

INTIMATION LETTER



**OFFICE OF THE DEPUTY/ASSISTANT COMMISSIONER OF SERVICE
TAX/CENTRAL EXCISE**

Division

Phone: **Email:**

F. No.

Dated: . . 2015

To

M/s _____
(STC : _____)

Sir/Madam,

Sub: Intimation for conducting detailed scrutiny of ST-3 returns--

This is to inform you that the CBEC has issued revised guidelines for conducting detailed manual scrutiny of ST-3 returns. Scrutiny of returns forms one of the three prongs of compliance verification- the other two being audit and anti-evasion. The principal role of detailed manual scrutiny is to check the correctness of self-assessment which implies checking the correctness of valuation, effective rate of tax and CENVAT credit availment/utilization. These will be done by looking at assessment related documents and will be done in the Range Office.

2. In addition, it is also proposed to do a broad reconciliation with respect to the income tax return. The scrutiny of returns will be done on a yearly basis by combining two half-yearly returns so that reconciliation with the income tax return can be done. You are requested to kindly cooperate in this task.

Yours faithfully,

(_____)
Deputy/Assistant Commissioner

ANNEXURE II**ASSESSEE MASTER INFORMATION**

1. Details of the assessee

1.	Name of the assessee	
2	15 digit STC	
3	Details of Unit/Organization	
4	Details of services provided	

2. Details of ST-3 returns filed

Period		Due date for filing return	Return filed on	Number of days of delay	Penalty payable for late filing of return	Penalty paid
From	To					
April'13	Sep '13					
Oct'13	Mar '14					
Apr'14	Sep'14					

3. Service tax payable as disclosed in ST-3 returns

(Rs in lakhs)

Period		Value of services				Total Service Tax payable
From	To	Taxable	Exempted	Total	Received	
April'12	Mar '13					
Apr'13	Mar '14					
Apr'14	Mar'15					

4. Total Service tax paid

Period		Service Tax						
From	To	Payable	Paid			Short-paid	Ratio of payment	
			Cash	CENVAT credit	Total		Cash	CENVAT credit
		1	1a	1b	2	3(2-1)	4a	4b
April'12	Mar '13							
Apr'13	Mar '14							
Apr'14	Mar'15							

5. Interest/penalty payable and paid

(Rs in lakhs)

Period		Interest			Penalty		
From	To	Payable	Paid	Short-paid	Payable	Paid	Short-paid
April'12	Mar '13						
Apr'13	Mar '14						
Apr'14	Mar'15						

6. Details of the Service Tax paid under reverse charge

(Rs in lakhs)

Period		Service Tax Payable	Service Tax Paid			Service Tax short-paid
From	To		Cash	CENVAT	Total	
April'12	Mar '13					
Apr'13	Mar '14					
Apr'14	Mar'15					

7. Brief details of Service-wise taxes paid for the last three years (For Major Services)

a) Name of Service:

(Rs in lakhs)

Year	Taxable Value	Total Service Tax payable	Total Service Tax Paid	Short-paid, if any
2012-13				
2013-14				
2014-15				

b) Name of Service :

Year	Taxable Value	Total Service Tax payable	Total Service Tax Paid	Short-paid, if any
2012-13				
2013-14				
2014-15				

8. Brief details of Service-wise exports, exempted services turnover for the last three years:

(Rs in lakhs)

Year	Classification of Service	Value of Exports	Value of exempted/non-taxable services	Details of exemption Notification and conditions attached to them
2012-13				
2013-14				
2014-15				

9. Brief details of service-wise abatements claimed for the last three years:

(Rs in lakhs)

Year	Classification of Service	Taxable Value	Amount of Abatement claimed	% of Abatement claimed to the total gross amount
2012-13				
2013-14				
2014-15				

10. Brief details of service-wise pure agent benefit claimed for the last three years:

(Rs in lakhs)

Year	Classification of Service	Taxable Value	Amount claimed as Pure Agent	% of Pure agent amount claimed to total gross amount
2012-13				
2013-14				
2014-15				

11. In case the unit is registered as ISD also, give the details of credit availed and distributed :

(Rs in lakhs)

Year	Credit taken	Credit not eligible for distribution	Credit distributed	Closing Balance of credit
2012-13				
2013-14				
2014-15				

12. CENVAT credit analysis:

	Year (1)	Year (2)	Year (3)
Credit availed on Input			
Credit availed on Capital Goods			
Credit availed on Input services			
Total credit availed			
% of Input credit			
% of capital goods credit			
% of Input services credit			

13. Comparison of income as per ITR 4,5,6/Form 26AS and ST-3 returns:

Income Stream	2013-14			2014-15		
	ST-3	ITR 4,5,6	26AS	ST-3	ITR 4,5,6	26AS

CHECKLIST**A. REVENUE RECONCILIATION****A.1 : OUTPUT TAX RECONCILIATION :****METHODOLOGY:-**

The verification may be done using the ITR 4 /5/ 6/26AS depending on the nature of the Company. Under the Head of Credits to the 'Profit and Loss Account', there is an entry which reads "Duties, taxes and cess received or receivable in respect of goods and services sold or supplied".

In respect of Service Tax, item B(ii) reads as 'total service tax paid or payable'. Match this figure with the total service tax paid amount indicated in the ST-3 return. Examine entry at item 36 titled 'Rates and taxes paid or payable to the government or any local body (excluding taxes on income) for service tax. Ideally it should match with the figure indicated against item B(ii) of the specific ITR.

A.2 : CENVAT CREDIT RECONCILIATION**METHODOLOGY:-**

Under the head of 'Credits to the Profit and Loss Account', there is an entry titled "Duties and taxes paid or payable in respect of goods and services purchased". In respect of Service Tax against item 7(v), there is an entry which reads as 'total service tax paid or payable on services purchased'. Match it with the total service tax availed as per the ST-3 return.

B. ISSUES OF TAXABILITY / CLASSIFICATION**B.1 : VERIFICATION TO EXAMINE WHETHER SERVICES CLAIMED AS NON-TAXABLE ARE IN FACT NON-TAXABLE.**

METHODOLOGY: -The correctness may be checked in conjunction with sample sales invoices, agreements / contracts. From the appropriate ITRs, find out total service Income and compare it with Taxable value shown in ST-3.

Under: "Credits to the Profit and Loss Account" the following information is furnished:-

(a)	Sales/Gross receipts of business or profession (Service Income)	
(b)	Rent	
(c)	Commission	
(a)+(b)+(c) =A	TOTAL	
(d)	Abatements	
(e)	Value of Exempted Services	
(f)	Value of export services on which no tax was paid	
(d)+(e)+(f) = B	TOTAL	
A – B	This represents the value on which no tax has been paid = Non taxable services	

Note: Income from House Property (which is not taxable for Service Tax) can be estimated from details given at Schedule HP of the ITR namely "***Details of Income from House Property***".

The value of non-taxable service income needs to be verified with respect to statutory provisions in the Act. To verify the claim of the assessee, invoices, agreements may be called for to check whether the transaction is in the nature of service or not. In case, it is a service, then check whether it is covered in a negative list or otherwise.

B.2 : CLASSIFICATION OF SERVICES (issues relating to appropriate rate of tax)

METHODOLOGY:-

To verify the correctness of the Service Tax category which may have relevance for payment of Service Tax on reverse charge basis or applicability of the Place of Provision of Services Rules, 2012, the minor code given in the GAR challan may be cross checked with the TDS deduction certificate given in Form No. 26AS. This is an annual statement given by the Income Tax Department under 203AA of the Income Tax Act to the service provider. Part A, interalia, contains the following details:

- Name of the Deductor (the Service Tax recipient)
- TAN of the Deductor
- Section under which the deduction is made
- TDS deducted
- TDS deposited

The section under which the deduction is made would indicate the taxable service tax category. The list of the various Income Tax provisions under which various taxable issues are categorized for purposes of TDS deduction, is given below:-

Sr.No.	Nature of payment where TDS is deducted.	Relevant Section of IT Act	Corresponding Taxable service
1.	Payment made to Contractors / Sub-Contractors	194C	(i) Works Contract Service; (ii) Construction of Commercial Complex; (iii) Construction of Residential Complex; (iv) Repair and Maintenance Service; (v) Erection, Commissioning and Installation service (vi) Site Preparation Service; (vii) Mining Service; (viii) Survey and exploration; (ix) Cleaning Services; (x) Transport Services (xi) Advertising Services; (xii) Broadcasting Service; (xiii) Business Auxiliary Services; (xiv) Business Support Services; (xv) Courier Services; and (xvi) C & F Agent Services. (xvii)

2.	Insurance Commission	194D	(i) Insurance Services (General Insurance) (ii) Insurance Services (Life Insurance).	Auxiliary (General Insurance) Auxiliary
3.	Payments to Non-resident Sportsmen / Sports Associations	194E	(i) Sponsorship Services (ii) Business Services	Auxiliary Auxiliary
4.	Commission on sale of Lottery tickets	194G	Business Auxiliary Service	
5.	Commission on brokerage	194H	(i) Business Service (ii) Banking and other financial services.	Auxiliary Auxiliary
6.	Rent	194I	Renting on Immovable Property	
7.	Fees for professional or technical services	194J	(i) Consulting Services (ii) Architect Service (iii) Practicing CAs / Cost Accountant. (iv) IPR Services (Royalty) (v) Scientific & Technical Consultancy (vi) Management Consultancy (vii) IT Services (viii) Business Services.	Engineer Auxiliary Auxiliary

From the section indicated in the TDS certificate, the service tax category indicated by the service tax provider to the Income Tax Department can be cross checked with the declaration given to the department in the ST-3 return.

It is also possible to verify whether all Services provided as indicated in the TDS certificate issued by the Income Tax Department to the Service provider have been exhaustively declared in the ST-3 return. This would be a useful reconciliation of the service tax categories declared by the assessee.

B.3 : VERIFICATION OF SERVICE CLAIMED TO SPECIFICALLY EXEMPTED IN THE ST 3 RETURN.

METHODOLOGY:-

Verify the eligibility of such exemption with respect to the conditions specified in the exempted notification. Sample copies of invoices may be examined. The contract / agreement entered into by the service provider can be studied to verify whether the conditions of the notifications have been satisfied.

B.4 : VERIFICATION OF SERVICES CLAIMED TO BE EXPORTED BY THE ASSESSEE.

METHODOLOGY:-

The correctness of the claim has to be verified with respect to the Place of Provision Rules, 2012 read with Rule 6A of the Service Tax Rules, 1994. The determination of actual exports can be made with respect to the declarations in the export documents and export details given. For determining the place of provision of service, it is required to know the description of the service that has been provided or to be provided and apply the Rule that is most appropriate. It may be noted that to get the benefit of exports, in addition to getting the consideration in convertible foreign currency, the Place of Provision of Service should be outside India.

B.5 : ELIGIBILITY OF ABATEMENT FROM THE VALUE FOR THE PURPOSE OF APPLYING THE APPROPRIATE RATE OF TAX.

METHODOLOGY:-

Check the correctness with reference to the conditions specified in the abatement notification especially whether the condition regarding non-availment of CENVAT credit is satisfied. Check whether the conditions of Rule 6(3) of the CENVAT credit Rules has been properly followed.

B.6 : IN CASE THE ASSESSEE IS CLAIMING ANY DEDUCTIONS FROM THE GROSS VALUE CHARGES (REFER B1.12 OF THE RETURN), THEN CALL FOR REASONS FOR SUCH DEDUCTIONS AND SUPPORTING DOCUMENTS LIKE INVOICES/BILLS ETC.

C. ISSUES RELATING TO VALUATION

C.1 : Issues relating to non-inclusion of Cost and Expenditure in the taxable value on the grounds that these are reimbursable and are incurred by pure agents.

METHODOLOGY:-

Check whether the claim of benefit to pure agent is correct. Call for agreement/invoices/debit Notes to verify the correctness. Look at the definition of pure agents in the Service Tax Rules. Are the reimbursements billed in the invoice or whether any debit/credit note have been issued for this purpose? Call for the bills/invoices raised by the third party against the assessee. In case the claim of the assessee is correct, then the assessee should not take credit against those invoices raised by the third party.

C.2 : Non inclusion of any cost / expenditure in the taxable value while providing taxable service.

METHODOLOGY:

Check some sample debit notes and corresponding invoices to see whether such cost / expenditure have been included in the taxable value.

D. ISSUES RELATING TO CENVAT CREDIT

D.1 : ELIGIBILITY OF THE ASSESSEE TO AVAIL CENVAT CREDIT ON INPUTS/INPUT SERVICES/CAPITAL GOODS.

METHODOLOGY:-

Eligibility of inputs/input services to CENVAT credit would have to be determined with respect to rule 2(k) and rule 2(l) of the CENVAT Credit Rules, 2004 which has to be read in conjunction with Section 37(2) of the Central Excise Act, 1944 under which the CENVAT Credit Rules notification is issued. Eligibility requires determination as to whether the input services have been used “in or in relation to the manufacture of the final product and clearance of final products upto the place of removal” (for input services used by a manufacturer).

D.2 : USE OF COMMON INPUT FOR BOTH TAXABLE AND EXEMPTED SERVICES.

METHODOLOGY:-

Check whether the procedure given in rule 6(3A) of CCR'04 has been followed to determine whether reversal of CENVAT credit is warranted. As per this Rule, the assessee is expected to give a statement at the end of the year indicating the amount of credit attributable to exempted goods or exempted services and payment thereof. Verify the correctness of the ratio for of reversal of CENVAT credit.

D.3 : AVAILMENT OF CENVAT CREDIT USED IN EXCLUSIVELY EXEMPTED SERVICES.

METHODOLOGY:-

If it is determined that input services are used in exempted output services then CENVAT credit has to be reversed.

E . MISCELLAENOUS ISSUES

E.1 : ADJUSTMENT OF CREDIT UNDER RULE 6(3) OF THE SERVICE TAX RULES :

These items are given at Sl No D4, E4, F4 of the ST-3. To verify this claim, call for credit notes issued by the assessee to the client with regard to the corrections pertaining to re-negotiation of the invoice already raised.

E.2 : ADJUSTMENT OF CREDIT UNDER RULE 6(4A) OF THE SERVICE TAX RULES, 1994 :

These items are given at Sl No D5, E5 and F5 of the ST-3 returns. To verify the claim, call for calculation of excess payment made earlier.

E.3 : PAYMENT OF TAX ON ADVANCES :

As per the Point of Taxation Rules,2011, service tax is payable on advance received for the services agreed to be provided. As per the Accounting norms, such advances received shall appear as liability in the Balance Sheet. This item is declared at “ Sources of Funds” in the ITR.

E.4 : REVERSE CHARGE ON IMPORT OF SERVICES :

Service Tax is payable by the receiver of the Services as per Sec 68(2) of the Finance Act, 1994 read with notification No. 30/2012-ST dated 20.06.2012 and Place of Provision of Rules, 2012, on import of services. Basically, they are the expenses incurred by the services receiver. Some of them are available in the ITR at “ Debits to Profit Loss Account” at Sl. Nos 22(i), 23(i) and 24(i).

E.5 : REVERSE CHARGE OTHER THAN IMPORTS :

Service Tax is payable by the receiver of the Services as per Sec 68(2) of the Finance Act, 1994 read with notification No. 30/2012-ST dated 20.06.2012 on these services (other than imports). Basically, they are the expenses incurred by the services receiver. Some of them are available in the ITR at “Debits to Profit Loss Account” at Sl No. 8 (Freight). Other important services on which reverse charge is applicable are: Manpower supply, Security services, Sponsorships, Legal etc subject to fulfilment of conditions mentioned in the said notification.

SECTOR SPECIFIC ISSUES FOR VERIFICATION DURING DETAILED RETURN SCRUTINY:-

1. MANPOWER SUPPLY, SECURITY:-

Non inclusion of Employee / Employer’s contribution to provident fund in the Gross Taxable Value. : The Employee and Employers contribution to the Provident Fund of the Manpower supplied by them is done by the assessee and client respectively. As per the provision of Section 67 of the Finance Act, 1994 the taxable value shall be the gross amount charged by the Service Provider for provision of service. Thus, the value of such contributions are required to be included in the gross taxable value while discharging the Service Tax liability. Is the assessee following the correct practice?

2. BANKING AND FINANCIAL SERVICES:-

Banking and Other Financial Services: Is the assessee collecting pre-closure/fore-closure charges, Reset Charges, Commitment Charges from their clients? (Refer F.No.345/6/2008-TRU, dated 11th June, 2008)

3. CONSTRUCTION SERVICES:-

If the service falls under Construction of complex service / Commercial Industrial Construction / Works Contract Service, check whether the assessee is receiving any free material / inputs from the client. If so, details may be called for. Also ascertain if the value of such free material is being added in the taxable value. If not, determine the reasons for such non-inclusion.

ANNEXURE IV

OBSERVATION SHEET FOR DOCUMENTING SCRUTINY FINDINGS

(To be filled by the Superintendent and countersigned by the DC/AC)

Reasons for selection of S.T.3 Returns of M/s.....
..... (STC :) for detailed scrutiny for the period to
.....:

The method adopted and the details of documents that have been seen may be indicated under "Documents Perused" and "Observation" Columns. The results achieved in the form of revenue and non-revenue paras are to be reported in the scrutiny paras as given at Annexure V. A cross reference of these paras is to be mentioned under Observation column given below. As far as possible, a descriptive form may be used while filling this observation column.

Business Model and Services provided:

Issue as given at Annexure III	Documents Perused	Observation
A.1 –Output Tax Reconciliation		
A.2 – CENVAT Credit Reconciliation		
B.1 – Claim of Non-Taxable Services		
B.2 – Classification of Services		
B.3 – Exempted Services		
B.4 – Export of Services		
B.5 – Abatements		
B.6 – Any other deductions		
C.1 – Pure Agent		
C.2 – Re- imbursements		
D.1 – Eligibility to CENVAT credit		
D.2 –Common Credit under Rule 6(3)		
D.3 – Credit pertaining to		

exempted services		
E.1 – Adjustment under Rule 6(3) of STR		
E.2 – Adjustment under Rule 6(4A) of STR		
E.3 – Payment of tax on Advances received		
E.4 – Reverse charge –Imports		
E.5 – Reverse Charge – other than Imports		
Any other issue		

SCRUTINY REPORT

1.	Name & Address of the Taxpayer	M/s. ABC
2.	Nature of the taxpayer	
3.	STC No. and date of issue	
4.	Name of taxable services provided	
5.	Name of taxable services received (Reverse Charge)	
6.	Date of last Scrutiny and Final Scrutiny Report (FSR) No. and period covered	
7.	Period for which current detailed manual scrutiny was undertaken	
8.	Total Revenue involved in scrutiny paras	
9.	Tax, Interest and penalty paid during the current Scrutiny period (Spot Recovery), with details of GAR-7 challan No., date or CENVAT credit account debit entry (number and date)	
10.	No. of Revenue paras	
11.	No. of Procedural paras	
12.	Gist of Objection (Reproduce relevant Section/Rule if required) and revenue involved	
13.	Taxpayer's Agreement/Reasons for Disagreement	
14.	Department's Conclusion with Remarks/Recommendation Note : Repeat point 9,10 and 11 if more than one para is involved	
15.	Minor paras (if any)	
16.	Suggestions to improve tax compliance	

(Inspector)

(Superintendent)

(Deputy/Assistant Commissioner)

ANNEXURE VI

MIS Report for the month of

Table I:

Opening Balance of number of assesseees whose scrutiny is pending	No. of assesseees taken up for detailed scrutiny		No. of assesseees whose detailed scrutiny is completed		Closing Balance of number of assesseees whose scrutiny was taken up but not completed	Out of (4), number of assesseees whose scrutiny is pending for more than 3 months
	In the month	Upto the month	In the month	Upto the month		
(1)	(2A)	(2B)	(3A)	(3B)	(4)=(1)+(2)-(3A)	(5)

Table II:

Opening Balance of no. of paras pending	No. of paras raised		Amount detected		Amount Recovered		No. of SCNs Issued		Amount demanded in the SCNs		No. of paras closed		Closing Balance of no. of paras pending
	In the month	Upto the month	In the month	Upto the month	In the month	Upto the month	In the month	Upto the month	In the month	Upto the month	In the month	Upto the month	
(6)	(7A)	(7B)	(8A)	(8B)	(9A)	(9B)	(10A)	(10B)	(11A)	(11B)	(12A)	(12B)	(13)

ANNEXURE VII

OBSERVATION SHEET FOR DOCUMENTING SCRUTINY FINDINGS

(To be filled by the Superintendent and countersigned by the AC/DC)

Reasons for selection of ST-3 Returns of M/s (STC No.) for detailed scrutiny for the period **2011-12 to 2013-14:**

The method adopted and the details of documents that have been seen may be indicated under “Documents Perused” and “Observation” Columns. The results achieved in the form of revenue and non-revenue paras are to be reported in the Scrutiny Paras as given at Annexure V. A cross reference of these paras are to be mentioned under Observation column given below. As far as possible, a descriptive form may be used while filling this observation column.

Business Model and Services provided: **Partnership; Renting of Immovable Property Service**

Issue as given at Annexure III	Documents Perused	Observation
A.1 – Output Tax reconciliation	Balance Sheet, P&L A/c, ST-3 returns	Taxable value as per Balance Sheet: 2011-12 – Rs.71,97,240/- 2012-13 – Rs.71,91,240/- 2013-14 – Rs.71,97,240/- Taxable value as per ST-3 Return: 2011-12 – Rs.71,97,240/- 2012-13 – Rs.71,91,240/- 2013-14 – Rs.71,97,240/- No differences noticed.
A.2 – CENVAT Credit reconciliation	Not availing CENVAT Credit	NA
B.1 – Claim of Non-taxable services	Nil	NA
B.2 – Classification of Service	Renting of Immovable Property Services.	Assessee has correctly classified the service under the category of ‘Renting of Immovable Property Service’ under Section 65(105)(zzzz) of Finance Act, 1994.
B.3 – Exempted Services	Nil	NA
B.4 – Export of Services	Nil	NA
B.5 – Abatements	Nil	NA
B.6 – Any other deductions	Nil	NA
C.1 – Pure Agent	NA	NA
C.2 – Re-imburements	NA	NA
D.1 – Eligibility to Cenvat	NA since not availing CENVAT	NA
D.2 – Common Credit Rule 6(3)	NA	NA
D.3 – Credit pertaining to exempted services	NA	NA

E.1 – Adjustment under Rule 6(3) of STR	No	NA
E.2 – Adjustment under Rule 6(4A) of STR	No	NA
E.3 – Payment of tax on Advances received	No	NA
E.4 – Reverse Charge – imports	No	NA
E.5 – Reverse Charge – other than imports	Yes	<p>The assessee is availing transport services. Being receiver of the said services, the assessee has paid full service tax to the provider of the service as verified from the statement and the samples invoices submitted by the assessee. However, in some cases of GTA, the transporter is not a registered service provider. Accordingly, assessee was asked to pay the Service Tax liability on bills received from such transporter. The total duty liability worked out to Rs.6934/-.</p> <p>The assessee have paid the said Service Tax liability total amounting to Rs.6934/- along with interest of Rs.3351/- and Penalty under Section 76 of the Finance Act, 1994 amounting to Rs.3469/- (Total Rs.14,000/-) vide Challan No.889 Rs.5000/-, Challan No.945 Rs.5270/- and Challan No.967 Rs.3730/- all dated 06.05.2015.</p>
E.6 – R & D Cess paid	NA	NA

ANNEXURE VIII**DRAFT SCRUTINY REPORT NO. /2015**

1.	Name & address of the Taxpayer	M/s
2.	Nature of the taxpayer (individual, partnership, etc)	Partnership
3.	STC No. (Registration) and date of issue	
4.	Name of taxable services provided	Renting of Immovable Property
5.	Name of taxable services received (Reverse Charge)	GTA
6.	Date of last scrutiny and Final Scrutiny Report (FSR) No. and period covered	--
7.	Period for which current detailed manual scrutiny was undertaken	2011-12, 2012-13 & 2013-14
8.	Total Revenue involved in scrutiny paras	
9.	Tax, interest and penalty paid during the current scrutiny period (Spot recovery), with details of GAR-7 challan No., Date, CENVAT Debit Entry No. and date	Total Service Tax amounting to Rs.6934/- along with interest of Rs.3351/- and Penalty of Rs.3469/- under Section 76 of the Finance Act, 1994 paid vide Challan No.889 Rs.5000/-, Challan No.945 Rs.5270/- and Challan No.967 Rs.3730/- all dated 06.05.2015.
10.	No. of revenue paras	One
11.	No. of procedural paras	Nil
12.	Gist of Objection (Reproduce relevant Section/Rule if required): The assessee is availing transport services. Though being receiver of the said services, the assessee has paid full service tax to the provider of the service as verified from the statement and the samples invoices submitted by the assessee. However, in some cases of GTA, the transporter is not a registered service provider. Accordingly, assessee was asked to pay the Service Tax liability on bills received from such transporter. The total duty liability worked is Rs.6934/- plus interest and penalty under section 76.	
13.	Taxpayer's agreement/reasons for disagreement: The assessee have paid the said Service Tax liability amounting to Rs.6934/- along with interest of Rs.3351/- and Penalty of Rs.3469/-under Section 76 of the Finance Act, 1994 vide Challan No.889 Rs.5000/-, Challan No.945 Rs.5270/- and Challan No.967 Rs.3730/- all dated 06.05.2015 (total Rs.14,000/-)	
14.	Department's contention with remarks/recommendation: Since the assessee has paid the service tax liability along with interest and penalty under Section 76 of the Finance Act, 1994, the para may be closed.	
15.	Minor Paras (if any)	NIL

16.	Suggestions to improve tax compliance	Assessee has been directed to hence forth to pay Service Tax on Goods Transport by Road under Reverse Charge Mechanism only in terms of Notification No. 30/2012-ST dated 20.06.2012 issued under sub-section (2) of Section 68 of the Finance Act, 1994.
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(Inspector)

(Superintendent)

(Deputy/Assistant Commissioner)