



**Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
New Delhi**

Notification No. 4/2006-Central Excise (N.T.)

Dated 14th March, 2006

In exercise of the powers conferred by section 37 of the Central Excise Act, 1944 (1 of 1944) and section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the CENVAT Credit Rules, 2004, namely :-

1. (1) These rules may be called the **CENVAT Credit (First Amendment) Rules, 2006**.
- (2) They shall come into force from the date of their publication in the Official Gazette.
2. In the CENVAT Credit Rules, 2004, for rule 5, the following rule, shall be substituted, namely :-
 5. Refund of CENVAT credit, - Where any input or input service is used in the manufacture of final product which is cleared for export under bond or letter of undertaking, as the case may be, or used in the intermediate product cleared for export, or used in providing output service which is exported, the CENVAT credit in respect of the input or input service so used shall be allowed to be utilized by the manufacturer or provider of output service towards payment of,
 - (i) duty of excise on any final product cleared for home consumption or for export on payment of duty; or
 - (ii) service tax on output service, and where for any reason such adjustment is not possible, the manufacturer or the provider of output service shall be allowed refund of such amount subject to such safeguards, conditions and limitations, as may be specified, by the Central Government, by notification :

Provided that no refund of credit shall be allowed if the manufacturer or provider of output service avails of drawback allowed under the Customs and Central Excise Duties Drawback Rules, 1995, or claims rebate of duty under the Central Excise Rules, 2002, in respect of such duty, or claims rebate of service tax under the Export of Service Rules, 2005 in respect of such tax.

Provided further that no credit of the additional duty leviable under sub-section (5) of section 3 of the Customs Tariff Act shall be utilised for payment of service tax on any output service.

Explanation : For the purposes of this rule, the words 'output service which is exported' means the output service exported in accordance with the Export of Services Rules, 2005.

Note : The principal rules were notified vide Notification No. 23/2004-Central Excise (N.T.), dated the 10th September, 2004, and published in the Gazette of India Extraordinary vide number G.S.R. 600 (E), the 10th September, 2004 and last amended vide Notification No. 28/2005-Central Excise (N.T.), dated the 7th June, 2005 and published in the Gazette of India Extraordinary vide number G.S.R. 371 (E), dated the 7th June, 2005.