



E-FILING UNDER SERVICE TAX

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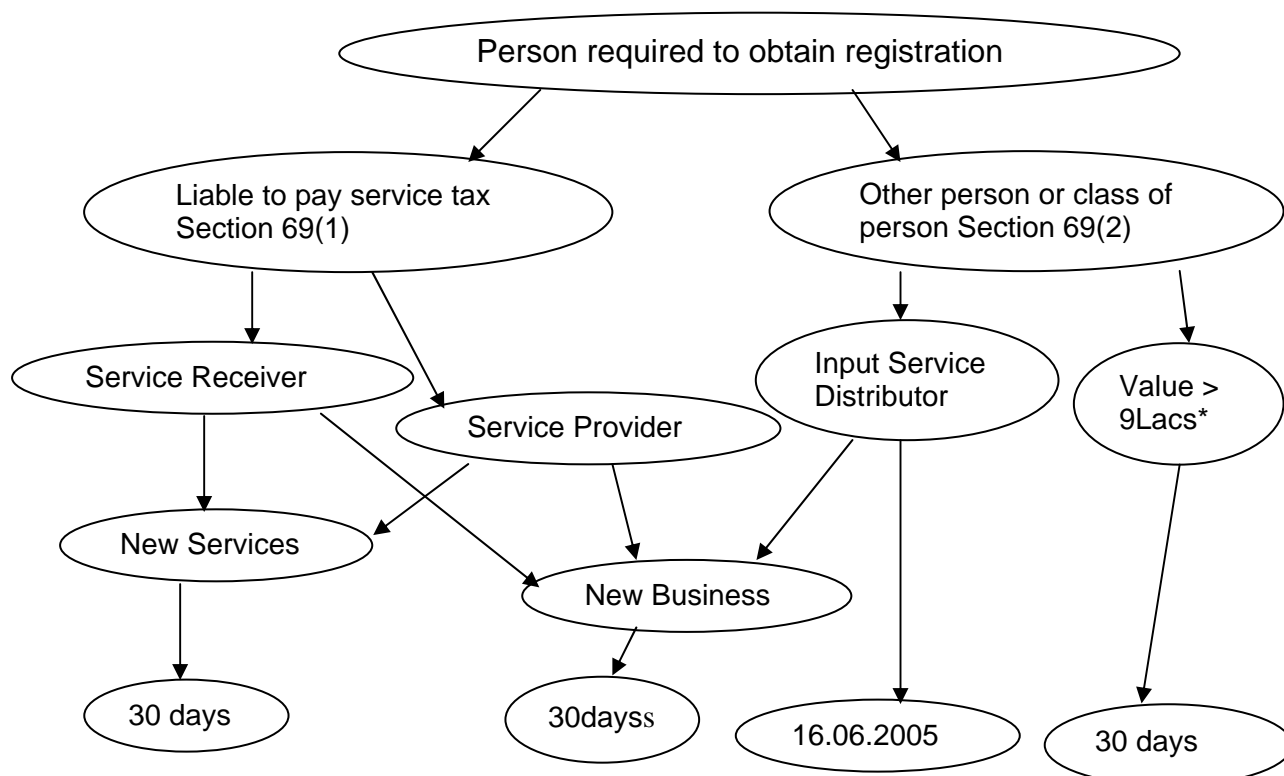
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1. REGISTRATION [Section 69, Rule 4 of Service Tax Rules, 1994 & Service Tax (Registration of special category of persons) Rules, 2005]

1.1. Person required to obtain registration and applicable time limit:

Section 69 of the Finance Act, 1994 read with Rule 4 of Service Tax Rules, 1994 (STR) requires that every person liable to pay service tax must make an application for registration (in Form ST-1) to the Jurisdictional Superintendent of Central Excise / Service Tax.

The person required to obtain registration is summarised in the chart given below:



*9 Lacs¹

1.2. Multiple / Centralised Registration [Rule 4(2) of the STR]

Service tax registration is “qua premises, qua assessee” and not “qua assessee” unlike Income tax where single PAN is granted for all the premises. Separate application has to be made for registration of each premises from which taxable services are rendered. Even within single premises, if there are multiple firms, all of them have to be separately registered.

¹Applicable from 1st April, 2008. Prior to that between 1st April, 2007 to 31st March, 2008 Value >7 Lacs and between 16th June, 2005 to 31st March, 2007 value > 3 Lacs.

Where person liable to pay service tax (either provider or receiver² of taxable service) from more than one premises and has a centralized billing systems or centralized accounting systems and such centralized billing systems or centralized accounting systems are located in one or more premises he may, at his option, register such premises or office where such centralized billing systems or centralized accounting systems are located.

1.3. **Multiple Services Rendered [Rule 4(4) of the STR]**

If the same assessee provides more than one description of service, he may apply for single registration for all the description of services. Single application mentioning therein all the taxable services provided shall be sufficient. In case the assessee is already registered for one service but subsequently becomes liable for another description of service, then he has to get his certificate amended for the other description of service.

Post 30th June, 2012 after the introduction of Negative list, there were no category of services, however category-wise registration is required as per Notification no. 48/2012-Service Tax, dated 30th November, 2012.

1.4. **Changes in Registration Certificate [Rule 4(5A) of the STR]**

At the time of registration assessee submits various details to the department like address of the premises, name of the authorized persons, constitution of the assessee, name of the director/partner etc. If after granting of certificate any change happens in any details submitted by assessee in registration application then assessee has to mandatorily intimate such change to the Central Excise Officer within 30 days of the said change.

If there is any change in name or place of the applicant, the registration certificate should be sent for necessary amendment within 30 days from the change. Moreover, if the change in the place also results in a change in the jurisdiction, an additional request for the transfer of records should also be made.

²Person liable to pay service tax u/s 68(2) is eligible for centralised registration - Maharashtra State Bureau of Text Books Production & Curriculum Research 2006 (4) S.T.R. 331 (Commr. Appl.). Consequent to this decision Rule 4(2) has been amended w.e.f. 2nd November, 2006 allowing service receiver who is liable to pay service tax may take centralised registration.

Existing Service tax payer who does not have an Online User ID shall fill in a simple declaration form and submit to department. After receiving the same, department sends the email on the ID as given in declaration form. This email contains links to the site and a password and follow the procedure given in para 1.7 below.

1.5. Transfer of Business [Rule 4(6) of the STR]

When a registered assessee transfers his business to another person than transferor shall surrender the registration certificate and the transferee shall obtain a fresh certificate of registration.

1.6. Changes in Law from time to time

- 1.6.1. Upto 30th June, 2012 i.e. under positive regime the service tax registration was required to be applied for under various categories of services as prescribed under law.
- 1.6.2. W.e.f. 1st July, 2012 i.e. under negative list regime the service tax registration was required to be applied for only under one head i.e. Services other than negative list.
- 1.6.3. However, a Notification No. 48/2012 - Service Tax, dated on 30th November, 2012 was issued amending the Service Tax Rules, 1994 wherein Form ST-1 has been amended and again the erstwhile categories of services were introduced for the purpose of making application of service tax registration.
- 1.6.4. Further, letter bearing number F.No. 137/22/2012-Service Tax, dated 30th November, 2012 was issued seeking to amend Form ST-1 so as to enable applicants seeking registration to choose the description of the service being provided by them.
- 1.6.5. A Circular was issued bearing number 165/16/2012 - ST, dated 20th November, 2012 wherein it is stated that where registrations have been obtained under the description 'All Taxable Services', the taxpayer should file amendment application online in ACES and opt for relevant description/s from the list of 120 descriptions of services given in the Annexure to the said Circular.

1.7. **Registration with ACES:**

Every person is required to register with ACES before proceeding to ACES.

Following types of persons needs registration with ACES:

- a. New Assessee
- b. Existing Assessee
- c. LTU Assessee
- d. Non Assessee

a. **New Assessee:**

In case of a new assessee, login to ACES at <http://www.aces.gov.in> and choose the Service Tax link and Submit the form "Registration with ACES", by furnishing a self-chosen user ID and e-mail ID. System checks for availability of the chosen User Id and generates a password. It will be sent to assessee e-mail from acesadmin@icegate.gov.in.

Login again and proceed with the registration with Service Tax, by filling in Form ST-1. For security reasons, change password immediately.

b. **Existing Assessee**

In case of an existing assessee, fresh registration need not be taken with the department. Assessee will have to only apply to department and get itself registered with ACES.

A mail will be sent from acesadmin@icegate.gov.in to your e-mail ID, as available in the existing registration data base, indicating a TPIN and password. The mail will contain a hyperlink to the website, by clicking it you can proceed to register with ACES.

Many a times, assessee does not have PAN based service tax registration, in other words they are not registered under erstwhile system of SAP. In such a situation, ACES will not be able to send hyperlink to such assessees. In such case, assessee can either register themselves as a new user or they can fill "Declaration form" with the concerned Jurisdictional office and obtain the hyperlink. On submission of "Declaration Form", ACES will send hyperlink containing TPIN (Temporary Personal Identification Number) and

password. On receipt of such TPIN and password, existing user can register with ACES. The format of TPIN is t+9 digit number (e.g. t012345678)

Further, many a times, department do not have the correct or valid email ID of the assessee, in such a case, ACES would not be able to send the hyperlink to the assessee though he is holding PAN based Service tax registration. In such a situation, assessee has to fill "Declaration Form" with the ACES and afterwards ACES will send the hyperlink to assessee.

c. Non-Assessee

This category of registration is given in ACES to any individual, firm or company, who are not assessees but who require to transact with the Central Excise or Service Tax Department, such as

- Merchant Exporter;
- Co-noticee;
- Refund Applicant other than registered taxpayers;
- Persons who have failed to obtain CE/ST registration as required under the law and against whom the Department has initiated proceedings.

Where such persons desire to seek non-assessee registration they have to follow the same steps as in the case of a new assessee.

In case the user wants to take such a registration for claiming any refund or rebate it is mandatory to provide a valid PAN. A Non-assessee registration can also be given by the designated officer of the Commissionerate. The non-assesseees are not required to file any tax returns.

d. Large Tax Payer Unit (LTU) Client

If assessee desires to opt for LTU scheme, submit the consent form to your jurisdictional LTU officer. It will be processed off-line and then uploaded to ACES.

All pending items of work will be transferred to the concerned LTU automatically and intimation will be sent.

If assessee is approved as an LTU client, and want to register a new unit, submit the registration application in ACES. The system will automatically

attach the new unit with the concerned LTU on the basis of PAN details in the registration form.

If you are an existing LTU client, the process of registration is same as explained for existing assesses.

Note:

1. The user id once selected will be permanent and cannot be changed. However, it is desirable to frequently change passwords.
2. The user id should be of 6-12 alphanumeric characters, no special character such as !, @, #, \$, %, ^, &, *, +, -, or space except under score “_”.
3. Assesseees 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, assesseees, on their own, can modify their registration details online.
4. Check bulk/spam folder periodically for any communication from ACES.

1.8. Procedure to be followed for Online Service Tax Registration [Order No. 1/2015-Service Tax dated 28th February, 2015]

- a. After registering with ACES, Fill the form ST-1 given on site. After filing the same, take a print out of ST-1 form and then submit the form and take the print out of E-acknowledgement receipt.
- b. Once the completed application form is filed in ACES, registration would be granted online within 2 days, thus initiating trust-based registration. On grant of registration, the applicant would also be enabled to electronically pay service tax.
- c. Within Seven days of filing the Form ST-1 online, submit these print outs along with all other documents as mentioned in Annexure I by registered post/speed post to the concerned Division.
- d. Where a need for the verification of premises arises, the same will have to be authorized by an officer not below the rank of Additional/Joint Commissioner.
- e. The registration certificate may be revoked in any of the following situations –

- The premises are found to be non-existent or not in possession of the assessee.
 - No documents are received by the department within 15 days of the date of filing the registration application.
 - The documents are found to be incomplete or incorrect in any respect.
- f. The applicant would not need a signed copy of the registration certificate as proof of registration. Registration Certificate downloaded from ACES website would be accepted as proof of registration dispensing with the need for a signed copy.**

1.9. Documents to be attached:

All the documents including Form ST-1 shall be self-certified. In case of doubts in select cases, original documents may have to be presented for verification³.

List of documents that are required to be attached with Form ST-1 in case of centralised and de-centralised (single premises) registration is enclosed as Annexure I.

In respect of registration of input service distributor, address of all the premises to which credit of input services is distributed or intended to be distributed along with attested copy of proof of address of all such premises to be attached.

1.10. Cancellation/Surrender of Registration Certificate [Rule 4(7) & 4(8) of the STR]

Every registered assessee, who ceases to provide the taxable service for which he is registered or any other reasons such as change in constitution, amalgamation, etc., shall surrender his registration certificate immediately with concerned Superintendent of Central Excise. Certificate has to be surrendered online by filing the forms available at www.aces.gov.in.

The process for surrender of Form ST-2 is to fill in the form given online for surrender of registration certificate. After filling in the same, take a print of the form and then submit form online. Along with print out of Surrender Form ST-2, E-acknowledgement of successful submission of the same shall

3Ans 2.6 of FAQ issued by DGST on 5th March, 2009.

be submitted to jurisdictional Superintendent along with following further documents;

- a. Application form & undertaking for surrender of Service Tax Registration as per Annexure – I of Trade Notice No. 18/2013-ST dated 19-12-2013 (enclosed herewith as Annexure II)
- b. Original ST-2 certificate;
- c. Copies of Profit and loss account and Balance Sheet/Income Tax Return for last three years;
- d. Copies of ST-3 return filed with the department from the date of taking registration till date of surrender but up to a maximum of last six returns only.
- e. Details of Show cause Notice pending adjudication, details of confirmed demands, details of court cases, details of audit conducted, etc. as per Annexure – II of Trade Notice No. 18/2013-ST dated 19-12-2013 (enclosed herewith as Annexure III).

After receiving the aforesaid documents and after ensuring that assessee has paid all monies due to government, concerned Superintendent of Central Excise shall cancel the registration.

2. PAYMENT OF SERVICE TAX [Section 68 and Rule 6 of the STR]

2.1. Due Date of payment of Service Tax [Rule 6(1)]

The Service Tax shall be paid to the credit of the Central Government –

(i) by the 6th day of the month, if the duty is deposited electronically through internet banking; and

(ii) by the 5th day of the month, in any other case,

immediately following the calendar month in which the service is deemed to be provided as per the rules framed in this regard.

However, where the assessee is an individual or proprietary firm or partnership firm, the service tax shall be paid to the credit of the Central Government by the 6th day of the month if the duty is deposited electronically through internet banking, or, in any other case, the 5th day of the month, as the case may be, immediately following the quarter in which the service is deemed to be provided as per the rules framed in this regard.

It has been clarified in answer 3.12 of the FAQ issued by DGST on 5th March, 2009 that where TDS has been deducted by the service receiver, in that case service tax shall be payable on the amount of TDS also.

2.2. **Advancepayment of Service Tax [Rule 6(1A)]**

From 1st March, 2008 facility of advance payment of service tax has been introduced and available to all the assessees.

The assessee who is paying service tax in advance should follow the following procedures:

- Intimate to the jurisdictional Superintendent of Central Excise within 15 days of such payment.
- Service tax paid in advance is allowed to be adjusted against service tax liability for the subsequent period. It is sufficient that such adjustment is disclosed in the periodical return to be filed.

2.3. **Mandatoryelectronicpayment of Service Tax [Rule 6(2)]**

From 1st October, 2014 it is Mandatory for every assessee to electronically pay the service tax payable by them, through internet banking.

In case, Assistant Commissioner or the Deputy Commissioner of Central Excise, as the case may be, having jurisdiction, may for reasons to be recorded in writing, allow the assessee to deposit the service tax by any mode other than internet banking.

VideTrade Notice No. 21/13-14-ST-I dated 11-03-2014 it has been clarified that where service tax has been paid using a wrong accounting code, the assessee need not pay the service tax again and where the assessee has paid service tax again, it is to be refunded. Such matter should be informed to the Deputy Commissioner (Technical) in writing along with the copy of service tax payment challan.

However, if the assessee has paid service tax in wrong service tax number/code, there is no system available to transfer the same to correct service tax number/code. In such case assessee may adjust the said Service Tax liability as per Rule 6(4A) of the STR or may file a refund application under section 11B of the Central Excise Act, 1944.

2.4. **Payment by Cheque [Rule 6(2A)]**

If the assessee deposits the service tax by cheque, the date of presentation of cheque to the bank designated by CBEC shall be deemed to be the date on which service tax has been paid, provided the cheque is not dishonored in the course of clearing.

2.5. **Adjustment of excess Service Tax paid [Rule 6(3), 6(4A), 6(4B) and 6(4C)]**

Service not wholly of partly provided or amount is renegotiated: Where an assessee has issued an invoice, or received any payment, against a service to be provided which is not so provided by him either wholly or where the amount of invoice is renegotiated due to deficient provision of service, or any terms contained in a contract, the assessee may take the credit of such excess service tax paid by him, if the assessee.-

- (a) has refunded the payment or part thereof, so received for the service provided to the person from whom it was received; or
- (b) has issued a credit note for the value of the service not so provided to the person to whom such an invoice had been issued.

It has been clarified that in such cases of adjustment the assessee is required to file the details in respect of such *suo-motu* adjustments done by him at the time of filing the service tax returns. It is to be noted that rule 6(3) does not allow adjustment of excess payment of service tax *per se*, say due to clerical mistake etc. In such cases the assessee has to follow the procedure laid down in section 11B of Central Excise Act to claim the refund of excess tax paid.

Self adjustment of excess tax paid: Self-adjustment of excess service tax paid by assesseees is allowed subject to the following conditions:

- (i) Self-adjustment of excess service tax paid is allowed on account of reasons other than interpretation of law, taxability, valuation or applicability of any exemption notification.
- (ii) Adjustment of excess paid service tax without any monetary limit⁴.
- (iii) Adjustment can be made only in the succeeding month or quarter.

⁴Prior to 1stApril, 2012, excess amount paid could have been adjusted upto Rs.200,000/- for the relevant month or quarter.

(iv) No intimation required⁵.

Adjustment of Property tax for payment of service tax under Renting of immovable property: Excess amount paid due to non-availment of deduction of property tax paid in terms of notification No.29/2012-ST, Dtd. 20th June 2012, from the gross amount charged for renting of the immovable property for the said period at the time of payment of service tax within one year from the date of payment of such property tax. The details of such adjustment shall be intimated to the Superintendent of Central Excise having jurisdiction over the service provider within a period of fifteen days from the date of such adjustment. So there may be two situations:

- (i) Property Tax paid before or during the month or quarter in which rent for the relevant month or quarter is received, then, reduce the taxable value to the extent of property tax paid relevant to said month or quarter and then calculate the service tax on balance amount.
- (ii) Property Tax paid after the month or quarter in which rent for the relevant month or quarter is received or Property tax has not been adjusted from the assessable value, then, has to follow Rule 6(4C).

2.6. **Provisional payment of Tax [Rule 6(4), 6(5) and 6(6)]**

Where an assessee is unable to correctly estimate the actual amounts of service tax payable for any month or quarter, the assessee may make a request in writing to the Assistant Commissioner of Central Excise or Deputy Commissioner of Central Excise (AC/DC), as the case may be, to make a payment on provisional basis and after receiving request AC/DC may allow the provisional payment of tax. In such cases, memorandum in Form No. ST-3A shall be accompanied with the service tax return for the relevant period. After receiving memorandum in ST-3A, AC/DC is require to complete the assessment after calling further documents and records as he may consider necessary. Upon finalization of such assessment, if a liability of service tax arises, the differential amount to be paid by the assessee. If he has paid excess amount he would be entitled to refund⁶.

⁵Prior to 1stApril, 2012, the details of self-adjustment had to be intimated to the Superintendent of Central Excise within a period of 15 days from the date of adjustment.

⁶Ans3.3 of FAQ issued by DGST on 5th March, 2009.

2.7. **Rounding of Service Tax**

As per section 37D of the Central Excise Act, which is also applicable to Service Tax and Circular No. ST-53/2/2003, Dated 27.03.2003, the Service tax amount payable is to be rounded off to the nearest rupee.

2.8. **Excess or Wrongcollection of Service Tax [Section 73A and 73B]**

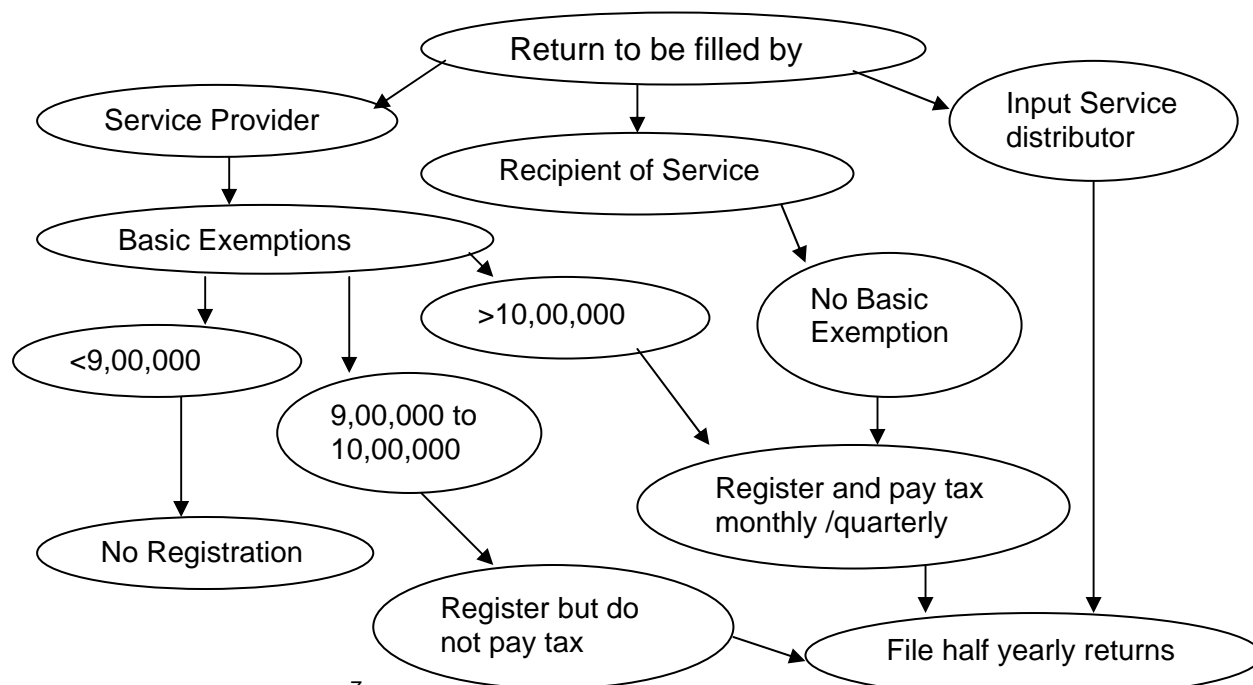
Any amount collected in excess of service tax leviable or collected service tax which is not required to be collected, requires the assessee to deposit the same to the credit of Central Government and also provides authority to the Central Excise Officer for recovery of such excess amount.

This also enables, under Section 73B, the Central Government to collect interest on the amount referred to in Section 73A.

3. RETURNS [Section 70 & Rule 7]

3.1. Person required to file Return

Service tax returns are to be filled by various person or class of persons which has been explained by way of following chart:



9,00,000 or 10,00,000⁷

3.2. Forms and Due Dates

Returns have to be filed in Form ST-3 in triplicate on half yearly basis by the 25th of the month following the particular half-year.

DUE DATES FOR FILING OF SERVICE TAX RETURN

<u>For the half year:</u>	<u>To be filed by:</u>
1 st April to 30 th September	25 th October
1 st October to 31 st March	25 th April

DUE DATES FOR FILING OF ISD RETURN

<u>For the half year:</u>	<u>To be filed by:</u>
1 st April to 30 th September	31 st October

⁷Applicable from 1st April, 2008. Prior to that between 1st April, 2007 to 31st March, 2008 7,00,000 or 8,00,000 and between 16th June, 2005 to 31st March, 2007 3,00,000 or 4,00,000 as the case may be.

1 st October to 31 st March	30 th April
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3.3. **Procedure for Filing Service Tax Return Online**

W.e.f. 1st October, 2011, every assessee shall file the service tax return electronically. There are two modes for filing return electronically – Online utility and Offline utility

Online utility

- a. Returns can be prepared and filed on-line by selecting the 'FillST3' option under RET module after logging into the ACES.
- b. 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.
- c. Confirmation for successful filing is generated immediately.
- d. If data for filing of return is not ready 100% than also return can be prepare using this utility and saved on the site. After compiling the data assessee go to Complete ST option under 'Fill ST3' in RET module and amend/complete the ST3 return saved but not submitted. After filing the return in totality assessee has to click submit button.

Offline utility

- a. Returns can also be prepared and filed off-line.
- b. It is advisable to use Excel 2003 instead of Excel 2007. For the reason that Excel 2007 has higher security features and built in macros for checking and validating the file may not work effectively in excel 2007.
- c. Enable the Macros (if disabled) as per the following instructions, so that all the functionalities of e filing utility will work fine.
 1. On the Tools menu, Point to Macro, and then click Security.
 2. Click on either Medium or Low to select the 'Security Level'
 3. On the Trusted Publishers tab, select the Trust all installed add-ins and templates check box.
 4. Please make sure that your system date is correct.
- d. Downloads the Offline return preparation utility available at <http://www.aces.gov.in> (Under Download)

- e. Downloaded utility contains one Microsoft Excel file containing eight (8) work sheets to be filled in by the assessee. These eight work sheets are:
1. **Instructions:** This sheet provides various instructions to be followed at the time of filling up of return. Such instructions are in connection with Structure of utility for ST-3, Steps for filing return, filling of data in return, Generation of xml file and up-loading of xml file.
 2. **Return:** Initially when excel utility is downloaded; it will contain only two sheets viz. Instructions and Return. Once the data is filled in return sheet, other sheets i.e. sheet no. 3 to 8 will appear in the whole sheet. If assessee is providing more than one services only one return have to be compiled for all the services.
 3. **Payable Service:** In this sheet details have to compiled on the basis of service provider (SP) and service recipient (SR) in connection with the selected services. Further, details to be compiled in relation to Value of taxable services, Service tax payable and Gross amount charged have to be compiled. All Green fields in the sheets are areas where in details are to be filled. If assess is providing more than one services, separate details to be compiled for each services in different "Payable Service" sheet.
 4. **Advance Payment:** Assessee can make advance payment of tax pursuant to Rule 6(1A) of Service tax Rules, 1994. In this sheet, all advance payment made during the period, have to be compiled. Challan number should contain 20 alpha numeric number consist of 1st 7 digit BSR Code number of bank followed by the date of submission of the challan in the form DDMMYYYY and further followed by a 5 digit running serial number, e.g. 12345672002201012345.
 5. **Paid Service:** In this sheet details as to Service tax, Education Cess, Secondary and Higher Education Cess and other amounts paid has to be filled.
 6. **Challan – Service:** In this sheet details of challans through which Service tax, Cess and other amounts paid by assessee during the half yearly period needs to be filled.
 7. **Cenvat:** In this sheet details of Inputs Stage Input Credit needs to be filled. Further, details are not required to be filled if assessee is Input

Service Distributor (ISD) or paying service tax by receiver of services under Reverse Charge Mechanism.

8. **Distributor:** In this sheet detail of Cenvat Credit for Input Service Distributor (ISD) needs to be filled. Further, assessee has to certify the self-declaration part in the sheet and then validate the return for up-loadation.
- f. The return preparation utility contains preliminary validations which are thrown up by the utility from time to time. Validate the file thereafter An XML file will be generated.
 - g. Logs in using the User ID and password.
 - h. Selects RET from the main menu and uploads the return.
 - i. 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.
 - j. The Service Tax returns, however, can be modified once as per rules up to 90 days from the date of filing the initial return.
 - k. Both the ‘Original’ and the ‘Revised’ return can be viewed by the assessee online.

At present digital signature is not required for filing return electronically.

3.4. **Revise Return [RULE 7B]**⁸

Assessee is allowed to rectify mistakes or omission and file revised return including CENVAT credit return within 90⁹ days from the date of filing of the original return.

⁸Inserted by Service Tax (Amendments) Rules, 2007, w.e.f. 1st March, 2007.

⁹ Previously it was 60 days w.e.f. 1st March, 2008 it has been increased to 90 days by Service Tax (Amendments) Rules, 2008.

3.5. Late Fee for delay in filing of Return [Section 70] [Rule 7C]¹⁰

Section 70 read with rule 7C of the Service Tax Rules, 1994 prescribes for a specified amount of late fee, and not the penalty, linked to period of delay for filing of return after the due date. The assessee is required to pay following amount of late fee depending upon the period of delay, but not exceeding Rs. 20,000/-¹¹.

S. No	No. of Days delay from due date for filing of service tax return	Late Fee in Rs.
1	From 1 st day up to 15 th day	500
2	From 16 th day Up to 30 th day	1000
3	Delay beyond 30 days	100/- per day

Late Fee as mentioned in Section 70 is not a penalty and the reference of Section 70 has not been given in Section 80. Section 80 provides that penalty shall not be imposed if assessee proves that there is a reasonable cause for delay. It means this late fee is mandatory.

Earlier the CBEC in master circular no 97/8/2007, dated 23rd August 2007 at para 6.1 mentions as under,

"Persons who are not liable to pay service tax (because of an exemption including turnover based exemption), are not required to file ST-3 return."

With this amendment indirectly now an assessee registered under service tax department would be required to file nil service tax return i.e. where the gross amount of service tax payable is nil including turnover base exemption.

Earlier Commissioner of Service Tax, Ahmedabad had issued Trade Notice no. 6/2007, dated 22nd May 2007, whereby it was clarified that returns shall be accepted by the jurisdictional Officers after the specified date for submission only on production of evidence of payment of late fee as prescribed.

¹⁰Inserted by Service Tax (Third Amendments) Rules, 2007, w.e.f. 12th May, 2007.

¹¹Substituted for Rs. 2,000/- w.e.f. 8th April, 2012

However after the introduction of Finance Bill 2008 there is an amendment in section 7C of Service Tax Rules, 1994 which now provides the power to Central Excise Officer for reduction or waiver of penalty in case where the gross amount of service tax payable is NIL.

Thus there seems to be a contradiction between Trade notice and Rule 7C (as amended).

In the case of **Suchak Marketing Pvt. Ltd. Vs. Commr. of Service Tax, Kolkota [2013 (30) STR 593 (Tri. – Kolkota)]** it was held that the assessing authority should have waived the late filing fee in event of non-filing of Nil returns as per proviso to Rule 7C.

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