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PREFACE

The commercialisation of education in the last decade was inevitable considering the demography (large population of the youth) in India. The professional courses have been no exception. The lack of majority of the students, who qualify as next-generation Chartered Accountants, in getting absorbed in the Corporate is primarily due to their being deficient in the basic concepts, practical applicability of what is learnt and on lack of involved hands on training in the principal's office. Those who do get selected are being offered a smaller remuneration than 4-5 years back which is a serious issue considering inflation. The employers in the industry and practitioners complain that the quality of the qualified today has deteriorated. This trend is sought to be reversed partially through this comprehensive material. Students have also started understanding that just mugging up and passing the examination does not result in lasting success. Conceptual understanding is important.

The Student's Hand Book on Indirect Taxation for IPCC seeks to arouse the curiosity in the subject and enable the student to get conceptual clarity. The examples would also be practical in nature, which would bring in the vital component of applicability of learning in real life situations. Wherever possible the examples have been based on the decisions of the courts. The Student's Hand Book also provides a few tips in the appendix of each chapter for the student to do his/her work in respective offices where exposed to IDT. While the main objective of the book is to prepare for and excel in this subject, the basic understanding of the tax laws in this regard is also proposed to be an incidental gain. The student may also opt for focus on this area which in revenues is more than 2.5 times direct taxation for the Government of India. The number of professionals is also limited which means that the economic returns and stature in industry and society would also be much higher.

The Student's Hand Book on Indirect Taxation for IPCC covers all the aspects dealt in the study material of the Institute of Chartered Accountants of India.

The comprehensive handbook is also an attempt to provide alternative to the coaching classes when coupled with the free resources available on the internet by the ICAI itself. The self-learning and on the job learning are the unique features of the professional courses, which we wish to encourage. Students are advised to utilize the e-learning portal for listening to the expert faculties who have given lectures in a modular manner especially in chapters / topics where they have some doubts. Exercises could also be done to understand to what extent one has been able to understand the subject. The daily revision of studies coupled with weekly revision would help the students in retaining the concepts for a longer span of time. Further, writing of "mock tests" before exams would help the students to know where they stand and cover those areas where they are weak.

We would like to acknowledge the efforts of CA Rajesh Kumar T R, CA Amrithalal Jain, CA Akbar Basha, CA Varun Madhugiri and Advocate K.S. Naveen Kumar for their value additive contribution in editing the chapters. We thank Akshay M Hiregange as well as the article assistants from Hiregange & Associates who provided genuine valuable inputs on the efforts of simplification and understandability though this may have delayed the book a bit.

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Last but not least we owe the Puliani Brothers especially Mr. Yashpal Puliani, our special thanks for providing some directional inputs as well as their whole hearted support for publishing this maiden effort of ours for the students.

For us as eternal learners, we look forward to getting to know the errors, which may have inadvertently crept in and suggestions to improve this handbook from aspects of completeness, readability and its ability to create an interest in the subject at madhukar@hiregange.com, ca_va_jain@yahoo.com and roopa@hiregange.com.

CA Madhukar N Hiregange
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ABOUT THE AUTHORS

CA Madhukar N Hiregange

Qualified in 1987 and passed DISA & CISA in 2002. He has been active in authoring since 1997. He has jointly written 12 books on Central Excise, Service Tax, Karnataka VAT and Excise / Service Tax audit in addition to 2 online books on Service Tax and Central Excise hosted on hiregange.com.

Hiregange has been active in the field of spreading awareness through seminars, articles, online replies including pdicai.org and CA club India for the past few years. He had been a visiting faculty at various Professional and Management Institutes including the IIM Bangalore. Central Council Member of the Institute of Chartered Accountants of India for the term 2010-13. Was in the examination Committee for the year 2010-12 & Vice Chairman Board of Studies (2012-13). Worked to enhance the curriculum, free online e-learning, standardise and expand ITT & GMCS, make the course less painful while increasing the quality and consequent value of the student coming out.

In his 27 years ethical practice in Indirect Taxation has focused on how learning could be converted into value in course of normal audit, specialised due diligence assignments as well as in the core area of consultancy and representation in Central and State Indirect tax laws.

Managing Trustee – Empower Education Foundation. He is interested in education of lesser privileged. Believes in “Value Based Practice and Life”.

CA Vishal Jain A

CA Vishal Jain is a Commerce Graduate and a Member of the Institute of Chartered Accountants of India. He is also a qualified Company Secretary from the Institute of Company Secretaries of India. He has also cleared the Certificate Course on Indirect Taxation. He is a second generation Chartered Accountant who is in active practice from 2011 as a partner in M/s Jain & Mohan, Chartered Accountants, Coimbatore. He is a faculty for Indirect Taxation at the Coimbatore Branch of the ICAI and a visiting faculty at a professional coaching centre in Jodhpur. He has presented papers in professional forums on indirect taxation. He is blessed to be associated with a veteran on the subject as co-author.

CA Roopa Nayak

CA Roopa Nayak is a Commerce Graduate from St. Agnes College, Mangalore and a member of the Institute of Chartered Accountants of India. She works in the consulting division of Hiregange & Associates. She has co-authored the book “Central Excise Made Simple” (e-book - KSCAA publication), helped in preparation of material for Certificate Course on Indirect Taxation for ICAI as well as course material for “Enabling ST Practices” of ICAI. She has also prepared the Central Excise E-learning module for the Indirect Tax Committee of ICAI. She has also been active in writing articles including monthly articles

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contributor for the Karnataka State Chartered Accountants Association for the past 4 years. She is an active speaker in seminars and workshops organized by the firm as well as Branches of ICAI.

STUDY TIPS & EXAMINATION TECHNIQUES

The taxation paper is one of the best scoring paper in the IPCC exam. This can help to make good the shortage of marks in other papers or to get exemption which can assist in the next attempt. Recently more importance has been given to taxation paper; taxation includes income tax, indirect taxes. Earlier in indirect taxes only service tax and VAT had been included and from November 2013 concept of central excise, customs and CST basics are introduced. This has been done so that the student is able to understand the practical aspects and the impact of IDT in industry and commerce. IDT paper is for 50 marks which is very easy to score if the concepts are understood properly as compared to the Income Tax where the portions are quite large comparatively.

The IDT topics included in the intermediate stage is basic foundation for IDT final paper. Further basics should be stronger for further studies at next level. Also in any business now the impact of IDT on the business could be around 25% of the top line (turnover). IDT also provides an excellent opportunity to get a good job or get into specialized practice. The salaries would be about 30% more and in practice presently the fees could be more than double the traditional practice areas. Hence, it is very important to study paper for knowledge purpose as the scope for IDT is increasing day by day.

Once the exam leave starts, students should do well to concentrate on their studies only for examination purpose. As everyone knows, there would be lot of amendments with regard to taxation and students may not have done much IDT related work. Further, it may be difficult to plan for studying IDT. Here we have tried to provide the best study tips and examination techniques to clear IDT portion of taxation paper in IPCC.

STUDY TIPS

- (1) **Proper analysis of syllabus:** Before starting studies of any subject, it is relevant to see the syllabus and new amendments with regard to the same. Concentration on the amendments and new topics included in the subject may yield some advantage.
- (2) **Time allocation for each topic:** After analyzing the syllabus, allocate the time limit for each subject based on the theory and practical aspects.
- (3) **Where to study:** Study in a place where you feel comfortable, relaxed and where you can concentrate properly. If you can, study early morning, head to a library or any place where you find a quiet ambience. Avoid places where there would be interruptions / noise. Your own mobile phone may be kept in silent mode.
- (4) **Time management:** One is required to analyze the time allocated to each subject and how such time is utilized for the purpose of studies. Further in writing exam analyze the time requirement for each and every question (theory and practical). Allocate time for the mock examination of ICAI or get a small group and do on own.

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- (5) **Planning:** Make a plan of time giving enough time for exercise, short gaps, food/ refreshments on daily basis. Time to revise at regular intervals – every day in the evening for 30 minutes. About 3 hours at the end of a week are very important to increase the retention of what is learnt. Other vital aspects are organizing study place, to get more interest on studies putting charts and follow charts and goal/aim on walls and also some motivational posters.
- (6) **Come out of fear:** In case students have fear about the subject, it is very important to overcome such fear by reading/analyzing more on such subject. Further fear makes us to lose confidence and which may also make us forget the things already studied. Hence it is very important to control the same, certain portion of the fear may be unavoidable, but proper preparation reduces this aspect.
- (7) **Good conceptual understanding:** IDT topics are based on the concepts and students are required to understand the why of each tax. What is the purpose of introduction, if these questions are understood properly, then remembering the provisions will be very easy. Further students should read the provisions and also should understand the interlinks between provisions and rules and case laws. Once students get the interlinking of the provisions then IDT paper becomes easier and scoring paper.
- (8) **Open mind while studying the law:** Students should have open mind for understanding the concepts of IDT topics, so that proper analysis of the same can be done and get a good view over the concepts hiding behind the legality. Linking it to everyday life or some audit experience also helps if one is undergoing internship.
- (9) **Free online e-resources of ICAI:** The ICAI has in 2013 successfully uploaded the e-lectures module wise for the IPCC as well as for the Final students. This Learning Management System has a comprehensive coverage and also exercises and instant evaluation. Students who are not going for coaching would find this of immense help. Those who have attended the coaching may have doubts at the time of revision; they can log in with their SRO number and revise those Chapters which are needed. Subject wise CDs are also available for those who do not have access for a nominal fee per subject.
- (10) **Practical problems:** Further, a few practical problems are required to be practiced sufficiently while preparing for exam.
- (11) **Making notes:** Some books provide summary of chapter. However, the practice of preparing simple short notes or flow charts, etc. may make the study interesting. This may help them to remember the things quickly and properly more so when daily / weekly revision is done. Even while answering in exam if the answers are presented in flow chart and in any other way may make the evaluator to understand the answer and capacity of the student properly.
- (12) **Understanding common mistake made by the students:** On the Board of Studies (BOS) website every year, the Head Examiner's comments on question-wise errors is hosted. This may guide one to avoid the errors.

- (13) **Explaining the topic to others:** A powerful method of study is to explain to others. One would then quickly come to know the gaps in one's knowledge. It is very important to do group studies at least twice before exams with serious friends.
- (14) **Remembering / memorizing key words:** Examiners look for key words and phrases due to paucity of time while correcting. Therefore after completion of studies it is very important to remember the key words.
- (15) **Revision at regular intervals:** It is very important to remember whatever read, which requires regular revision of the subject. Further revision helps students to understand the provisions better way, first time understanding differs once students start reading once again. The law is based on the Act and Act is based on English. When students read second or third time the better understanding of the law can be understood, which helps a lot for exam.
- (16) **Taking care of health:** Finally during exam leave or exam days taking care of health is very important, like having proper food, good sleep else in exam hall mind may become blank. Regular exercise [indoor/outdoor] and meditation if one knows may also help.

EXAMINATION TECHNIQUES

- (1) **Analyzing question paper:** Students should analyze the structure of the paper. How the questions are raised during previous years, how much importance given to theoretical question and practical questions, how much concentration is required for each topic *etc.* This analysis helps a lot to answer the questions in exam hall. Good scanners may be used.
- (2) **Exam practice – mock test:** The students once in 15 days or month should take mock test of each subject, so that they have the capacity of answering and memorizing of whatever studied. Further mock test brings confidence in attending final exams. It is suggested to take mock test for each and every subject and wherever students feel that they are not confident with things they can once again revise the topics, this helps a lot during 3 hours of exam time.
- (3) **Good presentation and supporting working notes:** Try to answer each practical question in three parts (facts, provisions and conclusion). Further, for IPCC level practical question may be computing taxability by taking deduction of available CENVAT credit and may be with small adjustments. These practical questions can be answered better if the students are clear with theoretical understanding of law. Further how to present the answers, students should see the practice manual and revised test paper issued by the ICAI. Further the study material contains few examples which help students to understand the concept properly and also to write practical questions. Further, it is good if precise points with correct headings are written with underlining if time permits.
- (4) **Use of flow charts and diagrams:** Taxation can be presented in a flow chart or any other creative manner. The flow chart helps students to remember everything easily

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and also the evaluator to understand what student is trying to explain and analyze. Hence, it is very important to present the answer in a better way.

- (5) **After receiving question paper:** Mark the questions which you feel are easy to answer. Students should attend the easy question first with better presentation so as to impress the examiner. During three hours students should not lose confidence and temper. The proper utilization of three hours will be in the hands of students. See that all questions are answered without fail.
- (6) **Maintain good time management strategies:** Allocate time for each and every question based on marks allocated to the question. Further, if for any question time is exceeding it is better to leave that answer which is partially done and concentrate on other question. It is well said that 4 average answer is better than 2 full answers to obtain good marks.
- (7) **Presentation of paper:** Good handwriting increases the quality of the answer and ease for the evaluator. Answering practical questions is very important, because practical questions do not consume more time to write if the concepts are clear.

These are few gleanings from the understanding of the examination & evaluation process while considering that the evaluators are also human beings with limited time. One can see whether all the tips & techniques can be used or apply at least those where one is totally convinced. Finally from us to you - All the best for coming out with flying colors in the forthcoming examinations.

EXAMINER'S COMMENTS

The student at times makes mistakes unknowingly. At times, teachers may highlight this but if not noted down, students may forget. There is no need to learn by making mistakes and reinventing the wheel. The comments of the Head Examiner of the Indirect Tax paper for the past few years may be useful in avoiding common errors made by students who have appeared for past examination. Since the new syllabus is applicable for the first time for November 2014 exams, the comments for the topics are as relevant to the earlier syllabus continued in the new one.

November 2013 Exam

Question 1:

- (a) A significantly large number of candidates failed to correctly compute the amount payable under Rule 6(3)(i) of Cenvat credit rules, 2004. They did not know that where common inputs are used for manufacture for both dutiable & exempted final products & separate accounts for the same are not maintained, Rule 6(3)(i) of CENVAT Credit Rules, 2004 provides an option to the manufacturer to avail full credit on common inputs by paying an amount of 6% of value of exempted goods. Further, they were also not aware that there is a restriction on utilization of Cenvat credit for discharging the excise duty liability on goods cleared under Notification No. 1/2011. C.E dated 1-3-2011. Due to this reason they wrongly computed the duty payable by GAR-7 challan.

Question 2:

- (b) Most of the candidates wrongly mentioned services which are covered under negative list and mega exemption notification instead of setting out the specific exclusion provided under definition of service which was the correct answer.

Question 3:

- (c) In most of the cases, candidates wrongly concluded that the transaction was a deemed sale and not liable under service tax. Even the candidates who could correctly answer part (i) of the question failed to correctly classify the service as declared service. Many of them also quoted the wrong case laws.

Question 5:

- (i) (1) a few candidates could not correctly apply rule 5, 8 & 14 of Place of Provision of Service Rules, 2012. They wrongly determined the place of provision of service to be Afghanistan resulting in nil tax liability. However, as per rule 14 of the place of provision of service rules, 2012, the place of provision in this case was Gujarat & the service was taxable.

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May 2013 Exam

Question 1:

- (a) Majority of the candidates were not able to arrive at the correct amount of service tax payable due to one or more of the following reasons:-
 - (i) Few candidates wrongly calculated EC and SHEC as 2% and 1% of the value of taxable service instead of amount of service tax.
 - (ii) Majority of the candidates wrongly considered the services for supply of farm labour as liable to service tax.
 - (iii) Most of the candidates got confused regarding the point of taxation.

Question 2:

- (a) Majority of the candidates were not aware of the services provided by Government or Local authority which are not included in the negative list.
- (b) Many candidates provided general answers explaining the mechanism of VAT instead of elaborating as to how VAT is neutral to the decision making.

Question 3:

- (a) The question required the candidates to discuss as to whether a registered dealer, having stock of goods purchased from outside the State, can opt for composition scheme. Few candidates, however, mistakenly discussed the non-availability of input tax credit to the dealers opting for composition scheme.

Question 4:

- (a) Input tax credit available wrongly mentioned after retention of 2% of CST instead of mentioning 2% of VAT. - Many candidates wrongly mentioned that tax paid would be available as input tax credit after retention of 2% of CST instead of mentioning 2% of VAT.

Question 7:

- (a) Examinees answered that where the value of service is not ascertainable such value is determined by department, which is wrong. - Many candidates wrongly answered that where value of the service is not ascertainable; such value is determined by the Department.
- (b) Instead of discussing procedural requirement for claiming set off input tax on capital goods, candidates discussed on variants of VAT. - Few candidates discussed the variants of VAT instead of procedural requirements on how to claim input tax set off on capital goods.

November 2012 Exam

Question 1:

- (a) Most of the candidates failed to give the reasons for the treatment of various items.

Question 2:

- (a) Most of the candidates were not clear about the small service provider's exemption. Few candidates worked out the service tax liability for all the three financial years given in the question.

Question 4:

- (a) Instead of the condition that the dealer should not have the stock of goods which were brought from outside the State on the day he exercises the option to pay tax by way of composition, it was wrongly mentioned by many candidates that the dealer should not have any stock of goods on the day of exercise of option.

Question 7:

- (a) Most of the candidates lacked clarity on the treatment of excess service tax collected. Some answered that the excess service tax collected should be refunded to the service receiver.

May 2012 Exams

Question 1:

- (a) Most of the candidates were not clear about provisions relating to right to use canned software. Few candidates wrongly added last year's turnover while determining the value of taxable services for current year.
- (b) In most of the cases, candidates were not able to find correct value of net VAT payable. Some candidates wrongly took the entire input tax credit on capital goods in the month of February, 2012.

Question 2:

- (a) Majority of the candidates were confused and not clear on point of taxation of services in respect of advance received as well as bills raised for which payment was not received. Few candidates considered amount received as advance to be exclusive of service tax amount.
- (b) Many candidates were not able to give the reasons for preference of consumption variant of VAT over other variants.

Question 4:

- (a) Most of the candidates did not provide 40% abatement on the gross amount received for the banquet hall let out for marriage function.

Question 6:

- (b) Many candidates wrongly computed the cost of production thereby leading to incorrect computation of profit margin and VAT liability.

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Question 7:

- (a) Few candidates wrongly mentioned due date for payment of service tax instead of due dates for filing of service tax return.

November 2011 Exams

Question 1:

- (a) This question on computation of value of taxable services was answered reasonably well by the candidates.

Question 2:

- (a) The first part of the question on e-payment of service tax on mandatory basis was not answered well by the candidates. Most of the candidates did not mention that limit of Rs.10 lakh for e-payment is inclusive of CENVAT credit. As regards due date for e-payment, it was answered correctly by candidates.
- (b) This question on the role of Chartered Accountant in proper compliance of VAT was answered on general lines by many candidates. The performance of the candidates was average for this question.

Question 3:

- (a) This question intending to test chargeability to service tax on services rendered at various points of time *vis a vis* different locations was answered reasonably well by many candidates. However, few candidates ignored the word "Gross Receipt" mentioned in question resulting in computation of wrong amount of service tax.
- (b) This question on the benefits and drawbacks of composition scheme was answered well by many candidates.

Question 4:

- (a) Most of the candidates were confused and answered the composition scheme under VAT instead of mentioning composition scheme under service tax for distributor or selling agents of lotteries.
- (b) This question intending to test the conceptual knowledge of candidates was answered very briefly by them. Although it was specifically required to give reasons to support the answer, majority of the candidates did not provide the same.

Question 5:

- (a) Most of the candidates wrongly mentioned the features of service tax return instead of providing the contents of service tax return.
- (b) This question on VAT liability, where a part of raw material was used for manufacture of exempt goods, was answered well by candidates. However, few candidates wrongly claimed full input tax credit of raw material 'A' instead of taking 60% credit.

Question 6:

- (a) The question on service tax code number and objective was answered very poorly by many candidates showing lack of preparation.
- (b) This question on cross checking under VAT system was answered very poorly by the candidates.

Question 7:

- (a) This question on computation of taxable value of cargo handling service was answered reasonably well by the candidates.
- (b) This question on gross product and consumption variant was answered well by many candidates.

May 2011 Exams**Question 1:**

- (a) Only few have answered this question correctly. Majority of the students have wrongly taken the total profits derived from the Unit S i.e. Rs.13 lakhs as fully exempt on account of the unit being in SEZ, instead of calculating the profits in relation to export turnover of Unit S.
- (b) In many cases, students calculated 'value of taxable service' but omitted to calculate 'service tax payable'. They also ignored the fact that since the firm had rendered taxable service of Rs.20.2 lakh in the previous financial year, it is not a small service provider. Further, many students have wrongly considered the amount collected from companies for pre- recruitment screening as well as for recruitment of permanent and temporary staff as inclusive of service tax. Also, many of them have wrongly taken service tax liability as nil in case of advance received.
- (c) Only a very few students were able to compute the net VAT liability correctly. While some of them did not consider the VAT credit on closing stock of raw materials, others allowed the whole credit on capital goods in one year. Some students also did not consider the credit on capital goods at all. Also students failed to give reasons for excluding other items provided in the question which were not relevant for computation of input credit.

Question 2:

- (a) Though the question clearly stated that service tax is collected separately on coaching fees of Rs.14,50,000 collected from students, many students wrongly assumed it to be inclusive of service tax and made the calculations. Also, few of them wrongly considered the value of free coaching to be liable to service tax. A large number of students failed to charge service tax on the advance received during the quarter ended 30.06.2010 which was returned subsequently.
- (b) While the first part of the question was answered correctly by a large number of students, only a handful of them were able to answer the second part relating to services being included in the VAT net.

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Question 3:

- (a) It has been observed that majority of the students have simply answered as 'I agree' without giving suitable reasons for such agreement.

Question 4:

- (a) This question was based on the general understanding to administer service tax laws and to name such rules issued by the Central Government. Students did not write the name of the rules correctly and secured partial marks for general understanding.
- (b) Many students answered the first part correctly. However, they failed to explain as to how input tax credit helps in achieving the essence of VAT and instead wrote long answers explaining the advantages of input tax credit.

Question 5:

- (a) Some students wrongly answered this question on the basis of income-tax provisions. Few of them also wrongly mentioned the time limit of intimating the details of service tax paid in advance to jurisdictional Superintendent of Central Excise as 30 days from the date of adjustment of the service tax in the subsequent period instead of 15 days from the date of advance payment.

Question 6:

- (a) Students were required to calculate the value of taxable cargo handling services in this question. Many students simply ignored item no. (i) & (iv) without mentioning that these are covered under cargo handling services and hence no adjustment is needed from total collections of Rs.32,00 lakh.
- (b) Students wrote long essay type answers for this question instead of mentioning the specific areas in relation to VAT audit where a Chartered Accountant could play a vital role.

Question 7:

- (a) Many students wrongly mentioned the due dates for payment of service tax instead of writing the due dates for filing of service tax returns which was required by the question.

November 2010 Exams

Question 1:

- (a) This question is on computation of value of taxable service and service tax payable thereon. It requires not only calculation of value of taxable service but also reasons in short for the treatment given to the items. Candidates have computed value of taxable service and /or service tax liability for some of the items and secured marks for steps only.
- (b) This question is on computation of net VAT liability taking into account input tax credit. Many candidates solved this question correctly and secured full marks.

Question 2:

- (a) This question requires the candidates to explain as to how the excess payment of service tax is to be adjusted and the conditions to be satisfied to make such adjustment. Many candidates gave very general answers.
- (b) This question on the records to be maintained by a registered dealer under VAT was answered reasonably well by the candidates.

Question 3:

- (a) This question was not understood by many candidates. They have explained the provisions relating to payment of service tax instead of “provisional payment of service tax” which was asked for in the question.
- (b) In this question, candidates were required to state variants of VAT, their schematic diagrams and also a brief explanation of each of them. It was written reasonably well by the candidates.

Question 5:

- (a) This question requires the candidates to explain e-filing of service tax returns. However, they have explained about e-filing of income-tax returns. Also, the later parts of the question were not answered by many candidates.
- (b) This question seeks to test the candidate’s knowledge about the conditions to be fulfilled by a dealer accepting composition scheme under VAT. It was not answered well by many candidates.

Question 6:

- (a) This question requires the candidates to state the correctness of two statements in the context of service tax. Many candidates secured full marks in it.
- (b) Candidates were expected to list items of purchases not eligible for input credit under VAT in this question. It was answered reasonably well by the candidates.

Question 7:

- (a) This question had some complicated issues involving dual interpretations and the candidates could not secure full marks.
 - (b) This question was easy and candidates secured good marks.
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HOW TO USE THE HANDBOOK

- (1) Read the chapters in the same sequence as it is presented in this handbook. Do not omit any chapter. All the chapters are important and are inter-linked.
- (2) Main focus should be on understanding the concepts rather than mugging up the content of this handbook as such.
- (3) While giving the first reading of any chapter, mark the key points using a highlighter.
- (4) While giving the first reading of any chapter, note down all those points, which probably requires more reasoning or which you feel are bit difficult to understand or which you feel you would probably forget. These points should be noted on the same page that requires more attention.
- (5) After the first reading of each chapter, go through the “Short Revision Notes” and note down all those points which are not covered by the “Short Revision Notes” and which you feel to be of significant importance.
- (6) All the recent amendments are highlighted in this handbook with a key word “Latest Amendment” written at the top right of that provision which has been amended. More attention should be given on all the recent amendments and their implications.
- (7) Go through all the examples and illustrations in this handbook for crystallization of the concepts.
- (8) In case where any example or illustration is difficult to understand, mark it with special symbol and write a note about that difficulty faced by you in understanding that example or in solving that illustration. This would indicate that more attention should be given on those examples or illustrations carrying special symbol.
- (9) After the first revision of the subject, go through the self-examination questions at the end of each chapter and try to answer all those questions. In case where any question is difficult to attempt, mark it with a special symbol indicating that it requires more attention.
- (10) These difficult questions- log onto the ICAI online free learning and go listen carefully to the lectures. Attempt the questions on that topic.
- (11) At the time of second revision of the subject, focus on the following aspects:
 - (a) Highlighted points in the main chapters along with the points noted down by you
 - (b) “Short Revision Notes” along with the points noted down by you
 - (c) Recent amendments and their implications
 - (d) Examples and illustration marked with special symbol requiring special attention
 - (e) Self-examination questions marked with special symbol requiring more attention.

- (12) “Supplementary Module” and “Practice Manual” issued by the ICAI have no substitutes and thorough reading of those books is must. Actually work out independently the practice manual and compare later- do not read the answers- that is of no use at all.
- (13) At the time of revising the subject a day before exams, the focus should be only on the following aspects:
 - (a) “Short Revision Notes”
 - (b) Recent amendments
 - (c) Examples and illustrations
 - (d) Self-examination questions
 - (e) “Supplementary Module” and “Practice Manual” issued by the ICAI.
- (14) Remember the paper setter and evaluators use the study material, practice manual and other publications of the ICAI.

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CA Roopa Nayak

GLOSSARY

<i>Abbreviations</i>		<i>Full Form</i>	
ACES	Automation of Central Excise and Service Tax	EM	Excise Manufacturer
AMC	Annual Maintenance Contract	EN	Exemption Notification
AN	Abatement Notification	ER	Excise Return
ASS	Authorized Service Station	ER	Export Report
ATF	Aviation Turbine Fuel	FA	Finance Act
AV	Assessable Value	FP	Finished Product
B/E	Bill of Exchange	FTZ	Foreign Trade Zone
BED	Basic Excise Duty	GAR	Government Accounting Rules
C&F agent	Clearing & Forwarding agent	GSI	Goods of Special Importance
CE	Central Excise	GTA	Goods Transport Agency
CEA	Central Excise Act	HP	Hire Purchase
CEO	Central Excise Officer	HUF	Hindu Undivided Family
CER	Central Excise Rules	ICES system	
CETA	Central Excise Tariff Act	IGM	Import General Manifest
CG	Central Government	IR	Import Report
CHA	Custom House Agent	ISD	Input Service Distributor
CTA	Customs Tariff Act	ITC	Input Tax Credit
CWF		LMA	Legal Metrology Act
D	Dealer	MD	Managing Director
D/D	Damaged/Deteriorated	MEN	Mega Exemption Notification
DCM	Delhi Cloth Mills	MRP	Maximum Retail Price
EASIEST	Electronic Accounting System In Excise and Service Tax	NA	Not Allowed
ED	Excise Duty	NBFC	Non Banking Financial Company
EGM	Export General Manifest	NCCD	National Calamity Contingent Duty
		NL	Negative List
		PIC	Person In Charge

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<i>Abbreviations</i>	<i>Full Form</i>	<i>Abbreviations</i>	<i>Full Form</i>
PLA	Personal Ledger Account	STC	Service Tax Code
PO	Proper Officer	STR	Service Tax Return
POT	Point Of Taxation	STVR	Service Tax Valuation Rules
POTR	Point Of Taxation Rules	TIN	Taxpayer's Identification Number
R-4, R-9	Rule-4, Rule-9	TTA	Textile and Textile Articles
RC	Registration Certificate	TWI	Territorial Waters of India
RoD	Rate of Duty	UN	United Nations
SCE/CCE	Superintendent of Central Excise	WH	Warehouse
SED	Special Excise Duty	WTD	Whole Time Director
SEZ	Special Economic Zone		
SLM	Straight Line Method		
ST Rules	Service Tax Rules		
ST(RoSCoP)Rules,2005			