

Service Tax Procedures

Question 1

Answer the following with reference to the Finance Act, 1994 and the rules made thereunder relating to service tax:

- (i) *Intimation regarding change in details furnished by an assessee in Form ST-1.*
- (ii) *Cancellation of registration certificate.*
- (iii) *Adjustment of excess amount paid towards service tax liability for the subsequent period.*

Answer

- (i) As per Rule 4(5A) of the Service Tax Rules, 1994, change in any information or details furnished by an assessee in Form ST-1 at the time of obtaining registration or any additional information or detail intended to be furnished should be intimated in writing by the assessee to the jurisdictional Assistant/ Deputy Commissioner of Central Excise. Such intimation should be made within a period of 30 days of such change.

Further, the assessee would be required to submit a self-certified copy of the registration certificate while intimating any such change and the amended registration certificate shall be issued after canceling the original registration certificate issued earlier.

However at places where Automation of Central Excise and Service Tax [popularly known as “ACES”] Scheme has to be compulsorily followed, application for amendment in ST-1 can be filed online.

- (ii) As per rule 4(7) of the Service Tax Rules, 1994, every assessee who is registered and ceases to provide taxable service shall surrender his registration certificate to the Superintendent of Central Excise immediately. Sub-rule (8) of rule 4 provides that on receipt of such certificate the Superintendent of Central Excise shall ensure that the assessee has paid all moneys due to the Central Government under the provisions of Act/Rules/Notifications and thereupon cancel the registration certificate.
- (iii) According to substituted Rule 6(3) [vide **Notification No 3/2011 dated 01.03.2011**] w.e.f. 01.04.2011 of the Service Tax Rules, 1994 where an assessee has issued an invoice or received any payment, against a service to be provided which is not so provided by him either wholly or partially for any person, or where the amount of invoice is renegotiated due to deficient provision of service, or any terms contained in a contract, the assessee may take the credit of such excess service tax paid by him, if the assessee:-
- (a) has refunded the payment or part thereof, so received for the service provided to the person from whom it was received; or

- (b) has issued a credit note for the value of the service not so provided to the person to whom such an invoice has been received.

Further, rule 6(4A) of the Service Tax Rules, 1994 provides that where an assessee has paid to the credit of Central Government any amount in excess of the amount required to be paid towards service tax liability for a month or quarter, as the case may be, the assessee may adjust such excess amount paid by him against his service tax liability for the succeeding month or quarter, as the case may be. However, such adjustment of excess amount paid shall be subject to certain conditions specified in sub-rule (4B). The said conditions are given below:

- (a) Excess amount paid is on account of reasons not involving interpretation of law, taxability, classification, valuation or applicability of exemption notification.
- (b) Excess amount paid by an assessee having Centralised Registration on account of delayed receipt of details of payments towards taxable services may be adjusted without any monetary limit.
- (c) In cases other than clause (ii) above, the excess amount paid may be adjusted with a monetary limit of two lakhs rupees w.e.f. 01.04.2011 [Vide **Notification No. 3/2011 dated 01.03.2011**] for a relevant month or quarter.
- (iv) The details and reasons for such adjustment shall be intimated to the jurisdictional Superintendent of Central Excise within a period of 15 days from the date of such adjustment.

Question 2

Briefly state the provisions under the Service Tax Rules, 1994 relating to filing of returns and also state any late fee payable for delay in filing of returns.

Answer

Filing of Service Tax Returns: Section 70 of Finance Act, 1994 inter alia provides that every person who is liable to pay service tax shall furnish to the Superintendent of Central Excise a return in the prescribed form and in the prescribed manner and at prescribed frequency. The aforementioned prescribed form, manner and frequency have been given in Rules 7(1) & 7(2) of Service Tax Rules, 1994 (hereinafter referred as STR, 1994) According to Rule 7(1) of STR, 1994 every assessee shall submit a half yearly return in form 'ST-3' along with the copy of form 'GAR-7' (Yellow Colour) (challan for payment of service tax) in triplicate for the months covered in the half yearly return. Further, as per Rule 7(2) of STR, 1994 every assessee[other than those registered as input service distributor] is required to submit the half-yearly return by 25th of the month following the particular half year. Here, it is necessary to clarify that as per Rule 2(cc) of STR, 1994. "Half Year" means the period between 1st April to 30th September or 1st October to 31st March of the financial year. In simple words, the service tax returns are due to be filed by 25th of October and 25th of April for the half year ended 30th Sep. and 31st March respectively. In addition, a single return has to be filed in respect of all taxable services provided by an assessee.

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Payment of Late Fee for delayed furnishing of Return: According to Section 70 with effect from 08.04.2011 depending on period of delay late fee up to ₹ 20,000/- [Upto 07.04.2011 maximum late fee payable was ₹ 2,000/-] is required to be paid for delayed furnishing of return. However, as per rule 7C of STR, 1994, the quantum of late fee is to be determined as under:

Delay in Days	Amount of Late Fee/Penalty/Amount Payable
Upto 15 days	₹ 500/-
16 to 30 days	₹ 1,000/-
More than 30 days	₹ 1,000 + ₹ 100/- for each day of subsequent delay. However, total amount of Additional Fee under rule read with section 70 shall not exceed ₹ 20,000/-

Note:-The delay is to be calculated from the day immediately succeeding the last date of due date of filing of return.

With a view to help the students regarding the calculation of quantum of late fee following comprehensive practical example is given:

M/s Harpreet submitted her Service Tax Return for the half year ending 30th September, 2011 on following independent dates for which due date of filing return is 25th October, 2011:

Different Cases	Date of Filing of Service Tax Return
Case I	01.11.2011
Case II	22.11.2011
Case III	28.11.2011
Case IV	04.12.2011
Case V	14.12.2011
Case VI	03.05.2012
Case VII	01.06.2012
Case VIII	26.10.2012

The amount of Late Fee/Penalty/Amount Payable in each of the above independent cases is exhibited in the following table:

Different Cases	Amount of Late Fee/Penalty/Amount Payable
Case I	₹ 500/- because there is a delay of 7 days which falls within the ambit of first given[prescribed] range of delay upto 15 days.
Case II	₹ 1,000/- because there is a delay of 28 days which falls within the purview of second given [prescribed] range of delay from 16 to 30 days.
Case III	₹ 1,400/- because there is a delay of 34 days. For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 4 days beyond 30 days ₹ 400/- [₹ 100/- X 4 days] becomes payable. Thus, total amount of Late Fee

	payable= ₹ 1,000/- + ₹ 400/-
Case IV	₹ 2,000/- because there is a delay of 40 days. For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 10 days beyond 30 days ₹ 1000/- [₹ 100/- X 10 days] becomes payable. Thus, total amount of Late Fee payable= ₹ 1,000/- + ₹ 1000/-
Case V	₹ 3,000/- because there is a delay of 50 days. For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 20 days beyond 30 days ₹ 2,000/- [₹ 100/- X 20 days] becomes payable. Consequently, total amount of Late Fee payable= ₹ 1,000/- + ₹ 2,000/-
Case VI	₹ 17,000/- because there is a delay of 190 days. For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 160 days beyond 30 days ₹ 16,000/- [₹ 100/- X 160 days] becomes payable. Consequently, total amount of Late Fee payable= ₹ 1,000/- + ₹ 16,000/-. Moreover, the aforementioned amount of ₹ 17,000/- also remains below the maximum ceiling of ₹ 20,000/-
Case VII	₹ 20,000/- because there is a delay of 220 days. For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 190 days beyond 30 days ₹ 19,000/- [₹ 100/- X 190 days] becomes payable. Consequently, total amount of Late Fee payable= ₹ 1,000/- + ₹ 19,000/-. Moreover, the aforementioned amount of ₹ 20,000/- does not exceed the maximum ceiling of ₹ 20,000/-
Case VIII	₹ 20,000/- because there is a delay of 367 days [including 29 days of February, 2012, being a leap year] For delay upto 30 days ₹ 1,000/- becomes payable. For delay of 337 days beyond 30 days ₹ 33,700/- [₹ 100/- X 337 days] becomes payable. Consequently, total amount of Late Fee payable= ₹ 1,000/- + ₹ 33,700. However, as Section 70 has prescribed a cap of ₹ 20,000/-, the amount of penalty will be restricted to ₹ 20,000/-

Question 3

What do you understand by 'Centralised Registration'? Which authority grants the Centralised Registration?

Answer

Meaning of Centralised Registration: Sometimes an assessee provides taxable service from more than one premises. Rule 4(2) of the Service Tax Rules, 1994 provides that in such cases, the assessee can obtain centralized registration at his option if:

- (a) he has centralized billing or centralized accounting in respect of such service, and

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- (b) such centralized billing or centralized accounting systems are located in one or more offices or premises.

The assessee can register such offices or premises where centralized accounting or centralized billing systems are located.

Authority granting the Centralised Registration: According to Rule 4(3) Centralised Registration is granted by the Commissioner of Central Excise in whose jurisdiction the premises or offices, from where Centralised billing or accounting is done, are located.

Question 4

What option is available to an assessee if he does not seek Centralised Registration?

Answer

Rule 4(3A) of Service Tax Rules, 1994 provides that if the assessee does not opt for Centralised Registration, he is required to make separate applications in respect of each of such premises or offices to the jurisdictional Superintendent of Central Excise. This type of registration is also known as Decentralized Registration.

Question 5

State briefly, whether the following persons are liable to apply for registration under the Finance Act, 1994 and the Service Tax (Registration of Special Category of Persons) Rules, 2005 and if so, from which date:

- (i) *An input service distributor who starts his business with effect from 1st November, 2010.*
- (ii) *A provider of taxable service under an unregistered brand name of another person. Aggregate value of taxable services was ₹8,00,000 up to 31.3.11.*

Answer

- (i) Yes, as per Rule 3(1) of the Service Tax (Registration of Special Category of Persons) Rules, 2005, an input service distributor is liable to apply for registration within a period of 30 days of the commencement of business. Thus, in the given case, the input service distributor should apply for registration by 30.11.2010.
- (ii) Yes, a provider of taxable service under an unregistered brand name of another person is liable to apply for registration within a period of 30 days of commencement of business of providing taxable service as basic exemption for small service provider is not available to a service provider who provides taxable service under a trade name or brand name, whether registered or not, of another person.

Question 6

With reference to the Finance Act, 1994 as amended and the rules made thereunder relating to service tax, state whether registration is required or not in the case of the following persons or class of persons:

- (i) *Input service distributor*

- (ii) *Small service provider whose aggregate value of taxable service is ₹ 9,50,000 per annum.*
- (iii) *India based recipient of taxable services provided from abroad by a non-resident not having any place of business in India.*

Answer

- (i) Yes. As per section 69(2) of the Finance Act, 1994 and Notification No.26/2005-ST dated 07.06.2005, an input service distributor is required to make an application for registration.
- (ii) Yes. Any provider of taxable service whose aggregate value of taxable service in a financial year exceeds ₹ 9,00,000 is required to get registration under section 69(2) of the Finance Act, 1994.
- (iii) Yes. As per **Circular No.B1/6/2005-TRU dated 27.7.2005** an India based recipient of taxable services provided from abroad by a non-resident not having any place of business in India is deemed to be the service provider and hence has to obtain registration.

Question 7

- (i) What is the time limit under Rule 4A for raising/issuing an invoice for services? What the essential *particulars to be specified on an invoice/bill/challan*?
- (ii) *What is the due date for monthly/quarterly payment of service Tax?*

Answer

- (i) **Time limit for issuing an invoice/bill/challan:** As per Rule 4A(1) of Service Tax Rules, 1994, an invoice is to be issued within 14 days from the date of completion of the taxable service or receipt of payment towards the value of taxable service, whichever is earlier.

Essential Particulars to be specified in an invoice/bill/challan: Further, in general following are the essential particulars to be specified on an invoice/bill/challan as per Rule 4A of Service Tax Rules, 1994:

- (a) The name, address and the registration number of the Service Provider;
 - (b) The name and address of the Service Recipient;
 - (c) Description, classification and value of taxable service provided or to be provided;
 - (d) The service tax payable thereon.
- (ii) According to Rule 6(1) of Service Tax Rules 1994 the service tax shall be paid to the credit of Central Government:-
 - (a) By the 6th day of the month, if the duty is deposited electronically through internet banking; and
 - (b) By the 5th day of the month, in any other case

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Immediately following the calendar month in which the payments are received towards the value of taxable services. However, first proviso to Rule 6(1) provides that where the assessee is an individual or proprietary firm or partnership firm, the service tax shall be paid to the credit of the Central Government by the 6th day of the month if the duty is deposited electronically through internet banking or in any other case, the 5th day of month as the case may be, immediately following the quarter in which payments are received towards the value of taxable services.

Further, according to third proviso to aforementioned Rule 6(1) service tax on the value of taxable services received during the month of March or quarter ending in March, shall be paid to the credit of Central Government by 31st day of March of the calendar year.

Question 8

Mr. AJAR, a Chartered Accountant, raised an invoice for ₹ 27,575 (25,000 + 2,575 service tax) to a client on 20.06.2011. The client, however, has paid a lump-sum of ₹ 26,000 on 28.10.2011 for full and final settlement.

- (i) *How much service tax Mr. AJAR has to pay and when does this tax become due for payment?*
- (ii) *What will be his liability, if the client refuses to pay service tax and pays only ₹ 25,000 in total?*

Answer

- (i) Service tax is required to be paid only on the value/amount of taxable service received and not on the gross amount billed to the client. However, where the amount received is less than the gross amount charged/billed to the client, the assessee is required to amend the bills either by rectifying the existing bill or by issuing a revised bill and by properly endorsing such change in the billed amount.

Assuming that Mr. AJAR has amended the bill, amount of service tax payable shall be computed by back calculations. Effective rate of service tax is 10.30% (10% service tax + 2% Primary Education Cess & 1% Secondary & Higher Education Cess on service tax).

Service tax and education cess payable	$= \frac{\text{Gross value} \times \text{Rate of tax}}{100 + \text{rate of tax}}$ $= \frac{26000 \times 10.30}{100 + 10.30}$ $= ₹ 2,428/-$
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Such service tax should be paid along with the tax of 3rd quarter of financial year 2011-12 by 5th of Jan. 2012.

- (ii) Section 68 casts the liability to pay service tax upon the service provider or upon the person liable to pay service tax as per Rule 2(1)(d). This liability is not contingent upon the service provider realizing or charging the service tax at the prevailing rate. The

statutory liability does not get extinguished if the service provider fails to realize or charge the service tax from the service receiver.

However, sometimes it may happen that the assessee is not able to charge service tax because of the nature of service or he fails to recover the service tax from the client/customer as he is not aware that his services are taxable. Hence, in these cases the amount recovered from the client in lieu of having rendered the service will be taken to be inclusive of service tax and accordingly tax payable will be calculated by making back calculations.

Value of taxable service = $\frac{\text{Gross amount charged}}{(100 + \text{rate of tax})} \times 100$

Service tax = $\frac{\text{Gross amount charged}}{(100 + \text{rate of tax})} \times \text{rate of tax}$. Effective rate of service tax is 10.30%.

Service tax and education cess payable	$= \frac{\text{Gross value} \times \text{Rate of tax}}{100 + \text{rate of tax}}$
	$= 25000 \times 10.30/110.30$
	$= ₹ 2334.54$

Question 9

Briefly indicate the provisions under the Finance Act, 1994 relating to interest under section 75.

Answer

Section 75 of the Finance Act, 1994 provides for interest on delayed payment of service tax. Failure to pay service tax, including a part thereof, in time attracts simple interest at a rate not below 10% per annum but not exceeding 36% per annum as may be notified by the Central Government. With effect from 01.04.2011 the rate of interest is to be charged as per following brief table:

Type of Assessee	Rate of Interest
For all assesseees other than Small Scale Sector Assessee	18% p.a.
For Small Scale Sector Assessee[A service provider whose value of taxable services does not exceed ₹ 60 lakhs during any of the years covered by the notice or during the last financial year]	15% p.a.

Question 10

Rahul Khanna, a practicing Chartered Accountant was liable to pay service tax of ₹ 5,15,000 for the quarter ending 30.06.2011. He deposited aforementioned service tax only on 15.09.2011. Compute the amount of interest payable by CA. Rahul Khanna under section 75

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on the assumption that value of taxable services provided by him during the last financial year was ₹ 55.40 lakhs. Also compute the amount of interest payable by CA. Rahul Khanna if the value of services provided by him during the last financial year was ₹ 80.90 lakhs.

Answer

W.E.F. 01.04.2011 the rate of interest to be levied under section 75 on the late payment of service tax depends upon the fact whether the concerned assessee is Small Scale Sector Assessee or not. A service provider whose value of taxable services does not exceed ₹ 60 lakhs during any of the years covered by the notice or during the last financial year is termed as Small Scale Sector Assessee. Accordingly interest to be paid by CA. Rahul Khanna has been exhibited in the following succinct table:

Value of services provided during the last financial year	Rate of interest to be applied	Amount of Service Tax deposited beyond the last date	Period for which interest to be levied	Amount of Interest to be deposited in accordance with Section 75
₹ 55.40 lacs	15% p.a.	₹ 5,15,000	72 days [Gap between 15.09.2011 and 05.07.2011]	₹ 15,238 [₹ 5,15,000 x 15% X 72/365]
₹ 80.90 lacs	18% p.a.	₹ 5,15,000	72 days [15.09.2011 and 05.07.2011]	₹ 18,286 [₹ 5,15,000 x 18% x 72/365]

Question 11

What are the provisions relating to best judgement assessment under Service Tax Law?

Answer

According to provisions of Section 72 of Finance Act 1994 if any person, liable to pay service tax,—

- fails to furnish the return under section 70; or
- having made a return, fails to assess the tax in accordance with the provisions of this Chapter or rules made thereunder, the Central Excise Officer, may require the person to produce such accounts, documents or other evidence as he may deem necessary and after taking into account all the relevant material which is available or which he has gathered, shall by an order in writing, after giving the person an opportunity of being heard, make the assessment of the value of taxable service to the best of his judgment and determine the sum payable by the assessee or refundable to the assessee on the basis of such assessment.

Question 12

Under what circumstances premises of an assessee may be searched and by whom ?

Answer

According to provisions of Section 82(1) with effect from 08.04.2011 if the Joint Commissioner of Central Excise has reason to believe that any documents or book or things are secreted at any place, which in his opinion will be useful for any proceedings under this Act, he may authorize any Superintendent of Central Excise to search for and seize or he may himself search for and seize such documents or books or things.

Question 13

M, an assessee fails to pay service tax of ₹ 15 lakhs payable by 5th January, 2012. He pays the amount on 16th January, 2012. What is the penalty payable by M?

Answer

Before giving the answer to this practical problem, the provisions of section 76 as applicable w.e.f. 08.04.2011 are given below in tabular format for the purpose of quick recapitulation:

S.No.	Relevant Sub-Heading	Relevant Provisions of Section 76
1.	When Penalty u/s 76 is leviable	When any person liable to pay Service Tax either does not (i.e. of his own choice) or fails to pay service tax (due to some compelling reason) which does not fall within the purview of expression 'reasonable cause' as envisaged under section 80 by the stipulated time.
2.	Quantum of Penalty with effect from 08.04.2011	(A) ₹ 100/- per day for every day during which such failure continues OR (B) at the rate of 1% per cent of such tax, per month, [i.e. 12% p.a.] whichever is higher. However, total amount of penalty payable under this section shall not exceed 50% of the service tax that the assessee has failed to pay.
3.	Period for which penalty is to be levied	Beginning with the first day after the due date and ending with the date of actual payment

In the light of above statutory provisions the penalty under section 76 has been calculated as under:

S.No.	Nature of Transactions	Details
1.	Amount of Service Tax failed to be deposited by M	₹ 15,00,000
2.	Due date of depositing Service Tax	05.01.2012

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3.	Date on which Service Tax actually deposited	16.01.2012
4.	No. of days by which Service Tax was deposited late	11 days [16 th May – 5 th May]
5.	Computation of Quantum of Penalty	IST STEP:- Higher of the following two amounts (A) ₹ 100/- per day for 11 days = ₹ 1,100; OR (B) 1% of the amount of default for 11 days = ₹ 5,323 [₹ 15,00,000 X 1% X 11/31] IIND STEP: - Higher of the above two amounts is to be restricted to 50% of amount of service tax required to be paid i.e. ₹ 5,323/- is to be compared with ₹ 7,50,000/- [50% of ₹ 15,00,000/-]. Since the aforementioned amount of ₹ 5,323/- is within the ceiling of ₹ 7,50,000/- the amount of penalty finally works out to be ₹ 5,323/-

Question 14

Harpreet Pvt. Ltd. was required to deposit Service Tax of ₹ 1,00,000/- by 05.05.2011. However, the said company actually deposited Service Tax on 03.11.2012. Compute the amount of penalty to be paid by Harpreet Pvt. Ltd. as per provisions of Section 76 of Finance Act, 1994.

Answer

Table showing the computation of penalty payable by Harpreet Pvt. Ltd. as per provisions of Section 76

S.No.	Nature of Transactions	Details
1.	Amount of Service Tax failed to be deposited by Harpreet Pvt. Ltd.	₹ 1,00,000
2.	Due date of depositing Service Tax	05.05.2011
3.	Date on which Service Tax actually deposited	03.11.2012
4.	No. of days by which Service Tax was deposited late	548 days [03.11.2012 – 05.05.2011] OR 1.5 years
5.	Computation of Quantum of Penalty	IST STEP:- Higher of the following two amounts (A) ₹ 100/- per day for 548 days = ₹ 54,800; OR (B) 1% of the amount of such tax per month (i.e. 12% p.a. for 1.5 years = ₹ 18,000 [1,00,000 X 12% X 1.5

		years] IIND STEP: - Higher of the above two amounts is to be restricted to 50% of amount of service tax required to be paid i.e. ₹ 54,800/- is to be compared with ₹ 50,000/-[50% of ₹ 1,00,000]. Since the aforementioned amount of ₹ 54,800/- exceeds the ceiling of ₹ 50,000/-the amount of penalty will be restricted to ₹ 50,000/-
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Question 15

Ms Garima Arora is a practicing chartered accountant. She made self-assessment of her Service Tax liability as ₹ 15,45,000/- for the quarter ending 30.06.2011. However, she did not make any payment of foregoing self-assessed tax until 31.03.2012. The said fact came to the notice of the Service Tax Department. How can the Department recover the aforementioned amount of service tax from Ms Garima Arora? It is also to be noted that value of taxable services provided during the last financial year was ₹ 1.25 crores.

Answer

In the given situation the department has to resort provisions of Rule 6(6A) of Service Tax Rules, 1994 which have been inserted w.e.f. 01.04.2011 vide **Notification No. 3/2011 dated 01.03.2011**. The foregoing Rule 6(6A) provides that where an amount of service tax payable has been self-assessed under section 70(1) of Finance Act, 1994, but not paid, either in full or in part, the same shall be recoverable with interest in the manner prescribed under section 87 of Finance Act, 1994.

As in the present case Ms Garima Arora has not paid in full her self-assessed service tax of ₹ 15,45,000/-, the department can recover the foregoing amount of Service Tax along with interest in accordance with Rule 6(6A) of Service Tax Rules, 1994. The rate of interest will be decided on the basis of value of taxable services provided during the last financial year. Since the value of taxable services provided by Ms Garima exceeded ₹ 60 lakhs, she will not be termed as Small Scale Service provider and consequently interest will be charged at the rate of 18% p.a. for the period of delay.

Question 16

What are various modes of recovery of any amount due to Central Government?

Answer

According to provisions of Section 87 Central Government can make recovery of any amount due to it by any one of the following modes, namely:-

- (i) **Central Excise Officer[hereinafter abbreviated as “CEO”] may deduct or may require any other CEO or any Custom Officer to deduct the amount payable to the assessee**

Central Excise Officer may deduct or may require any other Central Excise Officer or any officer of customs to deduct the amount so payable from any money owing to such

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person which may be under the control of the said Central Excise Officer or any officer of customs.

(ii) CEO require any other person from whom money is due or may become due to assessee

Central Excise Officer may require any other person from whom money is due or may become due to such person, or who holds or may subsequently hold money for or on account of such person, to pay to the credit of the Central Government so much of the money as is sufficient to pay the amount due from such person.

(iii) CEO may restrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid

Central Excise Officer may, on an authorization by Commissioner of Central Excise, in accordance with the rules made in this behalf, restrain any movable or immovable property belonging to or under the control of such person, and detain the same until the amount payable is paid.

(iv) CEO may prepare a certificate and send it to the Collector of the district to recover the amount if it were an arrear of land revenue.

Central Excise Officer may prepare a certificate signed by him specifying the amount due from such person and send it to the Collector of the district in which such person owns any property or resides or carries on his business and the said Collector, on receipt of such certificate shall proceed to recover from such person the amount specified thereunder as if it were an arrear of land revenue.

(v) Recovery Of Service Tax Self-Assessed But Not Paid U/S 87--Insertion Of Rule 6(6A) With Effect From 01.04.2011

According to Rule 6(6A) [inserted vide Notification No. 03/2011 dated 01.03.2011] with effect from 01.04.2011 if any amount of Service Tax has been self-assessed by the assessee but the same has not been paid [either in full or in part], then the same shall be recoverable along with interest in the manner prescribed under section 87 of the Act. In other words, in the given situation, there will be no need to resort to provisions of Section 73.

Question 17

MNL Ltd. did not pay its service tax dues of ₹ 40 lakhs for the period ending 30.09.2011. Can the Department create first charge on the property of MNL Ltd ? If your answer is affirmative, whether there are any limitations in respect of creation of such first charge ?

Answer

Provisions of section 88 have been reinserted with effect from 08.04.2011 with a view to create first charge on the property of the defaulter for recovery of service tax dues i.e. amount of duty, penalty, interest or any other sum payable by an assessee or any other person. Thus, the department can create first charge on the property of MNL Ltd. For recovery of service tax dues of ₹ 40 lakhs.

However, the aforementioned first charge can be created subject to the provisions of following specified Acts:-

1. Companies Act, 1956 (Section 529A)
2. Recovery of Debt due to Bank and Financial Institution Act, 1993; and
3. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest, 2002

Question 18

Whether in each of following independent cases the relevant assessee will be punishable:

- (i) *Mr. Mihir provides Consulting Engineer's Services of ₹ 60 lakhs during the month of July, 2011 without an invoice issued in accordance with the provisions of Chapter V of Finance Act, 1994 or any rules made thereunder.*
- (ii) *Mr. Sanjay avails and utilizes credit of taxes of ₹ 45 lakhs during the quarter ending September, 2011 without actual receipt of taxable service in violation of the rules made under the provisions of Chapter V of Finance Act, 1994.*
- (iii) *Mr. Ramesh fails to supply any information [having financial implications of ₹ 52 lakhs] which he was required to supply under Service Tax Rules, 1994.*
- (iv) *Miss Kanika collected service tax of ₹ 50 lakhs in the month of May 2011 but did not deposit the said amount until 31st March, 2012.*

Answer

W.E.F.08.04.2011 the prosecution provisions have been reinserted vide section 89 of Finance Act, 1994. In the light of foregoing reinserted section 89, each of the given case has been discussed as under:

- (i) According to provisions of Section 89(1)(a) whoever provides any taxable service chargeable to service tax under section 68(1) or receives any taxable service chargeable to section 68(2) without an invoice issued in accordance with the provisions of Chapter V of Finance Act 1994, or any rules made thereunder shall be punishable with imprisonment depending upon the amount involved.

Since in the given case Mr. Mihir has provided Consulting Engineer's Services of ₹ 60 lakhs during the month of July, 2011 without an invoice issued in accordance with the provisions of Chapter V of Finance Act, 1994 or any rules made thereunder, he shall be punishable with imprisonment. Further, as the amount involved in the offence exceeds ₹ 50 lakhs, Mr. Mihir can face imprisonment upto three years in accordance with provisions of Section 89(1)(i) of Finance Act, 1994.

- (ii) According to provisions of Section 89(1)(b) whoever avails and utilizes credit of taxes or duty without actual receipt of taxable service or excisable goods either fully or partially in violation of the rules made under the provisions of Chapter V of Finance Act, 1994, shall be punishable with imprisonment depending on the amount involved.

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As in the present case Mr. Sanjay avails and utilizes credit of taxes of ₹ 45 lakhs during the quarter ending September, 2011 without actual receipt of taxable service in violation of the rules made under the provisions of Chapter V of Finance Act, 1994, he shall be punishable with imprisonment as per provisions of Section 89(1)(b). Besides, as far as period of imprisonment is concerned since the amount involved in this offence does not exceed ₹ 50 lakhs, Mr. Sanjay can be sent for imprisonment up to one year as per provisions of Section 89(1)(ii) of Finance Act, 1994.

- (iii) According to provisions of Section 89(1)(c) whoever maintains false books of accounts or fails to supply any information which he is required to supply under this Act or rules made thereunder or [unless with a reasonable belief, the burden of providing which shall be upon him, that the information supplied by him is true) supplies false information, shall be punishable with imprisonment depending on the amount involved.

As in the present case Mr. Ramesh fails to supply any information which he was required to supply under Service Tax Rules, 1994, he shall be punishable with imprisonment as per provisions of Section 89(1)(c). Besides, as far as period of imprisonment is concerned since the amount involved in this offence exceeds ₹ 50 lakhs, Mr. Ramesh can be sent for imprisonment up to three years as per provisions of Section 89(1)(ii) of Finance Act, 1994.

- (iv) According to provisions of Section 89(1)(c) whoever collects any amount as service tax but fails to pay the amount so collected to the credit of the Central Government beyond a period of six months from the date on which such payment becomes due, shall be punishable with imprisonment depending on the amount involved.

As in the present case Miss Kanika collected service tax of ₹ 50 lakhs in the month of May 2011 but did not deposit the said amount until 31st March, 2012, she shall be punishable with imprisonment as per provisions of Section 89(1)(d). Besides, as far as period of imprisonment is concerned since the amount involved in this offence does not exceed ₹ 50 lakhs, Miss Kanika can be sent for imprisonment up to one year as per provisions of Section 89(1)(ii) of Finance Act, 1994.

Question 19

- (i) *Mention the issues on which an advance ruling can be sought in service tax matters.*
(ii) *When does an advance ruling on service tax become void ab initio?*

Answer

- (i) As per section 96C of Finance Act, 1994 an advance ruling can be sought in the following matters:
- (a) classification of any service as a taxable service under Chapter V of Finance Act, 1994;
 - (b) the valuation of taxable services for charging service tax;

- (c) the principles to be adopted for the purposes of determination of value of the taxable service under the provisions of Chapter V;
 - (d) applicability of notifications issued under Chapter V;
 - (e) admissibility of credit of service tax.
 - (f) determination of the liability to pay service tax on a taxable service under the provisions of Chapter V.
- (ii) Section 96F of Finance Act, 1994 provides that if the Authority of Advance Ruling finds, on a representation made to it by the Commissioner of Central Excise or otherwise, that an advance ruling has been obtained by the applicant by fraud or misrepresentation of facts, it may, by order, declare such ruling to be void ab initio.

Question 20

Briefly explain with a note the time period for filing a claim for refund of service tax by an exporter of goods and sanction of refund claim by the Department.

Answer

According to **Notification No.17/2009-ST dated 07.07.2009** the time period for filing a refund claim is one year from the date of export of goods. The exporter is required to file a refund claim in prescribed form A-1 from the date of export of goods. Further, in the aforementioned Notification it has been provided that Sanction of refund claims shall be made by the Department officials i.e. AC/DC of Central Excise within one month from the receipt of the claim without any pre audit.

Question 21

Briefly explain the following with reference to the Service Tax Rules, 1994 and the Finance Act, 1994:-

- (i) *E-payment of service tax.*
- (ii) *E-filing of Service Tax Return*
- (iii) *Filing of Revised Return*
- (iv) *Due Date of Filing Service Tax Return by Input Service Distributor*
- (v) *Appeal to Commissioner of Central Excise[Appeals]*
- (vi) *Appeal to Appellate Tribunal*
- (vii) *Large Taxpayer*
- (viii) *Optional scheme for payment of service tax available to life insurer in respect of Composite Policies*
- (ix) *Optional Scheme for payment of Service Tax in case of Money Changing Services*

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Answer

- (i) **E-payment of Service Tax:** According to Proviso to Rule 6(2) of the Service Tax Rules, 1994 the assessee who has paid service tax of ₹ 10,00,000 or more including the amount paid by utilization of CENVAT Credit in the preceding financial year, is required to deposit the service tax electronically, through internet banking
- (ii) According to Proviso to Rule 7(2) of the Service Tax Rules, 1994 it shall be mandatory for a service tax assessee to file his service tax return electronically if he has paid service tax [whether by way of cash or CENVAT Credit] of ₹ 10 lakh or more in the preceding financial year.

Further, it is also worth remembering that after submitting the service tax return electronically there will not be any requirement on the part of the service tax assessee to submit signed hard copy [of the acknowledgment generated electronically] separately in accordance with Trade Notice No. 14-S.T./2009 dated 17.09.2009.

- (iii) According to Rule 7B of Service Tax Rules, 1994 an assessee may submit a revised return in Form ST-3 in triplicate with a view to correct a mistake or omission within a period of ninety days from the date of submission of the return under Rule 7 i.e. original return. For instance, Miss Anu Dam submitted her service tax return on 20.10.2011 for the period ending 30.09.2011. Therefore, Miss Anu Dam can revise her aforesaid service tax return within a period of 90 days from 20.10.2011 [i.e. 11 days of October, 2011; 30 days of November, 2011; 31 days of December, 2011 and 18 days of January, 2012] i.e. latest by 18th January, 2012. Students should also remember that 90 days are not to be counted from the last date prescribed for filing of service tax return [which is 25.10.2011] because Miss Anu Dam filed her service tax return before the last date of filing return.

On the other hand, if the above example is slightly modified and it is assumed that Anu Dam filed her service tax return on 30.10.2011 i.e. after passing of the last date for filing of service tax return then 90 days will be counted from the actual date of filing service tax return i.e. 30.10.2011. Accordingly, Anu Dam can revise her said service tax return latest by 28th January, 2012 [i.e. 1 day of October, 2011; 30 days of November, 2011; 31 days of December, 2011 and 28 days of January, 2012]

- (iv) **Rule 9(10) of CENVAT Credit Rules, 2004** provides that the Input Service Distributor shall file a half yearly return in the prescribed form giving details of credit received and distributed during the said half year to the Jurisdictional Superintendent of Central Excise not later than last day of the month following the half year period. In simple words, the following succinct table exhibits the last date for filing service tax return by a Input Service Distributor:

Relevant half year Period ending on	Last date for filing service tax return
30 th September of a given financial year	31 st October of the same financial year
31 st March of a given financial year	30 th April of the same financial year

- (v) **Appeals to Commissioner (Appeals):** According to the provisions of section 85(1) of the Act any person aggrieved by any decision or order passed by an adjudicating authority subordinate to the Commissioner of Central Excise [hereinafter abbreviated as “CCE”] may file an appeal to the Commissioner of Central Excise [hereinafter referred as “CCE(Appeals)”]. The said appeal is popularly known as “First Appeal”. The other relevant provisions are given in the following table for the purpose of *easy understanding of students*:

S. No.	Suitable Sub-Heading	Particulars/Details	Relevant Statutory Provisions, if any
1.	Prescribed Form for filing the first appeal	ST-4	Section 85(2) of the Act read with Rule 8(1) of STR, 1994
2.	How many copies of the appeal are to be filed	Two {It is advisable to prepare three copies of the appeal. One copy will be given back as an acknowledgment}	Rule 8(2) of STR, 1994
3.	Time Limit for filing the first appeal	Three months from the date of receipt of the decision or order of such adjudicating authority relating to service tax, interest or penalty.	Section 85(3) of the Act
4.	Extension of Time Limit for filing the first appeal	Further period of three months from the last date of original period of three months. However, the extended time is allowed only when CCE (Appeals) is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within original period of three months.	Proviso to Section 85(3) of the Act
5.	Disposal of the first appeal	The CCE (Appeals) shall hear and determine the appeal and pass the necessary orders [including an order for enhancing the service tax, interest or penalty]	Section 85(4) of the Act

- (vi) **Appeals to Appellate Tribunal:** According to the provisions of section 86(1) of the Act any person aggrieved by an order passed by a CCE under section 73 or section 83A or an order passed by a CCE (Appeals) under section 85 may appeal to the Appellate Tribunal against such order. The said appeal is also known as “Second Appeal”. It is worth mentioning here that the right of second appeal is available both to the assessee

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as well as to the department. The other relevant provisions are given in the following table for the purpose of better clarity and easy recap by the students:

S. No.	Suitable Sub-Heading	Particulars/Details		Relevant Statutory Provisions, if any
1.	Prescribed Form for filing the second appeal	ST-5		Section 86(1) of the Act read with Rule 9(1) of STR, 1994
2.	How many copies of the appeal are to be filed	Four		Rule 9(2) of STR, 1994
3.	Time Limit for filing the second appeal	Within three months of the date on which the order sought to be appealed against is received by the assessee or the Committee of Chief Commissioners or Committee of Commissioners, as the case may be.		Section 86(3) of the Act
4.	Filing of Memorandum of Cross-Objections	If one party files an appeal then the other party can file a Memorandum of Cross Objections within 45 days of the receipt of the relevant notice regarding filing of appeal.		Section 86(4) of the Act
5.	Condonation of delay in filing the second appeal or Memorandum of Cross-objections	The Appellate Tribunal may condone the delay in filing the appeal or Memorandum of Cross Objections if it is satisfied that there was sufficient cause for not presenting the said appeal or Memorandum within the stipulated time.		Section 86(5) of the Act
6.	Powers and Procedure	In hearing the appeals & making the orders under this section the Appellate Tribunal shall exercise the same powers and follow the same procedure as it exercises & follows in hearing the appeals and making orders under the Central Excise Act, 1944		Section 86(7) of the Act
7.	Fees	Quantum of Service Tax, Interest & Penalty demanded	Amount of Fee payable	Section 86(6) of the Act

		₹ 5,00,000 or less	₹ 1,000	
		More than ₹ 5,00,000 but not exceeding ₹ 50,00,000	₹ 5,000	
		More than ₹ 50,00,000	₹ 10,000	
8.	Fees to be paid by an assessee in case of an appeal for grant of stay etc.	₹ 500/- in case of application for grant of stay or for rectification of mistake or for any other purpose including restoration of an appeal. However, the aforementioned fee of Rs, 500/- is not required to be paid in case the department files an appeal for said grant of stay etc.		Section 86(6A) of the Act

(vii) **Large Taxpayer** :- According to Rule 2(cccc) of Service Tax Rules, 1994 the term “large taxpayer” shall have the meaning assigned to it in the Central Excise Rules 2002. According to Rule 2(ea) of Central Excise Rules 2002 “large taxpayer” means a person who has one or more registered premises under the Central Excise Act 1944; OR has one or more registered premises under Chapter V of the Finance Act 1994 AND is an assessee under Income Tax Act 1961(43 of 1961), who holds a Permanent Account Number issued under Section 139A of the said Act and satisfies the conditions & observes the procedures as notified by the Central Government in this regard.

Further, every taxpayer (single PAN based entity) who is:-

- (a) Presently assessed to Income Tax/Corporate Tax under Income Tax Act 1961 in any of the five cities (i.e. Bangalore, Chennai, Delhi, Kolkata or Mumbai); and
- (b) Who has paid during the preceding financial year :-
 - (i) Duties of Excise in cash (account current) of more than ₹ 5 Crores; or
 - (ii) Service Tax in cash (account current) of more than ₹ 5 Crores; or
 - (iii) Advance Income Tax /Corporate Tax of more than ₹ 10 Crores
 is an eligible taxpayer for the purpose of being treated as LTU.

Statutory Provisions/Rules/Notification governing LTU under Service Tax Law:-

Rule 10 of Service Tax 1994 provides as under:-

Procedure & facilities extended to large taxpayer: Interestingly, the heading has been phrased as “procedure & facilities extended to large taxpayer”. However, following are the duties of a LTU:-

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Notwithstanding anything contained in these rules (i.e. Service Tax Rules, 1994) the following shall apply to a large taxpayer:-

- (1) **Submission of returns:-** A LTU shall submit prescribed returns for each of the registered premises. However, a LTU who has obtained Centralized Registration under Rule 4(2) shall submit a Consolidated Return in respect of all of his premises.
- (2) **Make available Records in Electronic Form:** - A LTU may be asked to make available the Financial, Stores & Cenvat Credit Records in electronic media such as compact disc/tape for Scrutiny & Verification purposes.
- (3) **Exit Notice:** - A LTU may opt out to be a LTU from the first day of the following financial year. For exit option a LTU has to give minimum 30 days advance intimation.
- (4) **Status of Pending Notices:** - Any notice issued (before granting LTU Status) but not adjudged by the concerned Central Excise Officer shall be deemed to be issued by Central Excise Officers of LTU Cell & accordingly will be adjudged by them.
- (5) **Application of Service Rules 1994:-** Provisions of Service Tax Rules 1994 shall apply (with necessary changes) to LTU also, provided these are not inconsistent with Rule 10 of Service Tax Rules, 1994.

In addition, consequent upon introduction of concept of LTU, Following information relating to LTU is required to be given in ST-3 Return:-

[1A] Has the assessee opted to operate as LTU(Y/N)

(As defined under Rule 2(ea) of the Central Excise Rules 2002 read with Rule 2(1) (cccc) of Service Tax Rules, 1994)

[1B] If reply to column "1A" is 'yes', name of Large Taxpayer Unit (LTU)
opted for (Name of city)

(viii) Optional Scheme for payment of service tax available to life-insurer in respect of composite policies

According to substituted Rule 6(7A) of Service Tax Rules, 1994 w.e.f. 01.05.2011 instead of discharging the service tax liability at the prevailing rate of service tax an insurer carrying on life insurance business shall have the option to pay service tax in accordance with following concise table:

When break-up of the gross premium into risk portion and investment portion is given to the policy holder at	Payment of Tax on that portion of the premium which is not invested. For instance gross premium of ₹ 20,000/- is divided into Risk Portion (₹ 14,000/-) and investment portion (₹ 6,000/-) and intimated to the concerned
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the time of providing of service	policy holder. As per this option the concerned life insurance company will have the option of paying service tax at the prevailing rate [i.e. 10.30%] on ₹ 14,000/- [₹ 20,000(gross premium) – ₹ ₹ 6,000/- [investment portion].
When above-mentioned break-up is not given to the policy holder	Payment of Service Tax @ 1.5% of the gross premium. Continuing with the above example, the life insurance company will have the option of paying service tax @ 1.5% on ₹ 20,000/- (gross amount of premium).

However, according to proviso to Rule 6(7A) the benefit of optional rate shall not be available in cases where the entire premium paid by the policy holder is only towards the risk cover in life insurance. Once again, continuing with the above example, if the entire (gross) premium is paid by the policy holder only towards the risk cover in life insurance. In this situation, service tax liability is to be discharged at the prevailing rate of service tax.

(ix) Optional Scheme for payment of Service Tax in case of Money Changing Services

According to Rule 6(7B) of Service Tax Rules, 1994 the person liable to pay service tax in relation to purchase or sale of foreign currency [including money changing] provided by a foreign exchange broker[including an authorised dealer in foreign exchange or an authorised money changer] has either of the following options of paying service tax with effect from 01.04.2011:

(A) At the rate specified in Section 66 of the Act on the value of services determined in accordance with Rule 2B[inserted vide **Notification No. 02/2011-S.T. dated 01.03.2011** w.e.f. 01.04.2011] of Service Tax(Determination of Value) Rules, 2006 ;OR

(B) At the rate in accordance with following slabs:

Quantum of Currency Exchanged	Composition Rate of Service Tax
Upto ₹ 1,00,000	0.1% of the gross amount of currency exchanged, subject to minimum amount of ₹ 25/-
An amount exceeding ₹ 1,00,000/- and up to ₹ 10,00,000	₹ 100/- [calculated @ 0.1% on first ₹ 1,00,000] plus 0.05%[on the remaining balance]of the gross amount of currency exchanged
An amount exceeding ₹ 10,00,000/-	₹ 550 [calculated on first ₹ 10,00,000 as per above second slab] plus 0.01% [on the remaining balance]of the gross amount of currency exchanged, subject to maximum amount of ₹ 5,000/-

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In order to facilitate the understanding of working of above slab rates introduced by Notification No. 26/2011 dated 31.03.2011 w.e.f.01.04.2011 following practical example is given:

Mr. Anupam, an authorised money-changer exchanged the following gross amount of currency during the month of April, 2011 in each of the following independent cases:-

a.	₹ 20,000/-	e.	₹ 10,00,000/-
b.	₹ 50,000/-	f.	₹ 14,00,000/-
c.	₹ 1,00,000/-	g.	₹ 4,55,00,000/-[Rupees Four Crore Fifty Five Lac]
d.	₹ 300,000/-	h.	₹ 6,00,00,000/-[Rupees Six Crores]

The following Table exhibits computation of service tax liability in each of the above cases under **Composition Scheme** in accordance with above-mentioned slab-rates given under Rule 6(7B) w.e.f. 01.04.2011:

S. No.	Gross Amount of Currency Exchanged	Computation of Service Tax liability	Amount of Service Tax liability
(a)	₹ 20,000/-	₹ 20,000 X 0.1% = ₹ 20/- subject to minimum amount of ₹ 25/-	₹ 25/-
(b)	₹ 50,000/-	₹ 50,000 X 0.1% = ₹ 50/- subject to minimum amount of ₹ 25/-	₹ 50/-
(c)	₹ 1,00,000/-	₹ 1,00,000 X 0.1% = ₹ 100/- subject to minimum amount of ₹ 25/-	₹ 100/-
(d)	₹ 3,00,000	₹ 100/- [₹ 100,000 X 0.1%] + ₹ 100/- [2,00,000 X 0.05%]	₹ 200/-
(e)	₹ 10,00,000	₹ 100/- [₹ 100,000 X 0.1%] + ₹ 450/-[₹ 9,00,000 X 0.05%]	₹ 550/-
(f)	₹ 14,00,000/-	₹ 550 [calculated on first ₹ 10,00,000 as per second slab] + ₹ 40/- [₹ 4,00,000 X 0.01%]	₹ 590/-
(g)	₹ 4,55,0000/- [Rupees Four Crore Fifty Five lakhs]	₹ 550 [calculated on first ₹ 10,00,000 as per second slab] + ₹ 4450/- [₹ 4,45,00,000 X 0.01%, subject to maximum amount of ₹ 5,000/-	₹ 5,000/-
(i)	₹ 6,00,00,000 [Rupees Six Crore]	₹ 550 [calculated on first ₹ 10,00,000 as per second slab] + ₹ 5900/- [₹ 5,90,00,000 X 0.01, subject to maximum amount of ₹ 5,000/-	₹ 5,000/-

Question 22

Briefly explain the provisions in the Service Tax Rules, 1994 relating to furnishing of list of records at the time of filing of return for the first time.

Answer

Rule 5(2) of the Service Tax Rules, 1994 lays down that every assessee should furnish to the Superintendent of Central Excise at the time of filing of return for the first time a list in duplicate, of

- (i) all the records prepared or maintained by the assessee for accounting of transactions in regard to,
 - (a) providing of any service, whether taxable or exempted;
 - (b) receipt or procurement of input services and payment for such input services;
 - (c) receipt, purchase, manufacture, storage, sale, or delivery, as the case may be, in regard of inputs and capital goods;
 - (d) other activities, such as manufacture and sale of goods, if any.
- (ii) all other financial records maintained by him in the normal course of business.

Question 23

What are the prevailing audit norms for service tax assesseees ?

Answer

The audit norms prescribed by Service Tax Audit Manual, 2010 are given in the following table:

S.No.	Quantum of annual total service tax payment in (cash + CENVAT Credit) in preceding financial year	Frequency of Audit
1	Tax payers paying more than ₹ 3 Crores	Every year
2	Tax payers paying between ₹ 1 crore and ₹ 3 crores	Once in 2 years
3	Tax payers paying between ₹ 25 Lacs and ₹ 1 Crore	Once in 5 years
4	Tax payers paying below ₹ 25 Lacs	2% of the total no. every year

It has been further specified in above-mentioned Audit Norms that preferably Audit should be done by using Computer Assisted Audit Program (CAAP) techniques.

Selected Self-Examination Questions

1. Who is responsible to make the payment of service tax in case of service rendered by a Goods Transport Agency.
2. A Ltd. enters into an advertising contract with B Ltd. for a sum of ₹ 15,00,000/- on 05.11.2011. A Ltd. receives an advance of ₹ 10,00,000/- on 06.11.2011 and the balance

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amount on the completion of services on 12.12.2011. Determine the Point of Taxation for A Ltd.

[Hint: Refer to Rule 3 of Point of Taxation Rules, 2011]

3. Mr. Naman is a consulting Engineer. He provided services to Manoj Ltd. for ₹ 20,00,000/- in the month of August, 2011. He received ₹ 6,00,000/- as advance on 16.07.2011 and remaining amount of ₹ 14,00,000 in two instalments i.e. on ₹ 9,00,000 on 09.09.2011 and ₹ 5,00,000 on 14.12.2011. Determine the point of Taxation of Mr. Naman

[Hint: Since Mr. Naman is providing Consulting Engineer's Services [which fall within the purview of Rule 7(c) of Point of Taxation Rules, 2011, he will be liable to pay service tax on the basis of receipt of consideration and not on accrual basis. Resultantly, Points of Taxation for Naman will be 16.07.2011, 09.09.2011 and 14.12.2011 in respect of ₹ 6 lac, ₹ 9 lac and Rs 5 lac respectively]

4. Who should apply for registration under service tax law?
5. What is to be done with registration when-
 - (a) A registered assessee transfers his business to another person, or
 - (b) A registered assessee ceases to carry on the activity for which he is registered?
6. Discuss the provisions governing the registration of premises of service providers who have centralized billing or centralized accounting system.
7. What is the relevant date for payment of service tax in case of a company for the month of February and March?
8. When is the invoice, in respect of provision of service, issued?
9. When should the return be filed if the due date happens to be a public holiday?
10. Under what circumstances, provisional assessment is resorted to? What is the procedure to be followed for provisional assessment?
11. What are the obligations of the assessee with regard to the records relating to service tax?
12. Discuss the provisions in respect of provisional attachment to protect revenue in certain cases.
13. What is the "relevant date" for calculation of limitation period of one year in respect of filing refund claims related to service tax?
14. Under what situations, penalty may be imposed by the department on the assessee?