DETAILED MANUAL SCRUTINY OF SERVICE TAX RETURNS

The Board vide Ciruclar No.185/4/2015-S.Tax dated 30.06.2015, has been decided for detailed scrutiny of ST-3 Returns w.e.f 1.8.2015

Pre online Scrutiny	Scope	Selection of Returns for scrutiny	Methodology
It includes pre checks e.g timely filing, tax deposit, Tax calculation, airthmatic checks etc. These have to be processed by Range Officer.	To ensure the correctness of the assessment made by the assessee.	The main focus on the assessee which are not being audited. The detailed return scrutiny would be conducted for assessee who pays tax (Cash + CENVAT) for the year 2014-15 is below Rs. 50 Lakhs). Three bands are made Rs 0 to Rs. 10 lakh, Rs. 10 -25 Lakhs and Rs 25-50 lakhs for the F.Y 2014-15. (***The assess who have been selected for audit or have been audited recently (in past three years) should not be taken up for detailed scrutiny. However the CC may direct detailed manual scrutiny of an assessee's return who has paid Service tax (Cash+CENVAT) more than Rs.50 Lakhs)***	Team- Supdtt + Inspector (Supervise by AC/DC). Intimation given to assessee at lease 15 days prior in format **Annexure-I.** Range should compile Assess Master Information in **Annexure-II.** ST-3 return with ITR Form No. 4,5,6 and 26AS. A Checklist has been prepared-**Annexure-III.** Monthly Scrutiny Monitioring Committee Meeting setup for monthly checks.

POINTS SUBJECT TO VERIFICATION

1. Non Taxable Service Verification 2. Classification of Services 3. Exempted Services verification 4. Verificaiton of Services Exported 5. Eligibility of Abatement 6. If Deduction claimed, supporting documents requiredclaimed	7. Valuation related issues 8. CENVAT Credit issue 9. Adjustment of Credit under Rule 6(3) & 6(4A) of S.Tax Rules, 1994 10. Reverse Charge on Import of Services 11. Reverse Charge other than Import of Services 12. Sector Specific detailed Checks; (Manpower Supply Service, Banking & Construction Services)