service Tax is payable. **[Rule 6(2) of CENVAT Credit Rules, 2004]***

If separate accounts are not maintained, the manufacturer or provider of output service provider shall follow [any one] of the following options, as applicable to him, ***[Rule 6(3) of CENVAT Credit Rules, 2004]*** *namely:—*

i. *pay an amount equal to [six per cent] of value of the exempted goods and exempted services; or*

ii. *pay an amount as determined under sub-rule (3A);*

iii. *maintain separate accounts for the receipt, consumption and inventory of inputs as provided for in clause (a) of sub-rule (2), take CENVAT credit only on inputs under sub-clauses (ii) and (iv) of said clause (a) an pay an amount as determined under sub-rule (3A) in respect of input services. The provisions of sub-clauses (i) and (ii) of clause (b) and sub-clauses (i) and (ii) of clause (c) of sub-rule (3A) shall not apply for such payment:*

Provided that if any duty of excise is paid on the exempted goods, the same shall be reduced from the amount payable under clause (i).

Provided further that if any part of the value of a taxable service has been exempted on the condition that no CENVAT credit of inputs and input services, used for providing such taxable service, shall be taken then the amount specified in clause (i) shall be [six per cent] of the value so exempted.

[Provided that in case of transportation of goods or passengers by rail the amount required to be paid under clause (i) shall be an amount equal to 2 per cent. of value of the exempted services.]

12. How will be the amount determined by manufacturer or service provider which is to be paid under Rule 6(3A) of CCR Rules 2004?

As per rule 6 (3A)(b) of CENVAT Credit Rules, 2004, the manufacturer of goods or the provider of output service shall, determine and pay, provisionally, for every month,-

(i) the amount equivalent to CENVAT credit attributable to inputs used in or in relation to manufacture of exempted goods, denoted as A.

(ii) the amount of CENVAT credit attributable to inputs used for provision of exempted services (provisional)= (B/C) multiplied by D, where B denotes the total value of exempted services provided during the preceding financial year, C denotes the total value of dutiable goods manufactured and removed plus the total value of output services provided plus the total value of exempted services provided, during the preceding financial year and D denotes total CENVAT credit taken on inputs during the month minus A;

(iii) the amount attributable to input services used in or in relation to manufacture of exempted goods and their clearance up to the place of removal or provision of exempted services (provisional) = (E/F) multiplied by G, where E denotes total value of exempted services provided plus the total value of exempted goods manufactured and removed during the preceding financial year, F denotes total value

of output and exempted services provided, and total value of dutiable and exempted goods manufactured and removed, during the preceding financial year, and G denotes total CENVAT credit taken on input services during the month;

Further a per rule 6(3A)(c) of CENVAT Credit Rules, 2004, the manufacturer of goods or the provider of output service, shall determine finally the amount of CENVAT credit attributable to exempted goods and exempted services for the whole financial year in the following manner, namely:-
(i) the amount of CENVAT credit attributable to inputs used in or in relation to manufacture of exempted goods, on the basis of total quantity of inputs used in or in relation to manufacture of said exempted goods, denoted as H;
(ii) the amount of CENVAT credit attributable to inputs used for provision of exempted services = (J/K) multiplied by L, where J denotes the total value of exempted services provided during the financial year, K denotes the total value of dutiable goods manufactured and removed plus the total value of output services provided plus the total value of exempted services provided, during the financial year and L denotes total CENVAT credit taken on inputs during the financial year minus H;
(iii) the amount attributable to input services used in or in relation to manufacture of exempted goods and their clearance up to the place of removal or provision of exempted services = (M/N) multiplied by P, where M denotes total value of exempted services provided plus the total value of exempted goods manufactured and removed during the financial year, N denotes total value of output and exempted services provided, and total value of dutiable and exempted goods manufactured and removed, during the financial year, and P denotes total CENVAT credit taken on input services during the financial year;

Scope of Exempted Service as per Rule 2(e) of CENVAT Credit Rules,2004:

As per rule 2 (e) of CENVAT Credit Rules, 2004 “exempted service” means a-

(1) taxable service which is exempt from the whole of the service tax leviable thereon; or

(2) service, on which no service tax is leviable under section 66B of the Finance Act; or

(3) taxable service whose part of value is exempted on the condition that no credit of inputs and input services, used for providing such taxable service, shall be taken;

but shall not include a service which is exported in terms of rule 6A of the Service Tax Rules, 1994.

13. Whether trading shall be included in Value of “Exempted Service” while calculating reversal ratio under Rule 6(3A) of CCR 2004?

Yes. Trading is an exempted service as per Rule 2 (e) of CCR 2004, thus it shall be included while calculating reversal ratio under Rule 6(3A) of CCR 2004.However value of exempted service:
(i) in case of trading , shall be the difference between the sale price and the cost of goods sold (determined as per the generally accepted accounting principles without including the expenses incurred towards their

purchase) or ten per cent of the cost of goods sold, whichever is more.
(ii) in case of trading of securities, shall be the difference between the sale price and the purchase price of the securities traded or one per cent. of the purchase price of the securities traded, whichever is more.
(iii)shall not include the value of services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount.

14. Whether Export shall be included in Value of "Exempted Service" while calculating reversal ratio under Rule 6(3A) of CCR 2004?

*No, Export shall not be included in Value of "Exempted Service" while calculating reversal ratio under Rule 6(3A) of CCR 2004 as the provisions of sub-rules (1), (2),(3) and (4) of Rule 6 are not applicable in case the taxable services are provided, without payment of service tax, to a unit in a Special Economic Zone or to a developer of a Special Economic Zone for their authorized operations or when a service is exported.**[Rule 6(7) of CENVAT Credit Rules, 2004]***

15. Whether Service provided to a Unit in a Special Economic Zone or to a Developer of a Special Economic Zone for their authorised operation shall be included in Value of "Exempted Service" while calculating reversal ratio under Rule 6(3A) of CCR 2004?

*No, Service provided to a Unit in a Special Economic Zone or to a Developer of a Special Economic Zone for their authorised operation shall not be included in Value of "Exempted Service" while calculating reversal ratio under Rule 6(3A) of CCR 2004 as the provisions of sub-rules (1), (2) ,(3) and (4) of Rule 6 are not applicable in case the taxable services are provided, without payment of service tax, to a Unit in a Special Economic Zone or to a Developer of a Special Economic Zone for their authorised operation. .**[Rule 6(6) of CENVAT Credit Rules, 2004]***

16. Whether an assessee has the option to avail Rule 6(2) in respect of inputs and Rule 6(3) in respect of input services or vice versa?

Yes.** an assessee can maintain separate accounts for the receipt, consumption and inventory of inputs, take CENVAT credit only on inputs under Rule6(2) and pay an amount as determined under Rule 6 (3A) in respect of input services. .**[Rule 6(3) of CENVAT Credit Rules, 2004]

17. What are the intimations required to be submitted in regard of Rule 6(3A)?

1) The manufacturer of goods or the provider of output service shall intimate in writing to the Superintendent of Central Excise while exercising this option, giving the following particulars, namely:-

(i) name, address and registration No. of the manufacturer of goods or provider of output service;

(ii) date from which the option under this clause is exercised or proposed to be exercised;

(iii) description of dutiable goods or output services;

(iv) description of exempted goods or exempted services;

*(v) CENVAT credit of inputs and input services lying in balance as on the date of exercising the option under this condition.**[Rule 6 (3) (a)of CENVAT Credit Rules, 2004]***

2) T*he manufacturer of goods or the provider of output service shall intimate to the jurisdictional Superintendent of Central Excise, within a period of fifteen days from the date of payment or adjustment, as per condition (d) and (f) respectively mentioned in Rule 6(3A) of CCR,2004, the following particulars, namely:-*

(i) details of CENVAT credit attributable to exempted goods and exempted services, monthwise, for the whole financial year, determined provisionally

(ii) CENVAT credit attributable to exempted goods and exempted services for the whole financial year.

(iii) amount short paid determined as per condition (d), along with the date of payment of the amount short-paid,

(iv) interest payable and paid, if any, on the amount short-paid, determined as per condition (e), and

*(v) credit taken on account of excess payment.**[Rule 6 (3) (g)of CENVAT Credit Rules, 2004]***

18. What is the last date for payment of difference amount between actual and provisional CENVAT taken under Rule 6(3A)?

*The manufacturer of goods or the provider of output service, shall pay an amount equal to the difference between the aggregate amount determined as per condition (c) of the Rule 6(3) of the CCR, 2004 and the aggregate amount determined and paid as per condition (b), on or before the 30th June of the succeeding financial year, where the amount determined as per condition (c) is more than the amount paid. .**[Rule 6 (3) (d)of CENVAT Credit Rules, 2004]***

19. Who is an "Input Service Distributor"?

*An office of the manufacturer or provider of output service who receives invoices for the procurement of input services and issues invoices for the purpose of distributing the credit of Service Tax paid to such manufacturer or provider of output service is an "Input Service Distributor**". [Rule 2(m) of CENVAT Credit 2004].***

20. What are the conditions for distribution of CENVAT credit by Input Service Distributor?

The input service distributor may distribute the CENVAT credit in respect of the service tax paid on the input service to its manufacturing units or units providing output service, subject to the following conditions, namely:—

(a)*the credit distributed against a document referred to in rule 9 does not exceed the amount of* *service tax paid thereon*;

(b)*credit of service tax attributable to service used in a unit exclusively engaged in manufacture of exempted goods or providing of exempted services shall not be distributed*;

(c)*credit of service tax attributable to service used wholly in a unit shall be distributed only to that unit; and*

(d)credit of service tax attributable to service used in more than one unit shall be distributed pro rata on the basis of the turnover during the relevant period of the concerned unit to the sum total of the turnover of all the units to which the service relates during the same period. ***[Rule 7 of CENVAT Credit Rules, 2004*]**

21. Whether the input service distributors should get themselves registered with the Department? Whether they have to file any returns with the Department?

*Yes. They have to register themselves as per the provisions made under Service Tax (Registration of Special Category of Persons) Rules, 2005. They have to file half yearly returns by the end of the month following the half year.****[Rule 3 of Service Tax (Registration of Special Category of Persons) Rules, 2005].***

22. What is the format of the invoice / bill / Challan to be issued by the input service distributor?

No specific format has been prescribed. However, the same should contain the following information:-

(i) Name, address and Registration No. of the service provider.

(ii) Sl. No and date.

(iii) Name and address of the input service distributor.

(iv) The name and address of the recipient to whom the Service Tax credit is distributed.

(v) The amount of credit being distributed.

23. What are the records to be maintained by the persons availing credit?

*There is no specific format of records to be maintained. However, they have to maintain adequate records showing the details such as receipt, disposal, consumption and inventory of inputs and capital goods, the amount of credit taken and utilized etc.****[Rule 9(5) of CENVAT Credit Rules, 2004].***

24. Is CENVAT credit transferable in case of change in ownership or on account of sale, merger, amalgamation, lease or transfer of the factory to a joint venture?

If a manufacturer of the final products shifts his factory to another site or the factory is transferred on account of change in ownership or on account of sale, merger, amalgamation, lease or transfer of the factory to a joint venture with the specific provision for transfer of liabilities of such factory, then, the manufacturer shall be allowed to transfer the CENVAT credit lying unutilized in his accounts to such transferred, sold, merged, leased or amalgamated factory.

If a provider of output service shifts or transfers his business on account of change in ownership or on account of sale, merger, amalgamation, lease or transfer of the business to a joint venture with the specific provision for transfer of liabilities of such business, then, the provider of output service shall be allowed to transfer the CENVAT credit lying unutilized in his accounts to such transferred, sold, merged, leased or amalgamated business

The transfer of the CENVAT credit under sub-rules (1) and (2) shall be allowed only if the stock of inputs as such or in process, or the capital goods is also transferred along with the factory or business premises to the new site or ownership and the inputs, or capital goods, on which credit has been availed of are duly accounted for to the satisfaction of the Deputy Commissioner of Central Excise or, as the case may be, the Assistant Commissioner of Central Excise. ***[Rule 10 of CENVAT Credit Rules, 2004]***

25. What are the penal provisions in respect of CENVAT credit?

Where the CENVAT credit has been taken [and] utilized wrongly or has been erroneously refunded, the same along with interest shall be recovered from the manufacturer or the provider of the output service and the provisions of sections 11A and [11AA] of the Excise Act or sections 73 and 75 of the Finance Act, shall apply mutatis mutandis for effecting such recoveries. ***[Rule 14 of CENVAT Credit Rules, 2004]***

If any person, takes or utilizes CENVAT credit in respect of input or capital goods or input services, wrongly or in contravention of any of the provisions of these rules, then, all such goods shall be liable to confiscation and such person, shall be liable to a penalty not exceeding the duty or service tax on such goods or services, as the case may be, or two thousand rupees, whichever is greater. ***[Rule 15(1) of CENVAT Credit Rules, 2004]***

In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any willful misstatement or suppression of facts, or contravention of any of the provisions of the Excise Act, or of the rules made there under with intent to evade payment of duty, then, the manufacturer shall also be liable to pay penalty in terms of the provisions of section 11AC of the Excise Act. ***[Rule 15(2) of CENVAT Credit Rules, 2004]***

In a case, where the CENVAT credit in respect of input or capital goods or input services has been taken or utilised wrongly by reason of fraud, collusion or any wilful misstatement or suppression of facts, or contravention of any of the provisions of these rules or of the Finance Act or of the rules made thereunder with intent to evade payment of service tax, then, the provider of output service shall also be liable to pay penalty in terms of the provisions of section 78 of the Finance Act. ***[Rule 15(3) of CENVAT Credit Rules, 2004]***

Any order under sub-rule (1), sub-rule (2) or sub-rule (3) shall be issued by the Central Excise Officer following the p principles of natural justice.] ***[Rule 15(4) of CENVAT Credit Rules, 2004]***

<u>General penalty.</u>—*Whoever contravenes the provisions of these rules for which no penalty has been* *provided in the rules, he shall be liable to a penalty which may extend to five thousand rupees.]* ***[Rule 15(A) of CENVAT Credit Rules, 2004]***