

MOCK TEST PAPER – 2
FINAL COURSE: GROUP – II
PAPER – 8: INDIRECT TAX LAWS
SUGGESTED ANSWERS / HINTS

1 (a) Calculation of duty liability under *Notification No. 8/2003*.

Gross sales turnover is ₹ 1,95,10,000 which includes excise duty and sales tax.

For first 150 lakh clearances, excise duty is Nil and sales tax is 2%.

Therefore, sales tax on first ₹ 150 lakh clearances = ₹ 3,00,000.

For Balance sales (including excise duty and sales tax)

= ₹ 1,95,10,000 – (1,50,00,000 + 3,00,000) = ₹ 42,10,000,

Sales tax = 42,10,000 × 2/102 = ₹ 82,549

Therefore, balance sales excluding sales tax but including excise duty

= ₹ 42,10,000 – 82,549 = ₹ 41,27,451

Hence, excise duty (including 3% education cess)

= ₹ 41,27,451 × 10/110.3 = Rs3,74,202.27

Add: Education cess of 2% of ₹ Rs3,74,202.27 = ₹ 7484.05

Add: Secondary and higher education cess of 1% of ₹ 3,74,202.27

= ₹ 3742.02

Total duty payable = ₹ 3,85,428.34 or ₹ 3,85,428

(b) CENVAT credit admissible to ABC Co. for the month of November, 2011

Particulars	₹
Raw Steel	47,000
Plastic pipe making machine (₹ 19,000 × 50%) (Note-1)	9,500
Grease and Oil	2,800
Spare parts for the machinery (₹ 9,500 × 50%) (Note-1)	<u>4,750</u>
CENVAT credit admissible	<u>64,050</u>

Notes :

In respect of:-

1. Plastic pipe making machine and spare parts, being capital goods, only 50% of

CENVAT credit is available [Rule 4(2)(a) of the CENVAT Credit Rules, 2004].

2. No credit is available on office equipment since the definition of capital goods under Rule 2(a) of the CENVAT Credit Rules, 2004 specifically excludes any equipment/ appliance used in an office.
 3. No credit is available on High Speed diesel oil since the definition of input under rule 2(k) of the CENVAT Credit Rules, 2004 specifically excludes it.
- (c) Computation of service tax payable by Andrew Consultants under the category of 'manpower recruitment and supply agency's services for the financial year 2010-11:-

Particulars	Amount (₹)
Pre-recruitment screening of the prospective candidates	10,00,000
Verification of the credentials of the candidates	9,00,000
Supply of contractual employees to big business houses	<u>15,00,000</u>
Value of taxable services	<u>34,00,000</u>
Service tax @ 10% = ₹ 34,00,000 × 10%	3,40,000
Add: Education cess payable @ 2% = ₹ 3,40,000 × 2%	6,800
Add: Secondary and education cess payable @ 1% = ₹ 3,40,000 × 1%	3,400
Amount of service tax payable	3,50,200

Note:

1. Notification No. 1/2009 ST dated 05.01.2009 has exempted the services provided by a manpower recruitment or supply agency in relation to the recruitment or supply of manpower, temporarily or otherwise provided to a goods transport agency for transportation of goods by road in the said goods carriage from the whole of the service tax. Therefore, ₹ 4,75,000 would not be included in the value of the taxable services.
2. Exemption from service tax under Notification No. 6/2005-ST dated 01.03.2005 is not available to Andrew Consultants for the financial year 2010-11 because the aggregate value of taxable services exceeds ₹ 10 lakh in the preceding financial year 2009-10

(d)

		₹	₹
A.	Purchases made in February, 2011		65,00,000

	Less: (i) Inter-State purchases (input credit not available)	20,00,000	
	(ii) Purchase from unregistered dealer (input credit not available)	20,50,000	
	(iii) Capital goods (not eligible for input credit)	<u>9,50,000</u>	<u>50,00,000</u>
	Total purchases eligible for tax credit		<u>15,00,000</u>
B.	Input tax credit available		
	VAT credit on input @ 4%		
	4% of (₹ 15,00,000 – ₹ 9,00,000)		
	i.e. 4% of ₹ 6,00,000		24,000
	VAT credit on eligible capital goods		
	(4% of ₹ 9,00,000) × $\frac{1}{36}$		<u>1,000</u>
	Input credit available for February, 2011		<u>25,000</u>
C.	VAT on sales @ 12.5% of ₹ 10,00,000		1,25,000
	Less: Input tax credit		<u>25,000</u>
	Net VAT payable		<u>1,00,000</u>
	Input tax credit carried forward to March, 2011		<u>Nil</u>

(e) Computation of assessable value and total custom duty payable:-

Particulars	
CIF Value	\$1, 20,000
Add : Landing charges @ 1% of CIF value (Note – 1)	<u>\$1, 200</u>
	<u>\$, 121,200</u>
Assessable value (in Rupees) = \$1,21,200 × ₹ 45 (Note -2)	₹ 54,54,000
Add : Basic custom duty @ 10% (₹ 54,54,000 × 10%)	<u>₹ 5,45,400</u>
	₹ 59,99,400
Add : Countervailing duty (₹ 59,99,400 × 8.24%)	<u>₹ 4,94,350.56</u>
	₹ 64,93,750.56
Education cess [(₹ 5,45,400 + ₹ 4,94,350.56) × 3%]	<u>₹ 31,192.52</u>
Total custom duty payable (₹ 5,45,400 + ₹ 4,94,350.56+ ₹ 31,192.52)	<u>₹ 10,70,943.08</u>

Notes:-

- (1) Landing charges at the rate of 1% of the CIF value of the imported goods, shall be added, whether ascertainable or not [First proviso to rule 10(2) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007].
 - (2) Applicable exchange rate is ₹ 45/- per \$ as notified by CBEC because explanation to section 14(1) provides that rate of exchange shall be the rate as notified by CBEC.
2. (a) (i) The said statement is not valid. W.E.F. 01.04.2011 the CENVAT Credit of "input service" is allowed, on or after the day on which invoice, bill or challan is received as per provisions of Rule 4(7) of CENVAT Credit Rules, 2004. In simple words, w.e.f. 01.04.2011 the CENVAT Credit is allowed on accrual basis. Similarly, CENVAT credit in respect of excise duty paid in respect of inputs can be availed on accrual basis i.e. as soon as the goods are received in the factory as per provisions of Rule 4(1) of CENVAT Credit Rules, 2004.
- Thus, w.e.f. 01.04.2011 the CENVAT Credit both in r/o "input" and "input service" can be availed on accrual basis.
- (ii) The said statement is not valid. According to Rule 2(k) of CCR, 2004 w.e.f. 01.04.2011 the term "input", amongst other things, means all goods used in the factory [by the manufacturer] of the final product. Materials used for maintaining factory building only facilitate manufacture and are not integrally used in the manufacture of final products. Hence, such materials are not eligible for CENVAT Credit.
- (iii) The said statement is absolutely valid. According to sixth proviso [inserted vide Notification No. 26/2010-C.E.(N.T.) dated 29.06.2010] to Rule 3(4) of CENVAT Credit Rules, 2004 the CENVAT Credit of any duty specified under Rule 3(1) of CCR, 2004 shall not be utilised for payment of the Clean Energy Cess leviable under section 83 of the Finance Act, 2010.
- 2 (b) (i) With effect from 01.05.2011 the definition of term "support services of business or commerce" given vide section 65(104c) has been amended to include 'Operational or Administrative Assistance in any manner'. Consequently, operational or administrative assistance are most likely to fall within the purview of the Business Support Services. It is also pertinent to add that it has been clarified in D.O.F. No. 334/3/2011-TRU dated 28.02.2011 that the words 'operational and administrative assistance' have wide connotation and can include certain services already taxed under any other head of more specific description. The correct classification will continue to be governed by Section 65A.
- (ii) With effect from 01.05.2011 section 65(105)(zzze) has been amended to include services provided "to any other person" [besides its members] within

the ambit of Club or Association Services. As a result, services provided to non-members will be taxable under the heading Club or Association Services. In addition, services provided to members of other affiliated clubs will also be taxable under the heading Club or Association Services with effect from 01.05.2011.

(iii) With effect from 01.05.2011 the services provided or to be provided by a practicing chartered accountant in his professional capacity, to a client, relating to representing the client before any statutory authority in the course of proceedings initiated under any law by way of issue of notice, have been made taxable. *The exemption given in this regard under Notification No. 25/2006-ST dated 13.7.2006 has been withdrawn with effect from 01.05.2011 vide Notification No. 32/2011 dated 25.04.2011.*

(c) W.E.F. 08.04.2011 Section 142A has been inserted in the Customs Act, 1962. As a result, if an assessee or any other person under this Act does not make payment of any amount of duty, penalty, interest or any other sum payable under this Act, then first charge will be created on the property of such assessee or the person. However, aforementioned first charge will be subject to the following:-

- (i) Any sum payable under section 529A of the Companies Act, 1956.
- (ii) Any sum payable under Recovery of Debts Due to Banks and the Financial Institutions Act, 1993
- (iii) Any sum payable under the Securitization and Reconstruction of Financial Assets and the Enforcement of Security Interest Act, 2002

3 (a) Yes, the show cause notice is sustainable in law. The facts of the given case are similar to case of ***Nicholas Piramal India Ltd. v. CCEs., Mumbai 2010 (260) E.L.T. 338 (S.C.)*** The Supreme Court ruled that short shelf-life could not be equated with no shelf-life and would not *ipso facto* mean that it could not be marketed. A shelf-life of 2 to 3 days was sufficiently long enough for a product to be commercially marketed. Shelf-life of a product would not be a relevant factor to test the marketability of a product unless it was shown that the product had absolutely no shelf-life or the shelf-life of the product was such that it was not capable of being brought or sold during that shelf-life. Also, Vitamin A acetate crude and Vitamin A Palmitate are different commercial item from that of Rovimix and Rovibe. It is also known in different pharmacopoeia as such. Merely because the company has not sold the product does not exclude it from the purview of commercial marketability.

There is also no dispute that the said product in question is used in the manufacture of the animal feed supplement sold by the Appellant. Had the Appellant not used the product in question, they would have had to buy the same from the market to manufacture and sell the Animal Feed Supplement.

Hence, product with the shelf life of 2 to 3 days was marketable and hence, excisable.

- (b) No, the show cause notice is not sustainable in law. The facts of the given case are similar to case of **CCE v. Nahar Industrial Enterprises Ltd. 2010 (19) STR 166 (P & H)**. The High Court noted that apparently, service tax could be levied only if service of 'storage and warehousing' was provided. Nobody can provide service to himself. In the instant case, the assessee stored the goods owned by him. After the expiry of storage period, he was free to sell them to the buyers of its own choice. He had stored goods in compliance to directions of Government of India issued under the Sugar Development Fund Act, 1982. He had received subsidy not on account of services rendered to Government of India, but had received compensation on account of loss of interest, cost of insurance etc. incurred on account of maintenance of stock. Hence, the act of assessee could not be called as rendering of services.

The High Court upheld the Tribunal's decision that just because the storage period of free sale sugar had to be extended at the behest of Government of India, neither the assessee becomes 'storage and warehouse keeper' nor the Government of India becomes their 'client' in this regard. Therefore, the storage of specific quantity of free sale sugar could not be treated as providing 'storage and warehousing' services to the Government of India. Hence service tax is not chargeable on the buffer subsidy provided by the Government for storage of free sale sugar, under the category of 'storage and warehousing services'

- (c) No, the show cause notice imposing penalty under section 112 is not sustainable in law. The facts of the given case are similar to case of **O.T. Enasu v. UOI 2011 (272) E.L.T. 51 (Ker.)**

The High Court noted that under sub-clause (ii) of clause (a) of section 112, the liability to penalty is determined on the basis of duty sought to be evaded. Therefore, the jurisdictional fact to impose a penalty in terms of section 112(a)(ii) includes the essential ingredient that **"duty was sought to be evaded"**. The concept of evading involves a conscious exercise by the person who evades. Therefore, the process of "seeking to evade" essentially involves a mental element and the concept of the status "sought to be evaded" is arrived at only by a conscious attempt to evade.

The non-observance of the conditions of import of the goods in question gives the jurisdiction to impose an order of confiscation in terms of Section 111(o) of the Act. However, while considering the question as to whether penalty has to be imposed on any person for any commission or omission, which has rendered the goods liable for confiscation under Section 111(o), it has to be decided as to whether the goods became liable for confiscation on account of any act of omission or commission attributable to the person in question. Merely because a person is the Managing

Director of a company, he would not be fastened with penalty, unless it is shown that he had, by his commissions or omissions, led the goods to be liable for confiscation.

In view of the above discussion, the High Court inferred that unless it is established that a person has, by his omissions or commissions, led to a situation where duty is sought to be evaded, there cannot be an imposition of penalty in terms of section 112(a)(ii) of the Act. Hence MD could not be made liable to penalty under section 112 of customs Act,

- 4 (a) No, Department's contention is not valid in law. The facts of the given case are similar to case of **CCE v. Techno Rubber Industries Pvt Ltd. 2011 (272) E.L.T. 191 (Kar.)**. The High Court elucidated that once it is admitted that the Department has received excess duty, they are bound to refund it to the person who has paid the excess duty. If the buyer of the goods has paid that excess duty, he would have been entitled to the said refund.

In the instant case, when the buyer had refused to pay excess duty claimed and had raised a debit note, the only inference to be drawn was that the assessee had not received that excess duty which he had paid to the Department. Consequently, Department was bound to refund to the assessee the excess duty calculated. Hence, the substantial question of law raised was answered in favour of the assessee and against the revenue. Hence, in the instant case, the excess duty paid by JIL can be refunded on the basis of the debit note issued by the VE.

- (b) The question as to whether the option for composition scheme under works contract service can be exercised after payment of service tax on a particular works contract was examined by the High Court in case of **Nagarjuna Construction Company Ltd v. GOI 2010 (19) STR 321 (A.P.)**

The High Court held that on a true and fair construction of rule 3(3) of the Works Contract (Composition Scheme for Payment of Service Tax) Rules, 2007, unambiguously, it was clear that where in respect of a works contract service tax had been paid, no option to pay service tax under the composition scheme could be exercised. The entitlement to avail the benefits of the composition scheme is only after an option is exercised under rule 3(3) of the said rules and this provision specifically enjoins a disqualification for exercise of such option where service tax has been paid in respect of a works contract. In other words, where service tax has been paid in respect of a works contract, the eligibility to exercise an option to avail the benefits of the composition scheme is excluded.

The benefit of the composition scheme is available [subject to the exercise of option and the conditions of eligibility for exercise of such option as spelt out in rule 3(3)] only in relation to "works contract service", as defined in rule 2(c) 105 of section 65 of the Act].

[Rule 2(c) defines “works contract service” as meaning service provided in relation to execution of the works contract referred to in sub-clause (zzzza) of clause

- (c) The High Court, in case of ***Textoplast Industries v. Additional Commissioner of Customs 2011 (272) E.L.T. 513 (Bom.)*** decided the issue as to whether the separate penalty under section 112 of the Customs Act can be imposed on the partners when the same has already been imposed on partnership firm.

The High Court noted that Explanation to section 140 of the Customs Act, 1962 brings within purview of “Company”, a firm or an association of individuals, and “Director” in relation to firm, includes its partner. The High Court observed that in case of Apex Court judgment of *Standard Chartered Bank v. Directorate of Enforcement*, there emerged the principle that the deeming fiction is not confined to a criminal prosecution but will also extend to an adjudication proceeding as well. Hence, the High Court, in the instant case, held that the deeming fiction in section 140(2) making Director, Manager, Secretary or other officer of company liable to penalty, would not be confined to criminal prosecution but extends to adjudication proceeding as well.

The High Court explained that had it been otherwise, it would have led to strange situation where, for criminal prosecution, partner as well as person in charge responsible for conduct of business of partnership firm would be liable whereas for adjudication purposes, a narrower construction had to be adopted. There was no reason to exclude penalty on partnership firm, particularly when it was consistent with overall scheme and object of the Act.

In view of the above discussion, the High Court held that for the purpose of imposing penalty, the adjudicating authority under Customs Act, 1962 might, in an appropriate case, impose a penalty both upon a partnership firm as well as on its partners.

- 5 (a) (i) According to Section 4 of Central Excise Act, 1944 following four conditions are required to be satisfied individually and cumulatively for valuing excisable goods on the basis of transaction value:
- (a) There should be sale of goods.
 - (b) The goods sold should be for delivery at the time and place of removal.
 - (c) The assessee and the buyer of the goods should not be related persons.
 - (d) The price should be sole consideration for the sale.

In those cases where any of the above requirements are not fulfilled, the assessable value should not be Transaction Value. In such cases the assessable value is required to be determined on the basis of Central Excise (Determination of Price of Excisable Goods) Rules, 2000.

- (ii) The Central Excise Tariff Act, 1985 incorporates five Rules of Interpretation. Rule 3(c) of the Rules for the Interpretation provides that when goods cannot be classified by reference to rule 3(a) or rule 3(b), they shall be classified under the heading which occurs last in the numerical order among those which equally merit consideration.

Thus the maxim "Latter the Better" applies in determining the classification of the excisable goods.

- (b) (i) As per Rule 3(1) of the Export of Services Rules, 2005, the following are export of taxable services:-

- (i) When the service is provided in respect of immovable property which is situated outside India.[covered under Rule 3(1)(i)]
- (ii) When the service is performed (at least partly) outside India.[covered under Rule 3(1)(ii)]
- (iii) When the service is provided from India but the recipient of service is outside India.[covered under Rule 3(1)(iii)]

- (ii) The broad principles considered by the States while framing various sales-tax incentive schemes in VAT regime are given below:

The VAT chain should not be disturbed.

There should not be any further revenue loss to the States.

The Department should be able to track the transactions and should ensure that there is no evasion or avoidance of tax due to incentive schemes.

Wherever exemption or deferred as per old provision is continued, following additional issues should be taken into consideration:

- (a) The units enjoying exemption under the old law should not be put to disadvantageous position under the VAT system.
- (b) The units who are purchasing inputs without payment of any tax should be allowed to enjoy the benefit under the new system also.

- (c) Section 62 of the Customs Act, 1962 provides for the control of customs over the warehoused goods. The provisions are discussed as follows:

- (i) All warehoused goods shall be subject to the control of the proper officer.
- (ii) No person shall enter a warehouse or remove any goods therefrom without the permission of the proper officer.
- (iii) The proper officer may cause any warehouse to be locked with the lock of the customs department and no person shall remove or break such lock.
- (iv) The proper officer shall have access to every part of a warehouse and power

to examine the goods therein.

- 6 (a) (i) Remission of duty is granted when the goods are lost or destroyed by natural causes or by unavoidable accident or are claimed by the manufacturer as unfit for consumption, at any time before removal.

Hence, in this case remission of duty cannot be granted under rule 21 of the Central Excise Rules, 2002 as goods have already been cleared from the factory after payment of duty.

- (ii) As per sub-rule (5C) of rule 3 of CENVAT Credit Rules, 2004 inserted vide *Notification No. 33/2007 CE (NT) dated 07.09.2007*, where on any goods manufactured or produced by an assessee, the payment of duty is ordered to be remitted under rule 21 of the Central Excise Rules, 2002, the CENVAT credit taken on the inputs used in the manufacture or production of said goods shall be reversed.

OR

- (a) (i) It is usually preferable not to pay duty rather than to pay it and wait for refund from the government. However, in the following situations, it is beneficial to pay duty and claim rebate under Rule 18 of Central Excise Rules, 2002:

(A) If assessee has balance of duty in Capital Goods CENVAT Credit Account, it is advisable to pay duty and claim refund, as balance in Capital Goods CENVAT Credit Account is never refundable. The said situation may take place if duty paid on capital goods is heavy and assessee may not be able to utilize the credit.

(B) An SSI Unit may pay excise duty and claim rebate, as getting refund of CENVAT Credit of inputs is not an easy proposition. Further, he is not entitled to get refund of duty paid on capital goods.

(C) When duty paid goods are proposed to be exported.

(D) Claiming rebate is comparatively easy procedure than claiming refund of duty paid on inputs under CENVAT Credit Rules, 2004.

- (ii) As per section 35L of the Central Excise Act, 1944, an appeal shall lie to the Supreme Court from

(a) any judgment of the High Court delivered -

(i) in an appeal made under section 35G or

(ii) on a reference made under section 35G by the Appellate Tribunal before the 1st day of July, 2003 or

(iii) on a reference made under section 35H

if the High Court certifies the case to be fit for appeal to the Supreme Court.

The High Court can certify any case on its own motion or on an oral application made by or on behalf of the aggrieved party, immediately after passing of the judgement.

- (b) any order of the Appellate Tribunal [before the establishment of NTT] having relation to the determination of rate of duty or value of goods, among other things.

Further, by Special Leave Petition (SLP) under Article 136 of Constitution of India i.e. permission of Supreme Court, even in cases where High Court does not certify it to be a fit case for appeal to Supreme Court, an appeal can be filed before S.C.

- 6 (b) (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) The three commonly used methods for computation of VAT are briefly explained below:
- (a) **Addition Method:** This method aggregates all the factor payments including profit to arrive at the total value addition on which the rate is applied to calculate the tax. This type of calculation is mainly used with income variant of VAT. Further, this method does not easily accommodate exemptions of intermediate dealers. The main drawback of this method is that it does not facilitate matching of invoices for detecting evasion.
 - (b) **Invoice Method:** Under this method tax is imposed at each stage of sales on the entire sales value and tax paid at the earlier stage is allowed as set-off. The most important aspect of this method is that at each stage, tax is to be charged separately in the invoice. This method is also known as Tax Credit Method or Voucher Method.
 - (c) **Subtraction Method:** Under this method, the tax is charged only on the value added at each state of sale of goods. Since the total value of goods sold is not taken into account, the question of grant of claim for set-off or tax credit does not arise. This method is normally applied where the tax is not charged separately.

- 6 (c) Section 114 of the Customs Act, 1962 provides that any person who, in relation to any goods, does or omits to do any act which act or omission would render such goods liable to confiscation under section 113, or abets the doing or omission of such an act, shall be liable:
- (i) in the case of goods in respect of which any prohibition is in force under this Act or any other law for the time being in force, to a penalty not exceeding three times the value of the goods as declared by the exporter or the value as determined under the Act, whichever is the greater.
 - (ii) in the case of dutiable goods, other than prohibited goods, to a penalty not exceeding the duty sought to be evaded or five thousand rupees, whichever is the greater;
 - (iii) in the case of any other goods, to a penalty not exceeding the value of the goods, as declared by the exporter or the value as determined under this Act, whichever is the greater.
- 7 (a) (i) According to provisions of Section 23A(c) of Central Excise Act, 1944 an application for advance ruling can be made by any of the following, if he or it proposes to undertake any business activity in India:
- (i) (a) a non-resident setting up a joint venture in India in collaboration with a non-resident or a resident; or
 - (b) a resident setting up a joint venture in India in collaboration with a non-resident; or
 - (c) a wholly owned subsidiary Indian company, of which the holding company is a foreign company,
- Who or which proposed to undertake any business activity in India;
- (ii) a joint venture in India; or
 - (iii) a resident falling under any such class or category of persons, as may be specified by Central Government by virtue of issuing a notification in the Official Gazette. It is worth mentioning here that the Central Government has notified Public Sector Company [as defined in Section 2(36A) of Income Tax Act, 1961] as notified person for the purpose of this clause so far.
- (ii) Under Rule 25 of the Central Excise Rules, 2002, the excisable goods shall be liable for confiscation if any producer, manufacturer, registered person of a warehouse or registered dealer -
- (i) removes any excisable goods in contravention of Central Excise Rules/Notifications; or
 - (ii) does not account for any excisable goods produced or manufactured or

stored by him; or

- (iii) contravenes any of the provisions of Rules/Notification with an intent to evade payment of duty; or
- (iv) engages in the manufacture or production or storage of any excisable goods without registration of the factory.

Section 34 of the Central Excise Act provides that whenever confiscation is adjudged under the Central Excise Act or the rules made thereunder, the officer adjudging it, shall give the owner of the goods an option to pay in lieu of confiscation such fine as the officer thinks fit. Therefore, the assessee can get the confiscated goods back by paying redemption fine as prescribed in the order of the officer adjudging such confiscation.

- (b) (i) 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

- (b) (ii) **Compulsory Registration:** If an assessee fails to obtain registration under the applicable VAT Act, he may be registered compulsorily by the Commissioner. The Commissioner may assess the tax due from such person on the basis of evidence available with him. Resultantly, the concerned assessee is bound to pay such amount of tax. In addition, failure on the part of get himself compulsorily register result in attracting default penalty and forfeiture of eligibility to set off all input tax credit related to the period prior to the compulsory registration.

Voluntary Registration: A dealer who is not eligible for registration under VAT may also obtain registration if the Commissioner is satisfied that the business of the applicant requires registration under VAT. At the time of granting voluntary registration, the Commissioner may impose certain terms or conditions if he thinks it necessary to do so.

- (c) Section 2(31) provides that person in charge means:
- (a) in relation to a vessel, the master of the vessel.

- (b) in relation to an aircraft, the commander or the pilot in charge of the aircraft.
- (c) in relation to a railway train, the conductor, guard or other person having the chief direction of the train.
- (d) in relation to any other conveyance, the driver or other person in charge of the conveyance.

The importance of person in charge is multidimensional for instance he is responsible for submitting Import Manifest and Export Manifest. He is also responsible for ensuring that the conveyance comes through approved route and lands at approved places only. He has also to ensure that goods are unloaded after written order, at proper place. Likewise he has also to ensure that goods are loaded only after proper permission.