<u>Procedure for claiming Refund under Reverse Charge by the Service Provider</u>

Clause (5B) has been inserted Vide Notification No. 28/2012-CE (N.T) dated 20.6.2012 as made applicable from 01.07.2012 to in Rule 5 of CCR Rules 2004:

- A provider of output service providing service notified under sec 68 (2) of the Finance Act
- can claim as refund for unutilized CENVAT credit on input and input services
- subject to procedure, safeguards, conditions and limitation
- as may be specified by the Board by notification in the official Gazette."

But that time, Govt did not specify any procedure.

Now the **Notification 12/2014- C.E (NT) 3.03.2014** has been inserted for prescribing the Procedure which are as follows:

- ✓ The following Output Service Provider can claim the refund for unutilized CENVAT credit:

  (i) Renting of a motor vehicle designed to carry passengers on non-abated value, to any person who is not engaged in a similar business;
  (ii) Supply of manpower for any purpose or security services; or
  (iii) Service portion in the execution of a works contract;

- ✓ Refund of unutilized CENVAT credit shall not exceed an amount of service tax paid or payable by the Service receiver with respect to the partial reverse charge service provided during the period of half year for which refund is claimed.

- ✓ Half year means the year beginning from the 1st day of April every year and second half year from 1st day of Oct of every year.

- ✓ Refund claimed amount shall be debited by from his CENVAT credit account at the time of filing claim.

- ✓ If sanctioned amount of refund is less than the amount of refund claimed than the claimant may take back the credit of the difference between the amounts.

- ✓ The claimant shall submit not more than one claim of refund under this notification for every half year.

- ✓ Service tax return should be filed before filing the refund claim for that period.

- ✓ No refund shall be filed prior to the 1.07.2012.

How to file the Refund claim

- ➢ The claimant shall submit an application in Form A along with the specified documents.

- ➢ The application should be submit to the jurisdictional AC/DC of central Excise.

- ➢ The claim shall be filed before the expiry of one year from the due date of filing of return for the half year.

- ➢ It will be noted that the First claim for the period 1.07.2012 to 30.09.2012 shall be the 30.06.2014.

- Service tax return copy for the relevant period should be submitted along with the claim.
- AC/DC may call for any document for further inquiry.

For any query, mail me:-

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