TAX CONNECT

SIXTH ISSUE MAY 2014

Friends,

We start our bulletin with a good news **"Date of filing of return for QE 31.03.2014 with or without DSC under WBVAT, WBST, CST, ET and PT Acts has been extended upto 20th May, 2014.**

In April, The Service Tax Department has been rampant in issuing Show Cause Notices (SCN) to assessees. The trigger happy attitude of some of the audit personnel from the Internal Audit or CERA is taking the faith of the assessees in the system as a whole to a point of no return.

On the part of the businesses, it is important that maximum amount of work is done to avoid issue of a SCN. However, once the SCN has been issued, it is critical to capture all the facts (with evidence), examine the relevant contracts, invoices, disclosures in the accounts and ensure that the reply is comprehensive at least as far as facts are concerned. Legal points can be raised at future dates if required. **The result of a dispute even if decided at the Tribunal or High Court would substantially depend on the first reply and its contents.**

Further, for Big Dealers of repute, who wanted to establish their business in West Bengal, it had been a matter of immense harassment to procure manual waybills until two returns are filed. Also, the payment of advance tax (as security) for importing even Capital Items (not for sale) was a huge financial burden on them.

In one such case we had even appealed for relief to The CCT for permission of online generation of waybill for such Big dealers. In this regard, for the benefit of trade, The Directorate has issued an Addendum to Circular No. 09/2011 dated 23.05.2011 on 07.02.2014 allowing **dealers registered under Tatkhanik Scheme to generate dematerialized Way Bill from the date on which it is granted registration under WB VAT and CST.**

Through this bulletin it is our endeavor to reduce the compliance risk of businesses in the dynamic environment by constant updation. We also seek to help businesses avail the benefit of all assessee friendly schemes. We hope you find this bulletin useful.

May we reiterate that we shall be available for your queries on any issue 24x7 on our mail id or over a **telecon.**

DUE DATE	COMPLIANCE
05-May-14	Payment of Service Tax for the month of April, 2014. **(06-May-14: Online Payment)**
07-May-14	Payment of TDS/TCS
10-May-14	West Bengal Sales Tax TDS Payment
10-May-14	ER1, ER2 & ER6 Return for April, 2014
15-May-14	Provident Fund e-Payment for April, 2014 (Cheque to be cleared by 20-May-14)
15-May-14	Excise Duty Payment for SSI units for the month of April, 2014. **(16-May-14: Online Payment)**
15-May-14	Filing of TDS/TCS Return 24Q, 26Q, 27Q & 27EQ for March Quarter by all deductors including Government.
21-May-14	West Bengal VAT/CST/ Entry Tax/ Professional Tax Payment for March, 2014
21-May-14	Payment of ESI for the month of April
25-May-14	West Bengal Sales Tax TDS Certificate Issue
30-May-14	Issue of TDS/TCS Certificate (Form 16A/27D) for March Quarter.
31-May-14	Issue of TDS Certificate (Form 16) to Employees

Truly Yours

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SERVICE TAX

COURT DECISIONS

SERVICE TAX ON OUTDOOR CATERING SERVICES

In the case of **M/s Indian Coffee Workers' Co-Operative Society Limited vs. Commissioner of CESTAT,** Allahabad, the Allahabad High Court has held that appellant, having paid VAT in respect of the supply of food including beverages in the canteen/restaurant, is also liable to the payment of service tax as an outdoor caterer within the meaning of Section 65 (105) (zzt) r/w clauses (24) and (76a) of the Finance Act. The Court dismissed the appeal of the assessee.

CONSTITUTIONAL VALIDITY OF LEVY OF SERVICE TAX ON SERVICE PROVIDED OR TO BE PROVIDED BY THE RESTAURANT HAVING THE FACILITY OF AIR-CONDITIONING

In the case of **Indian Hotels and Restaurant Association vs. Union of India,** the Bombay High Court has held that **levy of service tax on service provided or to be provided to any person by a restaurant having the facility of air-conditioning is not unconstitutional.** The Bombay HC while negating the submission of the petitioners that each of the aspects which go into sale or purchase of goods has thus been included so that the State can impose a tax envisaged by Entry 54 of List II and, therefore, a separate tax on service cannot be imposed, levied, assessed or recovered by the Parliament, held that *"each of these judgments of the Supreme Court must be seen in the context of the challenge raised and argued before it. The challenge was to several State Acts and particularly levying, assessing and recovering sales tax on the food and meals served in a restaurant. The argument was that this is a service and not a sale of goods and particularly food items or drink. It is in that context and when the Supreme Court rendered the decisions so as not to empower the States to impose such a sales tax, that the Parliament clarified that the food or drink may have been served in the restaurant or hotel, but it is nothing but a sale of goods within the meaning of the Sales Tax Act. Therefore, it will not be possible for the hoteliers or restaurants to say and urge that they do not sell goods, but only provide services."*

It was further held that the Parliament cannot be said to have transgressed into, leave alone encroached upon the power of the State Legislature to impose a tax on sale or purchase of goods vide Entry 54 of List II. The taxing power of the Parliament and traceable to Article 248 of the Constitution of India w.r.t Entry 97 of List-I of the Seventh Schedule enables it to impose a service tax. So long as there is no prohibition against imposition of service tax on the services rendered, then it must be held that the Parliament is competent to impose a service tax.

NO POWER OF TRIBUNAL TO EXTEND PERIOD OF LIMITATION PRESCRIBED BY STATUTE

In the case of **M/s Albert & Company Pvt. Ltd. vs. The Commissioner and Additional Commissioner of Service Tax, Chennai,** the Madras High Court held that Tribunal does not have the power or the authority to extend the period of limitation prescribed by the statute, for entertaining the appeal.

NO DEMAND IF SERVICE TAX PAID TO THE DEPARTMENT BY THE CONTRACTEE THROUGH THE CONTRACTOR

In the case of **M/s Jaipuria Infrastructure Developers Pvt. Ltd. vs. CST, Delhi,** the Principal Bench of CESTAT, New Delhi held that where the service tax on the construction activities collected by the appellant from the ultimate consumers is deposited directly with the Department by themselves or is reimbursed to the contractor who further deposit it with the Revenue being the job worker for the appellant is immaterial as long as service tax so collected is deposited. However, the adjudicating authority demands that the appellant is required to deposit the service tax collected by him from the customers, once again in terms of the provisions of Section 73A, even though the same stand already deposited with the revenue, through the contractors, which is fully disagreed by the appellant. The matter is remanded for further verification and examination. If the entire amount collected by the appellant stand paid to the department through contractor, no demand would stand against them and no penalty would be imposable on them.

WHETHER STEVEDORING & LIGHTERAGE SERVICES RENDERED AT MINOR PORTS AMOUNT TO PORT SERVICES

In the case of **M/s Shreeji Shipping vs. C.C.E. & S.T., Rajkot,** the West Zonal Bench of CESTAT, Ahmedabad held that **in the absence of an authorization having been issued by the ports in favour of the appellant under Section 32(3), they cannot be said to be rendering any service which has been authorized by the port, which**

alone have been taxed under the head of port services at the relevant point of time. The principles laid down by the Hon'ble Apex Court in the case of **Aphali Pharmaceuticals** apply in all force to the facts of the present case. Contextually the expression **'authorized by the port'** can have no other meaning other than that what has been given to it under the laws governing ports in India. Such an interpretation is also consistent with the scheme of the Finance Act, which has borrowed the scope and ambit of several services with respect to the cognate legislation which govern such services.

SERVICE TAX IMPOSABLE ON COLLECTION OF SERVICE CHARGES FROM THE PASSENGERS ON BEHALF OF AIRPORTS AUTHORITY OF INDIA (AAI)

In the case of **Jet Airways (India) Ltd. vs. C.C.E., Thane-II,** the West Zonal Bench of CESTAT, Mumbai held that **'collection charges' received by the assessee from passengers on behalf of AAI is chargeable to service tax under the category of Business Auxilliary Services.** If a person collects payment for the services rendered by another person and remits the same, then the activity would come under the purview of Business Auxiliary Service as defined in Section 65(19)(vii) and the activity would be leviable to service tax. **Penalty u/s 78 is imposable** if any of the elements specified in the said Section i.e. fraud, collusion, suppression, willful mis-statement or contravention of any of the provisions of the law with intent to evade payment of duty, are present.

SERVICE TAX ON SEPARATE CONTRACTS FOR TRANSPORTATION, LOADING & UNLOADING OF COAL/MINERAL ORES UNDER CARGO HANDLING SERVICES

In the case of **M/s Jai Jawan Coal Carriers Private Limited vs. CST, New Delhi,** the Principal Bench of CESTAT, New Delhi held that **where the activity of the loading of the coal/mineral ore into the tipper trucks and its subsequent unloading into the railway wagons for its transportation is clearly identified and separate rates are prescribed for the same, service tax would be chargeable on the amount charged by the appellant for these services** under Section 65 (105) (Zr) read with Section 65 (23) of the Finance Act, 1994. However, service tax would not be chargeable on the amount charged for transportation.

SERVICE TAX ON COURSE FOR PERSONALITY DEVELOPMENT AND ORIENTATION PROGRAMME

In the case of **M/s Landmark Education India vs. Commissioner of Service Tax, Mumbai-II,** the West Zonal Bench of CESTAT, Mumbai held that **the appellant is liable to Service Tax on Commercial Training and Coaching Services** under the provisions of the Finance Act, 1994 as section 65 (27) of the Act and **is entitled to the benefit of cum-tax calculation for the purpose of levy of service tax. Penalty levied under Sections 76, 77 and 78 are set aside.**

REMINDER

LAST DATE OF PAYMENT OF THE BALANCE INSTALMENT OF VCES WITHOUT INTEREST IS 30TH JUNE, 2014

CENTRAL EXCISE

REFUND OF EXCESS AMOUNT OF CENTRAL EXCISE DUTY PAID DUE TO REVISION OF INVOICES

In the case of **The A.P.Paper Mills Limited vs. The Commissioner of Central Excise, Visakhapatnam**, the Andhra Pradesh High Court held that **the excess amount of excise duty paid** on account of revision of the invoices consequent to the grant of various discounts like cash discount, quantity surplus, freight rebate etc., to their customers **is refundable.**

GRINDING/BUFFING/POLISHING AND PACKING OF SEMI FINISHED VALUE SEATS AMOUNTS TO MANUFACTURING

In the case of **Friends Auto Industries vs. CESTAT,** the Punjab and Haryana High Court held that **the activity of grinding/buffing/polishing and packing of semi finished value seats** and selling the same after giving a finished cut according to size and specification required by the customers **amounts to manufacturing and liable for excise duty.**

PENALTY CAN BE REDUCED W.R.T. CIRCUMSTANCES OF DEFAULT

In the case of **the Commissioner, Central Excise & Customs, Bhubaneswar-I vs. M/s Aditya Alloys Limited,** the Orissa High Court held that if there is a case where there is **delay in payment simplicitor for which penalty is leviable, in addition to the interest liability, levy of minimum penalty cannot be held to be mandatory. The penalty has to be commensurate to the circumstances of default.** Reduction of penalty cannot be held to be arbitrary or perverse.

NO DENIAL OF CENVAT IF EXEMPTED FINAL PRODUCT IS MANUFACTURED ONLY FOR PART OF YEAR

In the case of **M/s Kisan Sahkari Chinni Mills Ltd vs. CCE, Lucknow,** the CESTAT, New Delhi held that **CENVAT credit cannot be disallowed if an assessee manufactures only exempted goods for a part of the year and for the balance year manufactures both exempted and dutiable goods.** The appeal is allowed with consequential relief to the appellant.

CUSTOMS

INSTRUCTION REGARDING STRINGENT CHECKS WHILE PROCESSING BILL OF ENTRY/SHIPPING BILLS

The Director (Customs) vide **Board's Instruction F.No. 401/81/2011-Cus.III dated 07.04.2014** invited attention to state that **the Board had taken a serious note of the possibility of misuse of the facility of manual filing and processing of import/export documents, which was being allowed by the field formations.** Accordingly, **it had been instructed that this should not be allowed except in exceptional and genuine cases where the electronic filing and processing of import/export documents is not feasible.** Moreover, it was pointed out that in terms of Sections 46 and 50 of the Customs Act, 1962, the authority to allow manual filing and processing of documents rests with the Commissioner of Customs only. It is, however, noticed that despite this strict instruction, some field formations particularly vulnerable outlying CFSs/ ICDs are still routinely allowing importers/exporters to file the documents manually. This violation of the Board's instruction is not acceptable.

INCOME TAX

HIGH COURT DECISIONS

1. Having regard to the definitions of terms **"capital asset" and "transfer" in sections 2(14) and 2(47),** in order to be eligible for carry forward of capital loss, the capital asset should be of the nature defined in section 2(14) and should be transferred in the manner defined in section 2(47). Equally, it should be subjected to tax as per section 45(1) of the Income-tax Act. The advances given to the concerned parties and written off are not the capital assets nor there is any transfer. Therefore, they were not allowed to be carried forward to subsequent years. It is a capital loss and should be ignored. Thus, **write-off of irrecoverable advances is not a "transfer" and the loss cannot be claimed as a capital loss u/s 45.** *[Crompton Greaves Limited vs. DCIT (Bombay High Court)]*

2. With reference to Section 194H, **TDS does not apply to all sales promotional expenditure if relationship is not that of principal & agent.** *[CIT vs. Intervet IndiaPvt. Ltd. (Bombay High Court)].*

3. With reference to Section 80IB(10), **if developer does not (without just cause) develop to full extent of Floor Space Index (FSI), a part of the sale proceeds has to treated as being for sale of FSI and denied Section 80-IB(10) deduction.** For any commercial activity of construction, be it residential or commercial complex maximum utilization of FSI is of great importance to the developer. Ordinarily, therefore, it would be imprudent for a developer to underutilize available FSI. Sale price of constructed properties is decided on the built up area. It can thus be seen that given the rate of constructed area remaining same, non-utilization of available FSI would reduce the profit margin of the developer. *[CIT vs. Moon Star Developers (Gujarat High Court)]*

4. Section 80-IA(9) is aimed at restricting the successive claims of deduction of the same profit or gain under different provisions contained in sub-chapter C of Chapter VI of the Act. This provision, therefore, necessarily impacts other deduction provisions including Section 80HHC of the Act. Nothing contained in Section 80HHC suggests that the deduction provided therein was immune from any outside influence or that the provision was impregnable by any other statute or enactment. Therefore, **the effect of Section 80-IA(9) is that Section 80-IA deduction has to be reduced for Section 80HHC deduction in all cases and not only when the combined deduction exceeds the profits.** *[CIT vs. M/s Atul Intermediates (Gujarat High Court)]*

5. **"A crossed cheque or the crossed bank draft"**, an expression earlier used was amended by the legislature to be **replaced by the expression "an account payee cheque or account payee bank draft".** This was done in the background of the experience that even crossed cheques were being endorsed in favour of a person other than the drawee making it difficult to trace the constituent of the money. To plug this possible loophole the requirement of section 40A(3) was made more stringent. Accordingly, **payment by a crossed cheque is subject to disallowance u/s 40A(3).** *[Rajmoti Industries vs. ACIT (Gujarat High Court)]*

6. Mere receipt of income is not the sole test of chargeability. Receipt of income refers to the first occasion when the recipient gets the money under his own control. The words "accrue" or "arises" do not mean actual receipt of profits or gains. Both these words are used in contradistinction to the word "receive" and include a right to receive. Thus, **if an assessee acquires a right to receive the income, the income can be said to accrue to him though it may be received later on.** *[Amarshiv Construction Pvt. Ltd. vs. DCIT (Gujarat High Court)]*

7. **If it is held by the dept that no income arose to the recipient then notices to payer for TDS default u/s 201 & Section 40(a)(i) disallowance are bad.** *[Samsung India Electronics Pvt. Ltd. vs. DDIT (Delhi High Court)]*

ITAT DECISIONS

1. Sections 54E, 54EA, 54EB & 54EC require the investment to be made "within a period of six months after the date of such transfer". The subtle question is that whether the word "month" refers in this section a period of 30 days or it refers to the month only. The term 'month' is not defined in the Income-tax Act. Therefore, its meaning has to be understood as per the General Clauses Act, 1897 which defines the word "month" to mean a month reckoned according to the British calendar. Thus, **the term "month" in s. 54E, 54EA, 54EB & 54EC does not mean "30 days" but the "calendar month". So, the expression "within a month" means "before the end of the calendar month".** [*Alkaben B. Patel vs. ITO (ITAT Ahmedabad) (Special Bench)]*

EXTENSION OF FACILITY TO TAXPAYERS IN FILING OF RETURN IN ELECTRONIC FORM

The CBDT vide **Circular dated 17.04.2014** issued detailed **instructions to all the assessing officers laying down a Standard Operating Procedure (SOP) for verification and correction of demand by the AOs.** As per this SOP, the taxpayers can get their outstanding tax demand reduced/deleted by applying for rectification along with the requisite documentary evidence of tax/demand already paid. The SOP also makes special provisions for dealing with the tax demand upto Rs. 1,00,000/- in the case of Individuals and HUFs in order to accommodate certain extraordinary situations. The SOP is expected to mitigate the long standing grievances of taxpayers by way of reduction/deletion of tax demands. **The CBDT further u/s 139D of the Income-Tax Act, 1961 extended the facility to taxpayers in filing of return in electronic form to verify if demand in their case is due to tax credit mismatch on account of incorrect furnishing of specified particulars and submit rectification requests with correct particulars of TDS/tax claims for correction of these demands.**

DEPRECIATION/AMORTISATION OF INTANGIBLE ASSETS

The CBDT vide **Circular No. 09/2014 dated 23.04.2014 dealt with the important issue of treatment of expenditure incurred for development of roads & highways in Build-Own-Transfer (BOT) agreements.**

The CBDT has expressed the view that as the assessee does not hold any rights in the project except recovery of toll fee to recoup the expenditure incurred, the assessee cannot be treated as the "owner" of the property and cannot be allowed depreciation u/s 32(1)(ii) of the Act.

However, the CBDT has also held, following the law laid down in **Madras Industrial Investment Corp 225 ITR 802 (SC),** the entire cost of construction and development of the infrastructure facility has to be amortized evenly over the period of the concessionaire agreement and allowed as business expenditure u/s 37(1) of the Act.

The CBDT's view with regard to the assessee not being the **"owner"** runs counter to the law laid down in **Noida Toll Bridge 213 Taxman 333** and several other judgements. In **Swarna Tollway,** the ITAT has conducted a thorough analysis of the entire law on the subject and concluded that the assessee has to be treated as the "owner" even though it has limited rights on the structure. The Tribunal relied on several judgements of the Supreme Court including **Mysore Minerals 239 ITR 775 (SC)** where the concept of "owner" has been considered in great detail.

Unfortunately, the CBDT has not applied its mind these aspects and come to a conclusion in a summary manner. It is well settled that a Circular which is contrary to the law has no binding effect. However, **the CBDT's directive that the expenditure should be amortized and allowed as business expenditure is welcome.**

VAT

GENERATION OF e-WAY BILL BY A DEALER REGISTERED UNDER TATKHANIK REGISTRATION SCHEME

The Commercial Taxes Directorate, West Bengal vide **Addendum to Trade Circular No. 09/2011 dated 23.05.2011 issued on 07.02.2014** stated that **a dealer, registered under Tatkhanik Scheme, will be eligible to generate dematerialized Way Bill from the date on which he is granted registration under the WBVAT Act, 2003 and under the CST Act, 1956.**

EXTENSION OF DATE FOR "SALE/PURCHASE MISMATCH APPLICATION" FOR 2011-12

The Commercial Taxes Directorate, West Bengal vide **Second Addendum to Trade Circular No. 03/2014 dated 18.02.2014, issued on 16.04.2014** stated that the **last date of online reconciliation of the Purchase/Sale mismatch for 2011-12 is decided to be extended for the second time upto 30.05.2014.** No further extension would be made. Defaulters would be liable for special audit on this ground.

CHANGE IN THE PROCEDURE OF e-TRANSIT DECLARATION (e-TD) MODULE

The Commercial Taxes Directorate, West Bengal vide **Trade Circular No. 06/2014 dated 08.04.2014** has brought about **certain changes in the existing e-Transit Declaration module.** The **changes in the procedure** are described as under:

- the transporter willing to generate e-Transit Declaration has to obtain a onetime registration through the '**Transporter Registration'** link in the e-TD module available in the Directorate's website **Transporters have to submit the particulars of business, phone no., mail id etc.** After submitting the information, **an 'Access Code' will automatically be forwarded to his registered mobile number.**
- after getting the access code, it is to be used in **the second link to generate USER ID & PASSWORD.**
- using generated user id & password, transporters have to login the third link each time they want to generate a TD. **The TD Generation Page has partially been modified to capture more information on consignor, consignee, invoice, consignments etc.**

Further the Commercial Taxes Directorate, West Bengal vide **Addendum to Trade Circular No. 06/2014 dated 08.04.2014 issued on 16.04.2014 made the process of revalidation of e-TD online.** The process is described below:

- Whenever a transporter, carrier, transporting agent or person, who has generated an e-TD, is in need of revalidating the same due to some verifiable reason(s), he should approach the Senior Joint Commissioner, Commercial Taxes of the nearest Range Office of the Directorate where the goods vehicle is presently located with a manual application, praying for revalidation of the e-TD with reason(s) written thereon.
- On being satisfied, the concerned Sr. JCCT should login using his particular User ID & Password through the link **"Login for CTD Officials"** given in the website www.wbcomtax.gov.in.
- In the opened application, he has to submit the e-TD Number and date upto which the e-TD is revalidated. Upon successful revalidation, a confirmation message will be displayed. After that, the transporter, carrier, transporting agent or person has to take a 'reprint' of the revalidated e-TD and move with the goods.

ELECTRONIC ENROLMENT OF TRANSPORTERS IN WEST BENGAL UNDER WBVAT ACT, 2003

The Commercial Taxes Directorate, West Bengal vide **Trade Circular No. 07/2014 dated 16.04.2014** stated that a web-link for enrolment application of transporters in West Bengal has been provided under the link **'e-Enrolment of Transporters' under 'e-Services' in Directorate's website**. Through this link, any eligible transporter, carrier or transporting agent can:

- **apply for electronic enrolment by making electronic application in Form 10,**
- reprint the acknowledgement slip against successful submission of application,
- view the status of any submitted application,
- generate user id & password necessary for downloading Certificate of Enrolment, and
- **download & print the Certificate of Enrolment in Form 11.**

QUERY & REPLY

QUERY

In the Central Excise Rules, 2002, in rule 9, in sub-rule (1), after the words "uses excisable goods", the words "or an importer who issues an invoice on which CENVAT Credit can be taken" has been inserted. Does it means that only invoice issued by an importer are eligible for taking CENVAT Credit or it can also be issued by First Stage & Second Stage Dealer?

Mr. Sanjib Kothari, King Chemicals

REPLY

Rule 9 of the Excise Rules provides the list of persons who are required to obtain registration under the Central Excise Act, 1944. Notification 17/ 2013-Central Excise (N.T.) dated December 31, 2013 has amended Rule 9(1) to include the importers issuing an invoice on which Cenvat Credit can be taken, in the list of persons who are required to obtain registration under the Excise Act.

Notification 18/ 2013-Central Excise (N.T.) dated December 31, 2013 has amended Rule 2(ij) of the Credit Rules, which **provides the definition of First Stage Dealer. Amended definition of First Stage Dealer** is reproduced here under:

First stage dealer means-

a) a dealer, who purchases the goods directly from the manufacturer under the cover of an invoice issued in terms of the provisions of the Excise Rules or from the depot of the said manufacturer, or from premises of the consignment agent of the said manufacturer or from any other premises from where the goods are sold by or on behalf of the said manufacturer, under cover of an invoice; or

b) an importer who sells goods imported by him under the cover of an invoice on which Cenvat credit may be taken and such invoice shall include an invoice issued from his depot or the premises of his consignment agent.

Further, there is corresponding changes in Rule 9 of the Credit Rules, which provides the list of eligible documents on the basis of which the manufacturer or output service provider or input service distributor can avail Cenvat credit.

There is a history behind this – The Finance Minister had constituted a Forum under the chairmanship of his adviser Dr. Parthasarathy Shome. The Forum brought to the notice of the FM certain difficulties faced by the trade and this was one of the problems. The FM readily solved some of the issues and issued directions. This was one of them.

CENVAT Credit on endorsed bill of entry -

Issue: The earlier practice of endorsement of Bill of Entry by customs officer to an importer has since been dispensed with. This has led to ambiguity as to the mechanism by which CENVAT credit would be available to a subsequent manufacturer receiving the imported goods.

Decision: A process is being designed to get the importers to register with the Department, who may then more easily pass on the CENVAT credit of CVD to a manufacturer. The new mechanism will be in place by 31/12/2013.

As promised, CBEC has made the necessary changes in the Rules and issued the notifications on 31/12/2013. Consequently, The Central Excise Rules 2002 and the CENVAT Credit Rules 2004 are amended with effect from 1.3.2014 which in simple terms has made the following changes -

a) Registration is made mandatory for importers issuing invoices on which CENVAT Credit can be taken.
b) An importer issuing CENVAT table invoice is now made a "First Stage Dealer".
c) Certain consequential amendments are made.

However, the other Rules and procedures relating to First Stage and Second Stage Dealer remain the same. Further there is also no change in the format of Invoice. Thus, registered importers are also made first stage dealers.

Further, the base amendments of 17/2013 & 18/2014 rescinded vide 6/2014 & 7/2014 have once again been introduced vide 8/2014 & 9/2014 and are now applicable.