Giridhar's

Service Providers

Individual

HUF

Firm

Partial Reverse Charge

Service Receiver

Body Corporate

Service Provider
He is called main contractor.

Anglo Indiago Travels Pvt. Ltd.
(New Delhi)

1 contract to provide cabs services

here partial reverse charge will not apply

2 Has sub contracted to

3

GIRIDHAR TRAVELS PRIVATE LIMITED

for providing cab services to body corporate on behalf of anglo indiago travels private limited.

Then GTPL will raise invoice to AITPL because service provider is GTPL service receiver is AITPL.
so service tax will be charged in bill like :

Partial Reverse charge	
Service Provider	Service Receiver
Billing done by not taking any abatement Rs . 1000 * 14 % *50% = Rs.1070 He will receive Rs.70 and pay to govt.	Service receiver will get 1070 bill from him and charge his 50% on Rs.1000 . So total to govt will go Rs.140
Billing done on abated value Then he will send bill value by not charging service tax	He will get the bill and cal on that only 40% i.e Rs.1000*40% *14% = Rs.56 pays to govt

Now Under proviso to Rule 4(7) of CCR 2004 Service reciver can pay the tax on such value of input service received under RCM/PRCM and take the credit.

Now the main contractor i.e AITPL will provide service to body corporate and charge bill for services provided Service provided Rs.1000 Service Tax @14% Rs.114 Total Bill Value Rs.1114 Now AITPL will pay to govt this Rs. 114 by adjusting Rs 5.6 that already paid to sub contractor GTPL and pay net amount to govt Rs.108.4	Sub-contracted service - Rs. 100 Less - Abated value @60% Rs.60 Remaining value Rs.40 Service tax @14% Rs.5.6 AITPL will pay Rs.105.6 to GTPL and now AITPL will take credit full value of service tax. **Rs 5.6**	Sub-contracted service - Rs 100 Add :- Service tax 14% Rs.14 Total Bill Value Rs.114 AITPL will pay Rs.114 to GTPL and now AITPL will take credit max 40% on service tax. **Rs 5.6 14*40%**

So the credit availablity is same to main contractor
If it is abated value or non-abated value