

**CAG Report****Centre urged to charge interest on delayed work**

Our Bureau

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The CAG wants the Centre to earn interest on delayed reversal of Cenvat credit for non-receipt of goods sent for job work. The government auditor has therefore suggested in a report that specific provision be inserted in Cenvat Credit Rules for this purpose.

Inputs or semi-finished goods sent to the job worker should be returned to the factory within 180 days, according to the existing Cenvat Credit Rules.

For failure to do so, proportionate Cenvat credit on inputs/semi-finished goods not received is required to be reversed.

However, in case of delay in reversal of credit, there is no specific provision for charging interest, said the CAG report on 'Cenvat Credit Scheme' tabled in the Lok Sabha. This results in loss of Interest to the Centre, added the report.

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