

# **Revised format for Excise and Service Tax Return & proposed changes in Return Periodicity.**

Dated : 13<sup>th</sup> April, 2012  
New Delhi.

**Subject : Revised format for Excise and Service Tax Return- regarding**

The attached document is a draft circular containing details of proposed amendments to harmonize the ER-1, ER-3 and ST-3 returns so that a single common return can be prescribed instead of these three returns as measure of simplification of the Business Processes in respect of filing the Return by assesses. The draft is being placed in public domain for widest possible circulation and an extensive debate from all stakeholders in trade and industry as also from all the field formations of the department. All suggestions and feedback from Trade as well as Field formations, may please be emailed at dircx1@nic.in or at vp60singh@gmail.com latest by 15<sup>th</sup> May 2012. The feedback and suggestions received would be considered for revising the proposed amendments.

**Encl:** As above

## **DRAFT**

**Circular No / /2012-CX**

**Circular No. / /2012-ST**

Dated : 13<sup>th</sup> April, 2012  
New Delhi.

To,

All the Chief Commissioners of Central Excise and Service Tax

The Director General (Inspection, System, Audit & Central Excise Intelligence)

All the Commissioners of Central Excise

All the Commissioner of Service Tax

Madam/Sir,

Central Excise assesseees are required to file returns in the Format ER-1 to ER-3 and the Service Tax Assessee file the Return in ST-3 format as follow:

S No	Return	Frequency	To be filed by
1	ER.1	Monthly	All the assessess except those filing ER2 or ER.3
2	ER.3	Quarterly	Units availing exemption on the basis of value of Clearances
3	ST-3	Six Monthly	All the Service Tax Assessee's

2.0 It has been proposed to harmonize the ER-1, ER-3 and ST-3 returns so that a single common return can be prescribed instead of these three returns as measure of simplification of the Business Processes in respect of filing the Return by assesseees. The revised return EST-Return is Annexed.

3.0 One of the purpose of the return is to ensure the payment of the duty/ service tax in time. Accordingly it is propped to also align the payment cycle and the return cycle. Under Central Excise Rules the returns and payment cycles are aligned already.

4.0 On Service Tax side at present every assessee files the six monthly return (Rule 7 of Service Tax Rules 1994) whereas the payment cycle is as follows as per the Rule 6 of the said rules

- a. Quarterly for the individual, proprietary firm and partnership firm
- b. All others monthly.

5.0 Following amendments are proposed in the Service Tax Rules, 1994 to align the payment and return cycles:

a. Quarterly payment and quarterly return for assesseees who had paid Service Tax of Rs 25 lakhs or less including the the payments made by utilizing the CENVAT credit, during the preceding financial year.

b. Monthly payment and monthly return for all other assesseees who had paid Service Tax of more than Rs 25 lakhs including the the payments made by utilizing the CENVAT credit, during the previous financial year.

- c. Quarterly payment and quarterly return for all the new assesseees.

6.0 You are requested to circulate the contents of this circular along with the revised format of the return amongst the officers and trade formations in your jurisdiction and solicit their comments on the proposed amendments.

7.0 You may forward your comments on the formats and proposed amendments to the undersigned by e-mail at dircx1@nic.in or at vp60singh@gmail.com latest by 15<sup>th</sup> May 2012.

8.0 Hindi version of the circular will follow.

Yours faithfully

**V P Singh**  
**Under Secretary (CX.6)**

Sheet 1

<b>1</b>	<b>Period of Return</b>		<b>2</b>	<b>Central Excise/ Service Tax</b>	
<b>3</b>	<b>Name of the Assessee</b>				
<b>4</b>	<b>Registration Number</b>	<b>Central Excise</b>			
		<b>Service Tax</b>			

**EST Return for Central Excise and Service Tax**

Description of Goods/ Services	CETSH	Exemption Claimed	Effective rate of duty/ Service Tax	Quantity Cleared	Total Taxable/ Dutiable Value	CENVAT/	Service Tax payable	Remarks

**5 Computation of CENVAT/ Service Tax Payable**

**6 Details of CENVAT Credit taken and utilized**

	Details of Credit	CENVAT/ Service Tax	AED
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(TTA)NCCDADE\*Additional Duty\*\*Edu.

Cess\*\*\*

1

Opening Balance

2

Credit on Inputs

3

Credit on Capital Goods

4

Credit on Input Services

5

Credit from inter unit transfers in LTU

6

Credit taken under Rule 12BB(2) of CER, 2002      **Credit Utilisation for payment:**

7

Of CENVAT on goods/ Service Tax on Output Services

8

When inputs/ Capital goods cleared as such

9

Of amount under Rule 6 of CCR, 2004

10

Adjustments under STR

11

Other payments

12

Inter unit transfer of Credit by LTU

13

Closing Balance

### 7 Details of Payment made

Description	Duty Code	Account		Challan		BSR Code	Total Paid
		Credit	Cash	Date	Number		
CENVAT							
Service Tax							
Education Cess							
Secondary Education Cess							
Cess							
NCCD							
Other Duties & Cess							
Adjustment under STR							
Arrears Rule 8							
Other Arrears							
Interest Rule 8							
Other Interest							
Other payments							

\*ADE levied under clause 85 of Finance Act 2005

\*\*Additional duty of Customs levied under Section 3(5) Of Customs Tariff Act, 1985.

\*\*\*Education Cess & Secondary education Cess

### **INSTRUCTIONS**

1. Indicate the period of return at Serial Number (1).
2. At Sl No (2) indicate whether the return is filed for Service Tax or Central Excise. For assessee's who have to file return both as service tax assessee and as Central Excise Assessee separate returns shall be filed for service tax and central excise.

3. At Sl No (5) following instructions need to be followed:

- a. In case more than one item is manufactured, the details of all the items manufactured or service provided should be indicated in separate row.
- b. If a specific product / service attracts more than one rate of duty, then all the rates should be mentioned in separate rows.
- c. The goods cleared for export under bond should be indicated separately by mentioning the same in column (5)
- d. In case the intermediate goods are cleared by a large taxpayer under sub rule (1) of rule 12BB, the details of such clearances may be mentioned separately. Under columns (5) of the table the words 'inter unit transfer by large taxpayer under rule 12BB (1)' may be mentioned.
- e. If a specified product attracts different rates of duty, within the same month, then such details should be separately mentioned.
- f. 8-digit CETSH Number may be indicated without any decimal point.
- g. In case the goods are assessed provisionally, the details may be given separately in Table at serial number 5. In column (9) of Table at serial number 5, specify the Unique Identification number mentioned in the order for Provisional Assessment.
- h. Goods cleared under compounded levy scheme, indicate the aggregate duty payable in column (8) as per the compounded levy scheme. The columns not applicable may be kept blank.

4. In column (7) of Table at serial number 3, the Total Taxable/ Dutiable value means:

- (a) where goods attract advalorem rate of duty, the value under section 4 of Central Excise Act, 1944 (1 of 1944);
- (b) where goods are covered under section 4A of the Act, the assessable value as worked out under MRP after allowing deductions as provided under section 4A of the Act;
- (c) in case of goods for which the tariff value is fixed, such tariff value;
- (d) in case of specific rated goods, the aggregated invoice value of the goods excluding all taxes;
- (e) in case of combination of advalorem and specific duties, the transaction value under section 4 of the Act;
- (f) in case of exports under Bond, the ARE-1/ARE-2/invoice value.

5. In Tables at serial numbers 7 the 'Other duties' paid/payable, as applicable, may be mentioned in order of: *SED, AED(TTA), SAED, ADE, ADE on specified products levied under clause 85 of Finance Act, 2005, Cess on Excisable goods*

6. In column (4) in Table at serial number 5, indicate the effective rates of duty. Columns which are not applicable, may be left blank.

7. The details of the challans for duty payment should be mentioned in Table at Sr.No. 7. In Table at S.No.7, separate challans should be used for pre-deposit of duty for the purpose of appellate remedy, for paying dues for approaching Settlement Commission and for other payments.

8. Other payment includes penalty, redemption fine, and pre-deposit.

9. In the Tables at serial numbers 7, the BSR codes of the Bank branch should be indicated when the instructions to this effect are issued.