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Last Date For Filing Of Service Tax Returns Extended

From 25th October 2011 to 26th December 2011-

A Great Relief To The Taxpayers

The Department of Revenue, Ministry of Finance vide Order No. 1/2011-ST dated 20th October 2011 has extended the last date of filing of half-yearly Service Tax Return for the period April 2011 to September 2011 from 25th October 2011 to 26th December 2011. The purport behind the said extension has also been clarified by the Department and it has been explained that since e-filing of Service Tax returns for all class of Service Tax assesses has been made mandatory for the first time¹, it was felt that lesser time has been provided to the trade and industry to adjust to the requirement of e-filing and therefore the time has to be extended to 26th December 2011.

There were many technical difficulties faced by the assesses with respect to the electronic filing of the Service Tax Returns for the period April-September 2011. They are briefly explained as follows:

A. No Change in the Form-ST-3 to give effect to the Point of Taxation Rules, 2011:

¹ The Electronic Filing of Half-Yearly Service Tax Returns was made mandatory for all assesses with effect from 1st October 2011 vide Notification No. 43/2011-ST dated 25th August 2011. This change was brought by the introduction of the Service Tax (Fourth Amendment) Rules, 2011 thereby amending the Service Tax Rules, 1994.

1.1 The promulgation of the Point of Taxation Rules, 2011² (“**POTR**”), made effective from 1st April 2011, changed the system of payment of Service Tax from “Realization basis” to “Accrual basis”. For transitional convenience an option was afforded to the assesses to continue with earlier system of payment of Service Tax on receipt of payment for taxable services upto 30th June 2011, if they so desired³. The assesses who opted for continuing with the earlier system of receipt of payment basis till 30th June 2011 will thus be required to compute their Service Tax liability and accordingly account for the same in the half yearly return for the half year ending September 2011 in the following manner:

- (i) For the period from **April to June 2011**- Accounting of the Service Tax liability in the respective month in which the consideration was realized for the taxable Services.
- (ii) For the period from **July to September 2011**- Accounting of the Service Tax liability in the respective month in which, any of the following event occasions first:
 - (a) Invoice is issued; or
 - (b) Payment is received including advance; or

² Point of Taxation Rules, 2011 introduced vide Notification 18/2011-ST dated 1st March 2011 w.e.f from 1st April 2011.

³ Rule 9: Nothing contained in this sub-rule shall be applicable,-
(i) where the provision of service is completed, or
(ii) where invoices are issued
prior to the date on which these rules come into force.

Provided that services for which provision is completed on or before 30th day of June 2011 or where the invoices are issued upto the 30th day of June 2011, the point of taxation shall, at the option of the taxpayer, be the date on which the payment is received or made as the case may be”

- (c) The services are completed and invoice is not issued within
14 days of completion of service

- 1.2 However, it is pertinent to note that although the POTR have been brought into force, Form ST-3 has not been modified or amended to incorporate the changes to accommodate the provisions of the POTR, thereby posing the taxpayers to a serious pool of difficulties and confusion. The current Form ST-3 (enclosed as Annexure-4) provides the columns for declaration of receipt of consideration and computation of the Service Tax liability with pre-determined formula. It does not provide any appropriate column for declaring the value of taxable services as per the POTR and therefore does not facilitate the calculation of tax thereon.
- 1.3 As a result of the above, it became impossible for the assesses to properly e-file the Service Tax return for the period 01.04.2011 to 30.09.2011 which as discussed above, was made mandatory for all assesses w.e.f 1st October 2011 (vide Notification 43/2011-ST dated 25th August 2011) (enclosed as Annexure-1). The system does not allow any manual intervention in the electronic form. This prevents the assesses to file correct return. Thus, assesses were faced with the inability of filing correct Service Tax Return.
- 1.4 It is needless to mention here that wrong filing of data (details of billing amount on which Service Tax is payable in the column of the amount already realized/received in advance) could have exposed the taxpayer to a number of penal consequences under the provisions of the Finance Act, 1994. In addition to this, the figures of the taxable services with the accounts department may also not have reconciled at the
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time of Audits. In case of late filing, the assesses would have been burdened with the mandatory payment of late fees⁴ in spite of no fault of their own.

B. Non-allocation of Unique Username and Password to Certain Assessors for Electronic Filing of Service Tax Return:

2.1 The Circular No. 956/17/2011-CX dated 28th September 2011(enclosed as Annexure-2) prescribed the procedure for electronic filing of Central Excise and Service Tax returns and for electronic payment of Excise duty and Service Tax so as to educate the taxpayers for appropriate filing of returns. As per the said Circular, in case of new assessors, fresh registration had to be obtained in which the ACES website confirmed the availability of the password chosen. In case of existing assessors, the ACES application were to automatically send mails to the email IDs of the assessors (as available in the existing registration data base) indicating a TPIN number and password. However, a number of assessors were not provided with the Log-in Username and Password before the last date of i.e. 25th October 2011 which was indispensable for the purpose of electronic filing of the Service Tax return.

2.2 Thus, for the above impediment experienced by the taxpayers also, it had become essential that the last date of filing of Service Tax return be extended.

C. Poor Software Compatibility and Technical Defaults:

3. In addition to the above problems experienced by the taxpayers, another problem that was also faced by the taxpayers were the poor software mechanism which made it difficult for the assessors to download the filing formats in a proper manner.

⁴ Rule 7C of the Service Tax Rules, 1994

Thus, in the above scenario, it had become extremely necessary that the Ministry resolved and corrected the problems experienced by the taxpayers. It was required that the Form-ST-3 was modified suitably by appropriate amendment in the Service Tax Rules, 1994 so as to enable the assesses to file the Service Tax Return on time.

Finally, vide the Order No. 1/2011-ST dated 20th October 2011, the Ministry extended the last date of filing of half yearly Service Tax returns for the period April 2011 to September 2011 from 25th October 2011 to 26th December 2011.

With the issuance of the above Order, the taxpayers have experienced much relief. The taxpayers can now take a deep breath and wait for the Department to bring about the necessary changes with respect to the electronic filing of the Service Tax return. The extension of two months afforded to the taxpayers will ensure that the taxpayers are properly educated with the proper procedure of the Service Tax Return and the POTR, which will bring uniform acceptance of the electronic filing of Service Tax Return amongst the taxpayers.

Date: 2nd November 2011

Place: New Delhi

Disclaimer:

Statements and opinions expressed in the above article herein are based upon the information gathered from the trade and industry. While every care has been taken in the compilation of this information and every attempt made to present up-to-date and accurate information, it is not guaranteed that inaccuracies will not occur.

Annexure-1

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3,
SUB-SECTION (i)]
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
(DEPARTMENT OF REVENUE)

Notification No. 43/2011 – Service Tax

New Delhi, the 25th August 2011

Bhadra 3, 1933 (Saka)

G.S.R. 642 (E).- In exercise of the powers conferred by sub-section (1) read with sub-section(2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely :-

1. (1) These rules may be called the Service Tax (Fourth Amendment) Rules, 2011.

(2) They shall come into force on the 1st day of October, 2011.

2. In the Service Tax Rules, 1994, in rule 7, -

(a) in sub-rule (2), the proviso shall be omitted;

(b) after sub-rule (2) as so amended, the following sub-rule shall be inserted, namely:-

“(3) Every assessee shall submit the half-yearly return electronically”.

[F. No. 137/99/2011 – Service Tax]

(Deepankar Aron)

Director (Service Tax)

Note.-The principal rules were notified vide notification No. 2/1994 – Service Tax dated the 28th June 1994, published in the Gazette of India, Extraordinary, Part II, section 3, Subsection(i), vide number G.S.R. 546(E), dated the 28th June, 1994 and were last amended by notification No. 35/2011 - Service Tax, dated the 25th April, 2011, vide number G.S.R. 343 (E), dated the 25th April, 2011.

Annexure-2

Circular No. 956/17/2011-CX
F.No. 201/10/2011-CX 6
Government of India
Ministry of Finance Department of Revenue
(Central Board of Excise and Customs)
New Delhi

Dated, the 28th September, 2011

To

All Chief Commissioners of Customs & Central Excise,
All Chief Commissioners of Central Excise,
All Chief Commissioners of Large Taxpayers Unit.

Sub.: Procedure for electronic filing of Central Excise and Service Tax returns and forelectronic payment of excise duty and service tax.

Sir/madam,

Attention is invited to Circular No. 919 / 09 / 2010 - CX dated 23rd March 2010 prescribing the procedure for electronic filing of Central Excise and Service Tax returns and payment of Central Excise duty and Service Tax by all the assesseees who had paid Central Excise duty and Service Tax of Rs. 10 Lakh or more (including payment by utilisation of Cenvat credit) in the previous financial year. Attention is also invited to Notifications No. 21/2011-Central Excise (NT) & 22/2011-Central Excise (NT) both dated 14.09.2011 and No. 43/2011-ST dated 25.08.2011 prescribing mandatory electronic filing of Central Excise and Service Tax returns.

2. DG (Systems) has prepared comprehensive instructions outlining the procedure for electronic filing of Central Excise duty and Service Tax returns and electronic payment of taxes under ACES. The same is annexed. The said instructions outline the registration process for new assesseees, existing assesseees, non-assesseees and for Large Taxpayers Unit assesseees, steps for preparing and filing of return, use of XML Schema for filing dealer's return, procedure for obtaining acknowledgement of e-filed return, procedure for e-payment etc. It is requested to sensitize the concerned officers as well as the trade and industry regarding the said instructions.

3. As a large number of taxpayers would be required to file Central Excise and Service Tax return electronically, it is requested that the trade and industry may be provided all assistance so as to help them in adopting the new procedure.

4. Field formations and trade/industry/service provider may also be informed suitably.

5. Hindi version will follow.

Yours faithfully,

(V.P.Singh)
Under Secretary (C.X.6)

Encl.:As above

Procedure for Electronic filing of Central Excise and Service Tax returns and Electronic Payment of Taxes

In continuation of its efforts for trade facilitation, CBEC has rolled-out a new centralized, webbased and workflow-based software application called Automation of Central Excise and Service Tax (ACES) in all 104 Commissionerates of Central Excise, service Tax and large TaxPayer Units (LTUs) as on 23rd December, 2009. ACES is a Mission Mode project (MMP) of the Govt. of India under the national e-governance plan and it aims at improving tax-payer services, transparency, accountability and efficiency in the indirect tax administration in India. This application has replaced the current applications of SERMON, SACER, and SAPS used in Central Excise and Service Tax for capturing returns and registration details of the assessees.

II. Modules

The ACES application has interface for:

- Ø Central Excise Assessee
- Ø Service Tax Assessee
- Ø Central Excise Departmental Officers and
- Ø Service Tax Departmental Officers.

It has automated the major processes of Central Excise and Service Tax - registration, returns, accounting, refunds, dispute resolution, audit, provisional assessment, exports, claims, intimations and permissions. It is divided into the following modules:

1. Access Control of Users (ACL)
2. Registration (REGN): Registration of assessee of Central Excise & Service Tax including online amendment.
3. Returns (RET): Electronic filing of Central Excise & Service Tax Returns
4. CLI: Electronic filing of claims, intimations and permissions by assessee and their processing by the departmental officers
5. Refund (REF): Electronic filing of Refund Claims and their processing
6. Provisional Assessment (PRA): Electronic filing of request for provisional assessment and its processing by the departmental officers.
7. Assessee Running Account
8. Dispute Settlement Resolution (DSR): Show Cause Notices, Personal Hearing Memos, Adjudication Orders, Appellate and related processes.
9. Audit Module
10. Export Module for processing export related documents

III. Benefits to the Assessee

1. Reduce Physical Interface with the Department
 2. Save Time
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3. Reduce Paper Work
4. Online Registration and Amendment of Registration Details
5. Electronic filing of all documents such as applications for registration, returns [On-line and off-line downloadable versions of ER 1,2,3,4,5,,6,7,8, Dealer Return, and ST3], claims, permissions and intimations; provisional assessment request, export-related documents, refund request
6. System-generated E-Acknowledgement
7. Online tracking of the status of selected documents
8. Online view facility to see selected documents
9. Internal messaging system on business-related matters

IV. Registration Process:

To transact business on ACES a user has to first register himself/herself with ACES through a process called "Registration with ACES". This registration is not a statutory registration as envisaged in Acts/Rules governing Central Excise and Service Tax but helps the application in recognizing the bonafide users. Described below are steps for taking registration by a new assessee, existing assessee, non-assessee and a Large Tax Payer Unit (LTU).

(a) New Assessee

1. The user needs to log onto the system, through internet at <http://www.aces.gov.in>
2. He/she chooses the Central Excise/Service Tax button from the panel appearing on the top of the webpage.
3. Clicks the button "New Users Click here to Register with ACES" in the Log-in screen that appears after clicking Central Excise/Service Tax button.
4. Fills in and submits the form "Registration with ACES", by furnishing a self-chosen user ID and e-mail ID. User ID, once chosen is final and cannot be changed by the assessee in future.
5. The system will check for availability of the chosen User ID and then generate a password and send it by e-mail, mentioned by him/her in the Form.
6. ACES provides assistance of "Know your location code for choosing correct jurisdictional office."
7. The user then re-logs-in and proceeds with the statutory registration with Central Excise/Service Tax, by filling-in the appropriate Form namely A-1, A-2 or ST-1 etc. by clicking the "Reg" link in the Menu bar that appears on the top of the screen. It is mandatory to use the PAN allotted to the business entity to be registered. If the applicant has applied for PAN, he can be issued a temporary registration number and after obtaining PAN, he should amend the registration form online and insert the PAN, after which a new PAN-based registration number will be issued to the assessee. For security reasons, the password should be changed immediately.
8. The system instantaneously generates an acknowledgement number after which the registration request goes to the jurisdictional Superintendent, in case of Service Tax, and to the Assistant or Deputy Commissioner (AC/DC), in case of Central Excise. If the department needs any clarification, the registration applications can be sent back by the department to the applicants. Similarly, before registration certificate is issued, the applicant can also withdraw his/her application. Depending on the instructions in force, Service Tax assesseees are required to submit certain documents along with a signed copy of the registration application to the department for verification. After verification, the Superintendent of Service Tax issues the Registration Certificate. However, in case of request for centralized registration, the Commissioner of Service Tax approves the registration. In either case, if the requisite documents are not received within a period of 15 days, the

registration application will be rejected by the department as incomplete. After the approval for issuance of a Registration Certificate is given by the competent authority, a message to this effect is sent to the assessee electronically. In case of Central Excise, the Registration Certificate is issued by the AC/DC, after due processing, and a message to this effect is sent to the assessee electronically. Thereafter, the range Officer carries out physical verification of the declared premises and verifies the documents. A message regarding physical verification is sent electronically. The assessee can view and take a print-out of this.

9. Depending on the option chosen by the assessee, the signed copy of the RC can be sent by post or can be collected by assessee in person.

10. While submitting registration form, if the assessee makes a mistake in choosing a wrong jurisdiction (Commissionerate/Division/ Range), ACES provides a facility to the Superintendent (in case of Service Tax) and to the AC/DC (in case of Central Excise) to forward the application to the correct jurisdictional officer to issue registration and a message to this effect is sent to the assessee for information.

11. The registration number will be same as the current 15-digit format with minor change such as:

For-PAN based Assessee

1-10 digits – PAN of the Assessee

11-12 digits – EM (Excise Manufacturer), ED (Excise Dealer), SD (Service Tax)

13-15 – Systems generated alphanumeric serial number

For non-PAN based assessee

1-4 digits TEMP

5-10 Systems generated alpha numeric number

11-12 EM (Excise Manufacturer) or ED (Excise Dealer), SD (Service Tax)

13-15 – Systems generated alphanumeric serial number

(b) Existing Assessee

1. The existing assessee will not have to take fresh registrations. They will have to only register with the ACES application. This can be done in the following manner:

ACES application will automatically send mails to the e-mail IDs of the assessee, as available in the existing registration data base, indicating a TPIN number, and password. The mail will contain a hyperlink to the website.

Assessee clicks on the hyperlink and is taken to ACES application

Assessee submits the form after filling the requisite information including the password provided in the e-mail, a new User ID and new password. User ID, once chosen is final and cannot be changed by the assessee in future.

On successful registration with ACES, the assessee can transact business through ACES.

2. Existing assessee should note that they should register with ACES by following the procedure at (1) above and they should not register with ACES through the direct method, meant for new assessee, as discussed under (a) above. They should also not fill-in registration forms again as it will lead to allotment of new registration numbers by the system.

3. Assessee should ensure that their contact details in the department's registration data base are updated to include their valid and current e-mail IDs, otherwise they will not receive any such mail. Those assessee who have not yet furnished their email IDs to the department or even after furnishing the ID have not received the TPIN mail from ACES are advised to

contact the jurisdictional Range Officers or LTU Client Executives and furnish their email IDs in writing.

The officer will thereafter incorporate the email ID in the ACES registration database of the assessee and arrange to send the TPIN mail to the assessee's email ID.

(c) Non-Assessee

1. This category of registration is given in ACES to any individual, firm or company which requires to transact with the Central Excise or Service Tax Department, though not an assessee such as (a) merchant exporter, (b) co-noticee, (c) refund applicant, (d) persons who have failed to obtain CE/ST registration as required under the law and against whom the Department has initiated proceedings and (e) persons who are required to tender any payment under CE/ST Act/Rules. The Non-assesseees are not required to file any tax returns.

2. Where such persons desire to seek non-assessee registration they follow same steps as in case of new assessee except that while choosing the registration form in step (vii) they have to choose and fill in the Non-assessee form.

3. In case the assessee is taking such registration for claiming any refund or rebate it is mandatory to furnish his/her valid PAN.

4. A Non-assessee registration can also be done by the designated officer of the Commissionerate, on behalf of the non-assessee.

(d) Large Tax Payer Unit (LTU) Assessee/Client

1. The consent form will have to be submitted manually by the New LTU assesseees to the jurisdictional LTU office which will be processed off line

2. The approved consent form will be uploaded by the competent officer of the Group LTU (GLTU) into ACES

3. Any new unit of an existing LTU, which applies for registration with ACES will be automatically attached with the LTU Commissionerate based upon PAN details in the registration form

4. As soon as the new or existing unit is attached with the LTU Commissionerate, a suitable intimation will be automatically sent by the ACES to the existing jurisdictional Commissionerate and the pending items of work will be transferred to the LTU Commissionerate

5. For existing LTU assesseees, the process of registration is same as explained in Sub Para (b) above.

IMPORTANT:

i. The user ID once selected will be permanent and cannot be changed. However, it is desirable to frequently change passwords

ii. The User ID should be of 6-12 alphanumeric characters, no special character such as !@#%^&'() + or spaces except underscore „_“, shall be allowed.*

iii. New assessee seeking registrations in Central Excise and Service Tax will also submit to the jurisdictional

Range officer, a printout of the application form submitted online duly signed by the authorized signatory along with required documents.

iv. Assessee should note that the e-mail ID is furnished to the department in writing, and they will be responsible for all communications to and from this email ID. Currently, ACES provides for communication to one email ID only. After registration with the ACES, assessee, on their own, can modify their registration details online, including their e-mail ID.

v. In the interest of security and data protection, assessee is advised to change their passwords regularly and not to share it with unauthorized persons. In case of any dispute, the person whose user ID and Password has been used to access the application will be held liable for the action and any other consequences.

V. E-filing of Returns

The assessee can electronically file statutory returns of Central Excise and Service Tax by choosing one of the two facilities being offered by the department at present: (a) they can file it online, or (b) download the off-line return utilities which can be filled-in off-line and uploaded to the system through the internet.

a. Steps for preparing and filing returns

(i) Returns can be prepared and filed online by selecting the „File Return option under RET module after logging into the ACES.

(ii) All validations are thrown up during the preparation of the return in this mode and the status of the return filed using the online mode is instantaneously shown by ACES.

(iii) Returns can also be prepared and filed off-line. Assessee downloads the Offline return preparation utility available at <http://www.aces.gov.in> (Under Download)

(iv) Prepares the return offline using this utility. The return preparation utility contains preliminary validations which are thrown up by the utility from time to time.

(v) Assessee logs in using the User ID and password.

(vi) Selects RET from the main menu and uploads the return. Instructions for using the offline utilities are given in detail in the Help section, under „Download link and assessee is advised to follow them.

(vii) Returns uploaded through this procedure are validated by the ACES before acceptance into the system which may take up to one business day. Assessee can track the status of the return by selecting the appropriate option in the RET sub menu. The status will appear as “uploaded” meaning under process by ACES, “Filed” meaning successfully accepted by the system or “Rejected” meaning the ACES has rejected the return due to validation error. The rejected returns can be resubmitted after corrections.

(viii) Once the Central Excise returns are filed online in ACES or uploaded to the system using the off-line utility, the same cannot be modified or cancelled by the assessee. The Service Tax returns, however, can be modified once as per rules up to 90 days from the date of filing the initial return.

(ix) Self-assessed CE returns, after scrutiny by the competent officer, may result in modification. Both the „Original and the „Reviewed return can be viewed by the assessee online.

b. Template Upload for Dealer Return

In order to make the e-filing of dealer return easy, particularly when some dealers have to enter huge data, a facility has been provided in the online version of the dealer return to use a template in excel format, which they can download, fill and upload by using ‘upload XLS functionality’ in the return. After validating the data, the system will populate it in the return in the relevant sections.

c. Using XML Schema for filing Central Excise Return (ER 1) and Dealer Return

Currently, the ACES Application allows on-line filing of Quarterly Returns by the

RegisteredDealers accessing the site www.aces.gov.in by using the excel utility. Some assesses who use their own software application in their offices find the process of manual entry of data in the excel format of Returns as a time consuming and avoidable exercise. A new feature of XML schema has been introduced. Using the schema, assessee, after making necessary modifications in their own software application, can generate their returns from their application. Below mentioned steps elaborate the process to prepare, validate and upload the Dealer's Return.

Steps to prepare the XML

Step 1: ACES application accepts the return in XML format. Prepare the Dealer return XML and validate it against the schema ACES_DLR.xsd provided.

Step 2: Login to the ACES application and upload the XML for processing. XML will be again validated against same XSD again before processing.

XML File only will be considered valid if it satisfies the requirements of the schema (predefined XSD) with which it has been associated. These requirements typically include such constraints as:

Elements and attributes that must/may be included, and their permitted structure

The structure as specified by regular expression syntax

Similar facilities are available for ER 1 returns.

Instructions for using the schema are given in detail in the Help section, under 'Download' link.

Assessee are advised to follow them.

d. Filing of Returns and other documents through the ACES Certified Facilitation Centres (CFCs)

CBEC has entered into MOUs with the Institute of Chartered Accountants of India (ICAI), Institute of Cost and Works Accountants of India (ICWAI) and the Institute of Company Secretaries of India (ICSI) for setting up ACES Certified Facilitation Centers (CFCs). Based on this, several CFCs have been set up across India, details of which are available under the CFC link in ACES website (<http://aces.gov.in/CFC.jsp>). These CFCs provide a host of services to the assessee such as digitization of paper documents like returns etc. and uploading the same to ACES on payment of charges, upper limit of which has been prescribed in the MOUs and available in the website, mentioned above. For this purpose, assessee are required to write to the department authorizing one of the CFCs, from the approved list, to work in ACES on their behalf. They have to furnish the name and other details of the CFCs, including the registration No issued by the ICAI/ICWAI etc. At any given time, one assessee can authorize one CFC, while one CFC can provide services to more than one assessee throughout India. In case the assessee wants to withdraw the authorization, it can do so by intimating the department.

However, an assessee will be held liable for all actions of omission or commission of the CFC, during the period they are authorized by him/her to work in ACES.

e. Validation of the entries made while filling return

1. At the time of making entry in the electronic format of the relevant return, the software does some preliminary validation for ensuring correctness of data, either concurrently or at the time of saving / submitting the return. This validation process is automated. The user is

prompted by the application software to correct the particulars entered wherever required. In respect of certain entries, although the application alerts the assessee about any entry found erroneous or inconsistent, as per the automated validation process, the assessee is still allowed to proceed further to complete data entry of the return and finally submit it electronically. But in some cases the assessee is not allowed to proceed further unless the error indicated is corrected.

2. A return filed electronically is subject to automatic verification process by the application and defective returns are marked to the departmental officer for review and correction. While reviewing the return the officer may seek some clarification from the assessee, call for some information, records or documents which should be furnished by the assessee. In case of review and correction of returns by the departmental officers, assessee will receive a message from the application and they can log in to the application to view the reviewed returns online.

3. Returns, captured off-line using the Downloadable utility and uploaded later on, are further subjected to certain validation checks. Processing of uploaded returns, using the off-line versions, is done at the end of one business day and the status can be viewed by the assessee under the “VIEW STATUS” link under “RET” module. Status is described as “UPLOADED”,

“FILED” or “REJECTED” and they denote as follows:

Ø UPLOADED denotes that return is uploaded and under processing (assessee is advised to view the status after the end of a business day).

Ø FILED denotes that uploaded return is accepted by system.

Ø REJECTED denotes that return is rejected due to errors. (The assessee is required to correct the return and upload it again.)

4. There is no provision in ACES application to allow assessee to make corrections in the Central Excise returns filed by them. Once the return is accepted by the system as successfully “filed”, no modification can be made by the assessee. However, if the return is rejected, the assessee can correct the errors and upload it again. The assessee is, therefore, advised to take utmost care while filing the returns. However, in case of Service tax, the assessee can revise the return within a period of 90 days from the date of filing their original return.

f. Acknowledgement of E-Filing of the return

In the case of a Central Excise or Service Tax return filed on-line, ACES application software acknowledges it by displaying an Acknowledgement message. A unique document reference number is generated which consists of a 15-digit registration number of the assessee, name of the return filed, the period for which return is filed etc. This is also automatically communicated to the email id of the assessee by the application. In the case of an uploaded Central Excise return, using offline utility, similar acknowledgement is generated and sent after the acceptance of the return by the system as a valid return i.e. when the status changes to “FILED”.

g. Class of Assessee for whom e-filing of returns is mandatory with effect from 1st October, 2011:

1. In terms of Notification Nos 21 & 22 /2011-Central Excise (N.T.) dated the 14th September, 2011, all Central Excise assessee are mandatorily required to electronically file

returns namely ER 1,2,3,4,5,6,7, and 8, Similarly, in terms of Notification No 43/2011-Service Tax dated. 25th August, 2011 all the Service Tax assesses are required to electronically file ST 3 returns mandatorily.

2. The earlier facility of e-filing on the website (<http://exciseandservicetax.nic.in>), as provided in the CBEC Circular No.791/24/2004-CX. Dated 1.6.2004 is no more available and the assesses are required to file their returns online or by uploading the downloadable off-line return utility to the new ACES website (<http://www.aces.gov.in>). Data structure for writing programmes to pull out the required return data (currently available for ER 1, ER 2 and Dealer return) from the assessee's computers in XML format has also been provided. For complete details and instructions, assesseees can visit the aforesaid website. Assesseees who are required to or opted to file returns electronically but are unable to file electronically, for any technical difficulty in filing the returns, on account of difficulties at the department's end viz. server/application is down or due to some defect in the software, should submit a soft copy of their return in CD along with a hard copy of the return prepared using the latest version of the offline utility and duly signed by the authorized person. This facility will be available only on the last day on which the return is to be filed. If the last day is a holiday then it can be submitted on the next working day. However, if the difficulty is on account of any defect on assessee's end, this facility will not be available to the assesseees.

h. e-payment

1. In terms of Notification No 04/2010-Central Excise (N.T.) dated the 19th February, 2010, an assessee, who has paid total duty of rupees ten lakhs or more including the amount of duty paid by utilization of CENVAT credit in the preceding financial year, is required to deposit the duty electronically through internet banking under sub-rule (1) of Rule 8 of the Central Excise Rules, 2002.

2. Similarly, in terms of Notification No. 01/2010 – Service Tax dated the 19th February, 2010, an assessee who has paid a total Service Tax of rupees ten lakhs or more including the amount paid by utilization of CENVAT credit, in the preceding financial year, is required to deposit the service Tax liable to be paid by him electronically, through internet banking under sub-rule (2) of Rule 6 of the Service Tax Rules, 1994.

3. For e-payment, assesseees should open a net banking account with one of the authorized banks (currently there are 28 banks, list of which is available on the EASIEST (Electronic Accounting System in Excise and Service Tax) website of CBEC, maintained by NSDL (<https://cbec.nsdl.com/EST/>). Payment through ICICI Bank, HDFC Bank and Axis Bank can be done by assesses for select Commissionerates only, list of which is published in the aforesaid EASIEST website. Payment through all other authorized banks can be made for all Commissionerates.

4. For effecting payment, assesseees can access the ACES website (<http://www.aces.gov.in/>) and click on the e-payment link that will take them to the EASIEST portal (<https://cbec.nsdl.com/EST/>) or they can directly visit the EASIEST portal.

5. Procedure for e-Payment:

i. To pay Excise Duty and Service Tax online, the assessee has to enter the 15 digit Assessee Code allotted by the department under erstwhile SACER/SAPS or the current application ACES.

ii. There will be an online check on the validity of the Assessee Code entered. Only if the assessee has been registered in ACES (either in Central Excise or in case of Service Tax), will

bevalidation be successful.

iii. If the Assessee code is valid, then corresponding assessee details like name, address, Commissionerate Code etc. as present in the Assessee Code Master will be displayed.

iv. Based on the Assessee Code, the duty / tax i.e. Central Excise duty or Service Tax to be paid will be automatically selected.

v. The assessee is required to select the type of duty / tax to be paid by clicking on Select Accounting Codes for Excise or Select Accounting Codes for Service Tax, depending on the type of duty / tax to be paid.

vi. At a time the assessee can select up to six Accounting Codes.

vii. The assessee should also select the bank through which payment is to be made.

viii. On submission of data entered, a confirmation screen will be displayed. If the taxpayer confirms the data entered in the screen, it will be directed to the net-banking site of the bank selected.

ix. The taxpayer will login to the net-banking site with the user id/ password, provided by the bank for net-banking purpose, and will enter payment details at the bank site.

x. On successful payment, a challan counterfoil will be displayed containing CIN, payment details and bank name through which e-payment has been made. This counterfoil is proof of payment made.

i. Responsibility of the Assessee

1. It is the legal responsibility of the assessee, who are required to file returns, to file it within the due date as prescribed under law. It may, however, be noted that merely uploading the returns will not be considered as returns having been filed with the department. A return will be considered as filed, when the same is successfully accepted by the application as "Filed" and the relevant date for determining the date of filing of return will be the date of uploading of such successfully "filed" returns. In case a return is "rejected" by the application, the date of uploading of the rejected return will not be considered as the date of filing, rather the date of uploading of the successfully "filed", return (after the assessee carries out necessary corrections and uploads it again) will be considered as the actual date of filing.

2. In case the assessee experiences any difficulty in transacting in ACES such as filing of return, the assessee may lodge a complaint with the ACES Service Desk or the department by e-mail and/or by telephone, details of which are given below and obtain a ticket no. as an acknowledgement from the department. However, mere lodging of complaints with the ACES service desk will not be a valid ground to justify late filing of returns. If the difficulty is not on account of problems at the assessee's end, and can be clearly attributed to the department's IT infrastructure such as problems in accessing Central Board of Excise and Customs' ACES application due to server, network or application being down, proportionate time will be deducted from the date of uploading of successfully "filed" returns to ascertain the actual date and time of filing of the return. Since the department maintains logs of such technical failures, in case of any dispute, the decision of the department will be final.

VI. Digital Signatures

The ACES application is designed to accept digitally signed documents. However, in the beginning this functionality is not going to be activated. Pending its activation the

electronic returns will be filed into ACES without digital signatures. Hence, wherever the returns are submitted through ACES there will not be any requirement to submit signed hard copy separately.

VII. System Requirements for ACES

Ø To use ACES following systems requirements are recommended:

Ø Processor: Intel Pentium III and higher

Ø RAM: 256 MB and higher

Ø HDD: 80 GB and more

Ø Web Browser: IE 6.0 and above, Netscape 6.2 and above

Ø MS Excel 2003 and above for using offline utilities

Ø Sound Card, Speakers/Headphones, Colour Monitor for using Learning Management Systems (LMS)

VIII. Help for Assesseees

CBEC has set up a Service Desk with National toll-free No. 1800 425 4251, which can be accessed by between 9 AM to 7 PM on all working days (Monday to Friday). Besides, e-mails can be sent to aces.servicedesk@icegate.gov.in. All the calls/e-mails will be issued a unique ticket number, which will be attended to by the Service Desk agents for appropriate response.

A Learning Management Software (LMS) has been provided on the ACES website, which is a multimedia-based self-learning online tutorial guiding the assesseees in a step-by-step processes to use ACES. The downloadable version of Learning Management Software is also provided on the website. Besides, User Manuals, Frequently Asked Questions (FAQs), Power Point Presentation, and a Brochure have also been provided on the website to help the assesseees use ACES.

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Annexure-3

F. No. 137/99/2011 – Service Tax
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise and Customs

New Delhi dated the 20th October 2011
ORDER NO. 1 /2011 – Service Tax

In exercise of the powers conferred by Rule 7(4) of the Service Tax Rules 1994 read with notification No. 48/2011-Service Tax dated 19th October 2011, Central Board of Excise and Customs hereby extends the date of submission of half yearly return for the period April 2011 to September 2011 from 25th October 2011 to 26th December 2011.

This is being done in view of the fact that the e-filing of service tax returns for all class of service tax assesses has been made mandatory for the first time vide notification no. 43/2011- Service Tax dated 25.8.11, as such leaving less time for the trade to adjust to the requirement of e-filing.

Director (Service Tax)
CBEC, New Delhi

Copy to:

Chief Commissioners of Central Excise & Customs (All)

Chief Commissioners of Central Excise (All)

Director General of Service Tax

Commissioners of Service Tax (All)

Commissioners of Central Excise and Service Tax

Commissioners of Central; Excise, Customs & Service Tax

Annexure-4

FORM ST-3

(in Triplicate)

(Return under section 70 of the Finance Act, 1994)
 (Please see the instructions carefully before filling the Form)

[ORIGINAL / REVISED RETURN (Strike whichever is NOT applicable)]

Financial Year					-		
-----------------------	--	--	--	--	---	--	--

For the period (Please tick the appropriate period)

April-September		October-March	
------------------------	--	----------------------	--

1A	Has the assessee opted to operate as Large Taxpayer [Y/N]	

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

1B. If reply to column "1A" is 'yes', name of Large Taxpayer Unit (LTU) opted for
 (Name of City):

2A. Name of the assessee :

2B. STC No.:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

2C. Premises code No.:

2D. Constitution of

Assessee (Please tick the appropriate category) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(i) Individual / Proprietary		(ii) Partnership	
(iii) Registered Public Ltd Company		(iv) Registered Private Ltd Company	
(v) Registered Trust		(vi) Society/ Co-op Society	
(vii) Other			

3. Computation of Service Tax (To be filled by a person liable to pay service tax /Not to be filled by input service distributor)
(To be repeated for every category of taxable service on which service tax is payable by the assessee)

A1. Name of Taxable service(s) :

A2. Assessee is liable to pay service tax on this taxable service as,-
(Please tick the appropriate category),-

(i) a service provider; or		(ii) a service receiver liable to make payment of service tax	
----------------------------	--	---	--

B. Sub-clause No. of clause (105) of section 65 (Please see instructions)	
C1. Has the assessee availed benefit of any exemption notification ('Y/N'):	

C2. If reply to column "C1" is 'yes', please furnish notification Nos.

		-																				
--	--	---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

D. If abatement is claimed as per notification No. 1/2006-ST, please furnish Sr. No. in the notification under which such abatement is claimed

--

E1. Whether provisionally assessed ('Y/N'):	
E2. Prov. assessment order No. (if any)	

F. Value of taxable service, service tax payable and gross amount charged:

	Month / Quarter**	Apr/ Oct	May/ Nov	June /Dec
	(1)	(2)	(3)	(4)

(I) Service tax payable

(a)	Gross amount received / (paid [#]) in money			
	(i) against service provided			
	(ii) in advance for service to be provided			
(b)	Money equivalent of consideration received/(Paid [#]) in a form other than money			

The ST-3 form provides the column only for the declaration of the receipt of consideration. It does not provide any column for the declaration of the accrued taxable service amount for the particular period as required under the Point of Taxation Rules, 2011

(c)	Value on which service tax is exempt/ not payable						
	(i) Amount received against export of service [^]						
	(ii) Amount received (Paid [#]) towards exempted service (other than export of service, i.e. (i) above)						
	(iii) Amount received as/ (Paid to [#]) pure agent (Please see instruction)						
(d)	Abatement amount claimed						
(e)	Taxable value =(a+b) minus (c+d)						
(f)	Service tax rate wise break-up of taxable value =(e)						
	(i) Value on which service tax is payable @5%						
	(ii) Value on which service tax is payable @ 8%						
	(iii) Value on which service tax is payable @ 10%						
	(iv) Value on which service tax is payable @ 12%						
	(v) other rate, if any. (please specify)						
(g)	Service tax payable = (5% of f(i)+8% of f(ii)+ 10% of f(iii)+ 12% of f(iv)+ f(v)X other rate)						
(h)	Education cess payable (@ 2% of Service Tax)						
(i)	Secondary and higher education cess payable (@ 1% of Service Tax) (Please see instructions)						
(II)	Taxable amount charged						
(j)	Gross amount for which bills/ invoices/ challans are issued relating to service provided/ to be provided (including export of service and exempted services)						
(k)	Money equivalent of other consideration charged, if any, in a form other than money						
(l)	Amount charged for exported service provided/ to be provided [^]						
(m)	Amount charged for exempted service provided. To be provided (other than export of service given at (l) above)						
(n)	Amount charged as pure agent (Please see instructions)						
(o)	Amount claimed as abatement						
(p)	Net taxable amount charged = (j+k) minus (l+m+n+o)						

****** Assessee liable to pay service tax on quarterly basis may furnish details quarter-wise i.e. Apr.- June, Jul-Sep, Oct-Dec, Jan-Mar

Applicable when service receiver is laible to pay service tax.

^ Not applicable to service receiver liable to pay service tax.

4. Amount of service tax paid in advance under sub-rule(1A) of rule 6

	Month/Quarter**	Apr/ Oct	May/ Nov	June / Dec	July/ Jan	Aug/ Feb	Sept/ Mar
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Amount deposited in advance						
(b)	Challan Nos.						
(c)	Challan dates						"

** Assessee liable to pay service tax on quarterly basis may furnish details quarter wise i.e. Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar

4A. Service Tax, education cess and other amounts paid (To be filled by a person liable to pay service tax/ Not to be filled by input service distributor)

	Month / Quarter**	Apr/ Oct	May/ Nov	June /Dec	July/ Jan	Aug/F eb	Sept/ Mar
	(1)	(2)	(3)	(4)	(5)	(6)	(7)

(I) Service tax, education cess, secondary and higher education cess paid

(a)	Service Tax paid -						
	(i) in cash						
	(ii) by CENVAT credit^						
	(iia)by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A).						
	(iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules.						
	(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules.						

Assessee liable to pay service tax on quarterly basis may give details quarter wise i.e. Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar

(b)	Education cess paid -						
	(i) in cash						
	(ii) by CENVAT credit^						
	(iia)by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A).						
	(iii) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(3) of ST Rules.						
	(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules.						

(c)	Secondary and higher education cess paid -						
	(i) in cash						
	(ii) by CENVAT credit^						
	“(iia)by adjustment of amount earlier paid in advance and adjusted in this period under rule 6 (1A).						
	(iii) by adjustment of excess amount paid						

	earlier and adjusted in this period under Rule 6(3) of ST Rules.						
	(iv) by adjustment of excess amount paid earlier and adjusted in this period under Rule 6(4A) of ST Rules.						

(d)	Other amounts paid -						
	(i) Arrears of revenue paid in cash						
	(ii) Arrears of revenue paid by credit^						
	(iii) Arrears of education cess paid in cash						
	(iv) Arrears of education cess paid by credit^						
	(v) Arrears of Secondary & higher education paid by cash						
	(vi) Arrears of Secondary & higher education paid by credit.						
	(vii) Interest paid						
	(viii) Penalty paid						
	(ix) Section 73A amount paid^						
	(x) Any other amount (Please specify)						

(II) Details of Challan (Vide which service tax education cess, secondary and higher education cess and other amounts paid in cash)

(a)	Challan Nos.	(i)						
		(ii)						
		(iii)						
		(iv)						
(b)	Challan Date	(i)						
	(May please be furnished in the order of challan Nos. furnish above)	(ii)						
		(iii)						
		(iv)						

4B Source documents details for entries at column 4A(I)(a)(iii), 4A(I)(a)(iv), 4A(i)(b)(iii), 4A(I)(b)(iv), 4A(I)(c)(iii), 4A(I)(c)(iv), 4A(I)(d)(i) to (vii)

(To be filled only if any entry is made against column 4A(I)(a)(iii), 4A(I)(a)(iv), 4A(i)(b)(iii), 4A(I)(b)(iv), 4A(I)(c)(iii), 4A(I)(c)(iv), 4A(I)(d)(i) to (vii))

Entry in table 4A above		Source documents No./ Period	Source documents date
Sr. No.	Month/ Quarter		

4C. Details of amount of service tax payable but not paid as on the last day of the period for which return is filed

- c. Details of input stage CENVAT credit** (to be filled by a taxable service provider only/ not to be filled by service receiver liable to pay service tax or input service distributor).

5A. Whether the assessee providing exempted/ non taxable service or exempted goods

	(1)	(2)
(a)	Whether providing any exempted or non taxable service ('Y/N')	
(b)	Whether manufacturing any exempted goods ('Y/N')	
©	If any one of the above is yes, whether maintaining separate account for receipt or consumption of input service and input goods (refer to Rule 6(2) of CENVET credit Rule, 2004	
(d)	If any one of the (a) and (b) is 'yes', and (c) is 'no', which option is being availed under rule 6 (3) of the Cenvat Credit Rules, 2004	
	(i) Opted to pay an amount equal to 10% of the value of exempted goods and 8% of the value of exempted service (Y/N); or	
	(ii) Opted to pay an amount equivalent to CENVAT Credit attributable to inputs and input services used in or in relation to manufacture of exempted goods or provision of exempted service (Y/N).	

5AA. Amount payable under rule 6 (3) of the Cenvat Credit Rules, 2004

	Month	Apr/ Oct	May/ Nov	June / Dec	July/ Jan	Aug/ Feb	Sept/ Mar
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a)	Value of exempted goods cleared						
(b)	Value of exempted services provided						
(c)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by CENVAT Credit						
(d)	Amount paid under rule 6(3) of Cenvat Credit Rules, 2004, by cash						
(e)	Total amount paid= (c) +(d)						
(f)	Challan Nos, vide which amount mentioned in (d) is paid						
(g)	Challan dates						"

5B. CENVAT Credit taken and utilized

	Month / Quarter**	Apr/ Oct	May/ Nov	June /Dec	July/ Jan	Aug /Feb	Sept / Mar
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVAT Credit of Service Tax and Central Excise duty						
(a)	Opening balance						
(b)	Credit taken						
	(i) On input						
	(ii) On capital goods						
	(iii) On input services received directly						

	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU*						
	Total credit taken = (i+ii+iii+iv+v)						
(c)	Credit utilized						
	(i) For payment of Service Tax						
	(ii) For payment of education cess on taxable service						
	(iii) For payment of excise or any other duty [#]						
	(iv) Towards clearance of input goods and capital goods removed as such						
	(v) Towards inter unit transfer of LTU*						
	(vi) for payment under rule 6(3) of the Cenvat Credit Rules,2004						
	Total credit utilized=(i+ii+iii+iv+v+vi)						
(d)	Closing Balance of CENVET Credit = (a+b-c)						
(II)	CENVAT credit of Edu.cess and Secondary Higher Edu. Cess						
(a)	Opening balance						
(b)	Credit of education cess and secondary and higher education cess taken,-						
	(i) On inputs						
	(ii) On capital goods						
	(iii) On input services received directly						
	(iv) As received from input service distributor						
	(v) From inter unit transfer by a LTU*						
	Total credit of education cess and secondary and higher education cess taken =(i+ii+iii+iv+v)						
(c)	Credit of education cess and secondary and higher education cess utilized						
	(i) For payment of education cess and secondary and higher education cess on services						
	(ii) For payment of education cess and secondary and higher education cess on goods [#]						
	(iii) Towards payment of education cess and secondary and higher education cess on clearance of input goods and capital goods removed as such						
	(iv) Towards inter unit transfer of LTU*						
	Total credit of education cess and secondary and higher education cess utilized = (i+ii+iii+iv)						
(d)	Closing Balance of Education cess and secondary and higher education cess = (a+b-c)						

6. Credit details for input service distributor (To be filled only by an input service distributor)

	Month / Quarter**	Apr/ Oct	May/ Nov	June /Dec	July/ Jan	Aug/ Feb	Sept/ Mar
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(I)	CENVENT Credit of Service Tax and Central Excise duty						
(a)	Opening balance of CENVAT Credit						
(b)	Credit taken (for distribution) on input service						
(c)	Credit distributed						
(d)	Credit not eligible for distribution (Rule 7(b) of CENVAT Credit Rules, 2004)						
(e)	Closing balance						
(II)	CENVAT credit of education cess and secondary and higher education cess						
(a)	Opening balance of education cess and secondary and higher education cess credit						
(b)	Credit of education cess and secondary and higher education cess taken (for distribution) on input service						
(c)	Credit of education cess and secondary and higher education cess distributed						
(d)	Credit of education cess and secondary and higher education cess not eligible for distribution (Rule 7(b) of CENVAT Credit Rules, 2004)						
(e)	Closing balance						

7. Self Assessment memorandum

- (a) I/We declare that the above particular are in accordance with the records and books maintained by me/us and are correctly stated.
- (b) I/We have assessed and paid the service tax and/or availed and distributed CENVAT credit correctly as per the provisions of the Finance Act, 1994 and the rules made there under.
- (c) I/We have paid duty within the specified time limit and in case of delay, I/we have deposited the interest leviable thereon.

Place : _____ (Name and signature of Assessee or
Date : _____ Authorized signatory)

8. If the return has been prepared by a Service Tax Return Preparer (STRP), furnish further details as below:

- (a) Identification No. of STRP
- (b) Name of STRP

(Signature of Service Tax Return Prepare)

ACKNOWLEDGEMENT

I hereby acknowledge the receipt of your ST-3 return for the period _____

Place :

(Signature of the Officer of Central Excise & Service Tax

Date :

(With Name and Official Seal)

Instructions to fill the Form

A. General Instruction

- (i) If there is a change in the address or any other information as provided by the assessee in Form ST-1 or as contained in Form ST-2 (Certificate of Registration issued by the department), it may please be brought to the notice of the jurisdictional Superintendent of Central Excise under an acknowledgment.
- (ii) Please indicate 'NA' against entries which are not applicable.
- (iii) Please indicate "nil" where the information to be furnished is nil.

B. Information to be furnished in the Form

Column No. in Form	Instruction
1A	Fill 'Y' for yes, or 'N' for No.
2A	Name should be filled as mentioned in the Form ST-2 (Certificate of Registration issued by the department).
2B	STC No. is 15 digits PAN based service tax code No. issued to assessee in the Certificate of registration or in the Annexure III (prescribed vide Circular No.35/3/2001-ST dated 27-8-2001).
2C	Premises code is issued to an assessee under S. No. 5 of the Certificate of Registration (Form ST-2). An assessee to whom premises code has not been issued, may furnish location code as issued to him in the Annexure III (prescribed vide Circular No. 35/3/2001-ST dated 27-8-2001).
3.	This entry is to be filled separately for each taxable service on which service tax is to be paid by assessee.
3A1/3B	Name of taxable service and their clause in sub-section (105) of Section 65 are as given in the Annexure to these instructions. Sub-clauses from (zzzx) to (zzzzd) to come into effect from a date to be notified after enactment of the Finance Bill, 2007.
3C1	Fill 'Y' for yes, or 'N' for No.
3C2	Details of notification is to be furnished in the format NN-YYYY(NN= Notification No. and YYYY=Year of issue).
3D	In case abatement is availed under Notification No. 1/2006-ST, the relevant S. No. of this notification may be furnished.
3E1 & E2	Fill 'Y' for yes, and 'N' for No. In case of provisional assessment, order No. for provisional assessment, if any, may please be furnished.
3F(I)	<ul style="list-style-type: none"> (i) An assessee liable to pay service tax on quarterly basis may furnish details quarter wise i.e. Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar. (ii) The service receiver liable to pay service tax should indicate the amount paid by him to service provider.
3F(I)(a)(i)	<p>Gross amount received (or paid in case of service receiver) against service provided is the total amount received for towards taxable service on provision of service (including any amount received for continuous service), and</p> <p>(A) it includes,-</p> <ul style="list-style-type: none"> (a) amount received towards exported service, (b) amount received towards exempted service (other than export), and (c) amount received as pure agent, <p>(B) it excludes</p> <ul style="list-style-type: none"> (a) Service tax, (b) Education cess; (c) Secondary and higher education cess (d) Any amount excludible in terms of Rule 6(2) of the Valuation Rules, 2006

	(Please see the example below.)
3F(I)(a)(ii)	<p>Gross amount received (or paid in case of service receiver) in advance is the total amount received for the particular taxable service before provision of service (including any amount received for continuous service), and</p> <p>(A) it includes,-</p> <ul style="list-style-type: none"> (a) amount received towards exported service, (b) amount received towards exempted service (other than export), and (c) amount received as pure agent, <p>(B) it excludes</p> <ul style="list-style-type: none"> (a) Service tax, (b) Education cess; (c) Secondary and higher education cess (d) Any amount excludible in terms of Rule 6(2) of the Valuation Rules, 2006 <p>(Please see the example below.)</p>
3F(I)(b)	<ul style="list-style-type: none"> (i) The value of consideration received (or paid in case of service receiver), other than money, is to be estimated in equivalent money value. (ii) 'Money' may be understood as defined in Section 67 of the Act. <p>(Please see the example below).</p>
3F(I)(c)(ii)	<p>'Exempted Service' refers to the taxable service which is exempt for the time being under notification, other than by way of abatement.</p> <p>(Please see the example below).</p>
3F(I)(c)(iii)	<p>'Pure Agent' may be understood as defined in Explanation 1 to Rule 5 of the Service Tax (Determination of Value) Rules, 2006</p>
3F(I)(d)	<p>'Abatement' refers to the portion of value of taxable service which is exempt in terms of a notification (such as Notification No. 1/2006)</p>
3F(I)(f)	<p>Service Tax rate wise break of value may be furnished</p>
3F(I)(i)	<p>Secondary and higher education cess would be applicable to service tax from the date of enactment of Finance Bill 2007.</p>
3F(II)	<ul style="list-style-type: none"> (i) An assessee liable to pay service tax on quarterly basis may furnish details quarter wise i.e. Apr-Jun, Jul-Sep, Oct-Dec, Jan-Mar. (ii) The service receiver liable to pay service tax should indicate the amount billed to him by a service provider.
3F(II)(j)	<p>Gross amount for which bills/ invoices/ challans are issued relating to the particular taxable service, in the specified period, whether received or not,</p> <p>includes,-</p> <ul style="list-style-type: none"> (a) amount charged towards exported service; (b) amount charged towards exempted service (other than export of service) and (c) amount charged by a pure agent, <p>and excludes'-</p> <p>(B) it excludes</p> <ul style="list-style-type: none"> (a) Service tax, (b) Education cess; (c) Secondary and higher education cess (d) Any amount excludible in terms of Rule 6(2) of the Valuation Rules, 2006. <p>(Please see the example below).</p>
3F(II)(k)	<ul style="list-style-type: none"> (i) The value of consideration charged (or paid in case of service receiver), in a form other than money, is to be estimated in equivalent money value, (ii) 'Money' may be understood as defined in Section 67 of the Act.

3F(II)(I)	Gross amount charged for the exempted service is the amount charged for a taxable service which is exempt for the time being under a notification other than the abatement. (Please see the example below)
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Example :- A banking and other financial service (B & FS) providers has following information to furnish in the ST-3 return, for a month namely,-

	Head	Amount Billed/ invoiced (Rs.) (1)	Amount received (It includes amount received for service provided earlier and any amount received as advance) (Rs.) (2)
A	Gross amount for B & FS (including export, exempted service and as pure agent) already provided	12000	10000 (out of this taxable amount Rs.1000 received for the period July 2004, and Rs.2000 received for the period March 2005 and rest of the amount is for the period July 2006 onwards)
B	Advance for services to be provided later	3000	4000
C	Export service	2000	1500
D	Pure agent	250	500
E	Money equivalent of other consideration received	---	900
F	Interest on Financial leasing	1000	1200
G	Bill discounting and over-draft service	500	700 (out of this, Rs.250 pertains to March, 2005)
H	Service to Government for collection of taxes	200	300
I	Service provided in SEZ	400	600 (out of this, Rs.150 pertains to July, 2004)

J	B & FS received from a service provider who is outside India and doesn't have establishment in India i.e. this assessee is liable to pay service tax in terms of Rule 2(d)(iv) of the ST Rules, 1994		
J(i)	Bill received/ Amount paid to such service provider subsequent to receipt of service	1000 (bills received in this case)	800 (amount paid to service provider)
J(ii)	Advance Bills received and advance amount paid to such service provider	750	500 (amount paid to service provider)

Notification under which benefit of exemption is available to this assessee are :

- (i) No. 29/2004-ST w.r.t. to bill discounting/overdraft
- (ii) No. 13/2004-ST w.r.t. services provided to Government for collection of taxes
- (iii) No. 4/4]2004-ST w.r.t. services provided in SEZ

Abatement available to assessee :

- (a) Notification No. 14/2006-ST, abatement equal to 90% of the interest amount on financial leasing service

The entries shall be furnished by this assessee at S. No. 3 in the following manner.

Separate entries will be made for taxable service provided by the assessee and taxable service received on which assessee is liable to pay service tax in terms of Rule 2(d)(iv) of the ST Rule, 1994, even though, both, the service provided and the service received, on which assessee is liable to pay service tax, are same, i.e. "banking and other financial service".

(A) Entries to be furnished for B & FS services provided by the assessee

S. No.	Information/ figures furnished (as indicated in bold)	S. No.	Information/ figures furnished (as indicated in bold)
3A1 (Service provided)	Banking and other financial services	3F(I)(d)	=90% of 1200=1080
3A2	Tick (i)	3F(I)(e)	=(10000+4000+900)- (1500+1600+500+1080)=10220
3B	Zm	3F(I)(f)	Value (ST payable @ 5%)=nil Value (ST payable @ 8%) = (1000-150) = 850
3C1	Y		Value (ST payable @ 10%) = (2000-450) = 1550 Value (ST payable @ 12%) = 7820
3C2	(i) 29/2004 (ii) 13/2004 (iii) 4/2004 (iv) 14/2006	3F(I)(g)	= @ 8% of 850 + @ 10% of 1550 + @ 12% of 7820 = 68+155+938 = 1161 (rounded off)
3D	NA	3F(I)(h)	= @ 2% of (155+938) = 22 (rounded off)
3E1	N	3F(II)(i)	= nil, as this cess will come into effect only after enactment of Finance Bill, 2007
3E2	NA	3F(II)(j)	= (12000+3000) = 15000
3F(I)(a)(i)	10000	3F(II)(k)	Nil
3F(I)(a)(ii)	4000	3F(II)(l)	2000
3F(I)(b)	900	3F(II)(m)	500+200+400 = 1100
3F(I)(c)(i)	1500	3F(II)(n)	250
3F(I)(c)(ii)	= 700+300+600 = 1600	3F(II)(o)	@ 90% of 1000 = 900
3F(I)(c)(iii)	500	3F(II)(p)	= (15000)-(2000+1100+250+900) =10750

In respect of B & FS services received from a service provider who is outside India and doesn't have establishment in India, this assessee is liable to pay service tax in terms of Rule 2(d)(iv) of the ST Rules, 1994. On such service separate entries would be made at S. No.3 in the following manner

S. No.	Information/ figures furnished (as indicated in bold)	S. No.	Information/ figures furnished (as indicated in bold)
3A1 (Service provided)	Banking and other financial services	3F(I)(d)	Nil
3A2	Tick (i)		

3B	ZM	3F(I)(e)	800+500 = 1300
3C1	N	3F(I)(f)	1300
3C2	NA	3F(I)(g)	= @ 12% of 1300 = 156
3D	NA	3F(I)(h)	= @ 2% of 156 = 3 (rounded off)
3E1	N	3F(II)(i)	= nil, as this cess will come into effect only after enactment of Finance Bill, 2007
3E2	NA	3F(II)(j)	= (1000+750) = 1750
3F(I)(a)(i)	800	3F(II)(k)	Nil
3F(I)(a)(ii)	500	3F(II)(l)	Nil
3F(I)(b)	Nil	3F(II)(m)	NA
3F(I)(c)(i)	Nil	3F(II)(n)	Nil
3F(I)(c)(ii)	Nil	3F(II)(o)	Nil
3F(I)(c)(iii)	Nil	3F(II)(p)	= 1750

4A(I)(a)(iii)	<p>Rule 6(3) allows adjustment of such service tax amount which was paid earlier in respect of taxable service not provided wholly or partially by the service provider</p> <p>Example : A service provider receives an advance of Rs.1000 on which he pays a service tax of Rs.120.</p> <p>However, later on he does not provide this service and refunds the amount to person from whom the advance was received. He can in this case adjust the amount of Rs.120 in any of his future liability of service tax.</p>
4A(I)(a)(iv)	<p>Rule 6(4A) allows adjustment of such service tax amount paid in preceding months or quarter, which is in excess of the service tax liability for such month or quarter</p> <p>Example : A service provider having centralized registration pays an amount of Rs.1000 as service tax for services provided by him from his five branches. However, on receipt of information from these branches, the service tax liability is computed as Rs.900. In this case, he has paid an excess amount of Rs.100 as service tax. He can adjust this excess amount of Rs.100 against service tax liability for succeeding month/quarter.</p>
4A(I)(c)	Secondary and higher education cess would be applicable to service tax from the date of enactment of Finance Bill 2007.
4A(I)(d)(i) to (vi)	<p>Arrears of revenue includes,-</p> <ul style="list-style-type: none"> (a) amount that was payable earlier but not paid; (b) amount pending recovery on finalization of adjudication or appellant stage, as the case may be (c) amount pending adjudication or pending in appeals; or (d) amount arising on finalization of provisional assessment etc
4A(I)(d)(vii)	Furnish the amount paid in terms of section 73A (Any amount collected in excess of the service tax amount assessed or determined and paid on any taxable service)
4A(I)(d)(viii)	Any other amount may be specified. (It may include amount pre-deposit amount as ordered by Commissioner (Appeal) or Appellate Tribunal or

	Courts).
4B	<p>Against source documents, following details may be furnished,-</p> <ul style="list-style-type: none"> For adjustment under rule 6(3), furnish details of earlier return, from where excess amount is derived, in the format YYYY-YY-I/II/Month (YYYY-YY is the financial year and I/II is the half year for which this return pertains, i.e., 2004-05-II /Nov refers to the month Nov in II half yearly return of FY 2004-05). For adjustment under rule 6(4A), furnish details of acknowledgement No. of intimation to Superintendent as required to be furnished in the rules. For arrears, interest and penalty, the source document/period is as follows,- <ul style="list-style-type: none"> (a) in case these are paid suo- moto by the assessee, the period for which such amount is paid may be furnished (b) if paid consequent to a show cause notice (SCN) or order, the source document is relevant SCN No/Demand Notice No., Order In Original No. or Order in Appeal No or any other order , etc.,.
4C	In case service tax liability is not discharged in full, during the period of return, the details of short payment may be indicated against this S. No.
5B	<p>(i) The terms " inputs", "capital goods", "input services" and " input service distributor" may be understood as defined in the CENVAT Credit Rules, 2004;</p> <p>(ii) Against S. No. 5B (I) (b) (iii), furnish the details of credit availed on input services received directly by the assessee. In other words, this figure would not include the service tax credit received from input service distributor (i.e., office of manufacturer or output service provider, which receives invoices towards purchases of input services and issues invoices//bills /challans for distribution of such credit, in terms of the CENVAT Rules, 2004). Credit received from "input service distributor" has to be shown separately against S. No. 5B (I) (b) (iv).</p> <p>(iii) Against S. No. 5B (I) (b) (iv), furnish the details of service tax credit as received from 'input service distributor'.</p> <p>(iv) Above instructions for S. No. 5B (I) (b) (iii), S. No. 5B (I) (b) (iv) will <i>mutatis mutandis</i> apply to S. No. 5B (II) (b) (iii), S. No. 5B (II) (b) (iv) for furnishing details of credit taken of "education cess" and "secondary and higher education cess".</p>
6	This information has to be furnished only by an input service distributor.

Annexure to Instructions

Sub –clause number under Clause (105) of Section 65 of the Finance Act,1994.

Name of taxable service	Sub - clause No.	Name of taxable service	Sub-clause No.
Stock broking	(a)	Technical inspection and certification	(zzi)

General Insurance	(d)
Advertising agency	(e)
Courier	(f)
Consulting Engineer	(g)
Custom House Agent	(h)
Steamer Agent	(i)
Clearing and Forwarding	(j)
Man Power Recruitment and Supply agency	(k)
Air Travel Agent	(l)
Mandap Keeper	(m)
Tour Operator	(n)
Rent-a-Cab operator	(o)
Architect	(p)
Interior Decorator	(q)
Management Consultant	(r)
Chartered Accountant	(s)
Cost Accountant	(t)
Company Secretary	(u)
Real Estate Agent/Consultant	(v)
Security Agency	(w)
Credit Rating agency	(x)
Market Research agency	(y)
Underwriter	(z)
Scientific and technical consultancy	(za)

Forex exchange broking by a broker other than those covered in 'zm' above	(zzk)
Port other than those covered in 'zn' above	(zzl)
Airport Services	(zzm)
Air Transport of Goods service	(zzn)
Business Exhibition Service	(zzo)
Goods Transport by Road	(zzp)
Construction of commercial complex	(zzq)
Intellectual Property Service	(zzr)
Opinion Poll Service	(zzs)
Outdoor Catering Service	(zzt)
Television and Radio Programme Production	(zzu)
Survey and Exploration of Minerals	(zzv)
Pandal and Shamiana	(zzw)
Travel Agent	(zzx)
Forward Contract Brokerage	(zzy)
Transport through Pipeline	(zzz)
Site preparation	(zzza)
Dredging	(zzzb)
Survey and map making	(zzzc)
Cleaning service	(zzzd)
Clubs and associations service	(zzze)
Packaging service	(zzzf)
Mailing list compilation and mailing	(zzzg)
Residential complex construction	(zzzh)

Photography	(zb)
Convention services	(zc)
On-line information and database access and/ or retrieval	(zh)
Video tape production	(zi)
Sound recording	(zj)
Broadcasting	(zk)
Insurance auxiliary (General Insurance)	(zl)
Banking and other financial	(zm)
Port services (Major Ports)	(zn)
Authorised Service Station	(zo)
Beauty parlour	(zq)
Cargo handling	(zr)
Cable Operators	(zs)
Dry cleaning	(zt)
Event Management	(zu)
Fashion designer	(zv)
Health Club and Fitness Centres	(zw)
Life Insurance	(zx)
Insurance auxiliary service (life insurance)	(zy)
Rail travel agent	(zz)
Storage and warehousing	(zza)
Business auxiliary	(zzb)
Commercial coaching or training	(zzc)

Registrar service to an issue	(zzzi)
Share transfer agent	(zzzj)
Automated teller machine operation , management, maintenance	(zzzk)
Recovery agents	(zzzl)
Sale of space for advertisement	(zzzm)
Sponsorship	(zzzn)
International air travel	(zzzo)
Containerized rail transport	(zzzp)
Business support service	(zzzq)
Auction service	(zzzr)
Public relation management	(zzzs)
Ship management	(zzzt)
Internet telephony	(zzzu)
Cruise Ship tour	(zzzv)
Credit/debit/charged card	(zzzw)
Telecommunication service	(zzzx)
Mining of mineral, oil or gas	(zzzy)
Renting of immovable property	(zzzz)
Works contract	(zzzza)
Development & Supply of Contents	(zzzzb)
Asset Management	(zzzzc)
Design Services	(zzzzd)
Information Technology services	(zzzze)

Erection, commissioning or installation	(zzd)
Franchise service	(zze)
Internet Café	(zzf)
Management, maintenance or repair	(zzg)
Technical testing and analysis	(zzh)

Management of investment under unit linked insurance business (ULIP) scheme	(zzzzf)
Stock exchange services	(zzzzg)
Services provided by a recognized /registered association (commodity exchanges) for transaction in goods or forward contracts.	(zzzzh)
Processing and clearing house services in relation to processing, clearing and settlement of transactions in securities, goods or forward contracts	(zzzzi)
Supply of tangible goods services	(zzzzj)