


<p>आयुक्त का कार्यालय केंद्रीय वस्तु एवं सेवा कर एवं उत्पाद शुल्क ,अहमदाबाद उत्तर, कस्टम हाँउस(तल प्रथम) नवरंगपुरा- अहमदाबाद ,380009</p>		<p>Office of the Commissioner of Central Goods & Services Tax & Central Excise, Ahmedabad North, Custom House(1st Floor) Navrangpura, Ahmedabad-380009</p>
<p>फ़ोन नंबर/ PHONE No.: 079-2754 4599 फ़ैक्स/ FAX : 079-2754 4463 E-mail:- oaahmedabad2@gmail.com</p>		

निबन्धित पावती डाक द्वारा / By REGISTERED POST AD

फा .सं/. STC/15-78/OA/2021

DIN- 20230264WT0000777CFE

आदेश की तारीख / Date of Order : 06.02.2023
जारी करने की तारीख / Date of Issue : 06.02.2023

द्वारा पारित/Passed by -

उपेन्द्र सिंह यादव / UPENDRA SINGH YADAV

आयुक्त / COMMISSIONER

मूल आदेश संख्या /

ORDER-IN-ORIGINAL No. AHM-EXCUS-002-COMMR-37/2022-23

जिस व्यक्ति(यों) को यह प्रति भेजी जाती है, उसे व्यक्तिगत प्रयोग के लिए निःशुल्क प्रदान की जाती है।

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2. इस आदेश से असंतुष्ट कोई भी व्यक्ति -इस आदेश की प्राप्ति से तीन माह के भीतर सीमा शुल्क ,उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण ,अहमदाबाद पीठ को इस आदेश के विरुद्ध अपील कर सकता है। अपील सहायक रजिस्ट्रार ,सीमा शुल्क ,उत्पाद शुल्क एवं सेवाकर अपीलीय न्यायाधिकरण , द्वितीय तल, बाहुमली भवन असरवा, गिरधर नगर पुल के पास, गिरधर नगर, अहमदाबाद, गुजरात 380004 को संबोधित होनी चाहिए।

Any person deeming himself aggrieved by this Order may appeal against this Order to the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad Bench within three months from the date of its communication. The appeal must be addressed to the Assistant Registrar, Customs, Excise and Service Tax Appellate Tribunal, 2nd Floor, Bahumali Bhavan, Asarwa, Near Girdharnagar Bridge, Girdharnagar, Ahmedabad, Gujarat 380004.

2.1 इस आदेश के विरुद्ध अपील न्यायाधिकरण में अपील करने से पहले मांगे गये शुल्क के 7.5% का भुगतान करना होगा, जहाँ शुल्क यानि की विवादग्रस्त शुल्क या विवादग्रस्त शुल्क एवं दंड या विवादग्रस्त दंड शामिल है ।

An appeal against this order shall lie before the Tribunal on payment of 7.5% of the duty demanded where duty or duty and penalty are in dispute, or penalty, where penalty alone is in dispute.

(as per amendment in Section 35F of Central Excise Act, 1944 dated 06.08.2014)

3. उक्त अपील प्रारूप सं .इ.ए 3.में दाखिल की जानी चाहिए। उसपर केन्द्रीय उत्पाद शुल्क (अपील) नियमावली 2001 ,के नियम 3 के उप नियम (2)में विनिर्दिष्ट व्यक्तियों द्वारा

हस्ताक्षर किए जाएंगे। उक्त अपील को चार प्रतियाँ में दाखिल किया जाए तथा जिस आदेश के विरुद्ध अपील की गई हो ,उसकी भी उतनी ही प्रतियाँ संलग्न की जाएँ)उनमें से कम से कम एक प्रति प्रमाणित होनी चाहिए। अपील से संबन्धित सभी दस्तावेज भी चार प्रतियाँ में अग्रेषित किए जाने चाहिए।

The Appeal should be filed in Form No. E.A.3. It shall be signed by the persons specified in sub-rule (2) of Rule 3 of the Central Excise (Appeals) Rules, 2001. It shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be certified copy). All supporting documents of the appeal should be forwarded in quadruplicate.

4. अपील जिसमें तथ्यों का विवरण एवं अपील के आधार शामिल हैं चार प्रतियों में दाखिल , उसकी भी उतनी ही ,की जाएगी तथा उसके साथ जिस आदेश के विरुद्ध अपील की गई हो उनमें से कम से कम प्रतियाँ संलग्न की जाएंगी म एक प्रमाणित प्रति होगी।

(The Appeal including the statement of facts and the grounds of appeal shall be filed in quadruplicate and shall be accompanied by an equal number of copies of the order appealed against (one of which at least shall be a certified copy.)

5. अपील का प्रपत्र अंग्रेजी अथवा हिन्दी में होगा एवं इसे संक्षिप्त एवं किसी तर्क अथवा विवरण के बिना अपील के कारणों के स्पष्ट शीर्षों के अंतर्गत तैयार करना चाहिए एवं ऐसे कारणों को क्रमानुसार क्रमांकित करना चाहिए।

The form of appeal shall be in English or Hindi and should be set forth concisely and under distinct heads of the grounds of appeals without any argument or narrative and such grounds should be numbered consecutively.

6. अधिनियम की धारा 35बी के उपबन्धों के अंतर्गत निर्धारित फीस जिस स्थान पर पीठ स्थित है, वहां के किसी भी राष्ट्रीयकृत बैंक की शाखा से न्यायाधिकरण की पीठ के सहायक रजिस्ट्रार के नाम पर रेखांकित माँग ड्राफ्ट के जरिए अदा की जाएगी तथा यह माँग ड्राफ्ट अपील के प्रपत्र के साथ संलग्न किया जाएगा।

The prescribed fee under the provisions of Section 35 B of the Act shall be paid through a crossed demand draft, in favour of the Assistant Registrar of the Bench of the Tribunal, of a branch of any Nationalized Bank located at the place where the Bench is situated and the demand draft shall be attached to the form of appeal.

7. न्यायालय शुल्क अधिनियम 1970 ,की अनुसूची ,1-मद 6 के अंतर्गत निर्धारित किए अनुसार संलग्न किए गए आदेश की प्रति पर 1.00रुपया का न्यायालय शुल्क टिकट लगा होना चाहिए।

The copy of this order attached therein should bear a court fee stamp of Re. 1.00 as prescribed under Schedule 1, Item 6 of the Court Fees Act, 1970.

8. अपील पर भी रु 4.00 .का न्यायालय शुल्क टिकट लगा होना चाहिए।

Appeal should also bear a court fee stamp of Rs. 4.00.

विषय: -कारण बताओ सूचना:

Subject- Proceedings initiated vide Show Cause Notice No. STC/15-78/OA/2021 dated 23.04.2021 issued to M/s. Patel Sanjaykumar M., B. No. 45, Suramya Bungalows, Opp. Ratnam Bungalows, Science City Road, AHMEDABAD – 380060

ORDER-IN-ORIGINAL NO. AHM-EXCUS - 37/2022-23

M/s. Patel Sanjaykumar M., B. No. 45, Suramya Bungalows, Opp. Ratnam Bungalows, Science City Road, AHMEDABAD – 380060 (Gujarat) were issued Show Cause Notice No. STC/15-78/OA/2021 dated 23.04.2021 by the Commissioner, Central GST & Central Excise, Ahmedabad North, Ahmedabad.

Brief facts of the case pertaining to Show Cause Notice No. STC/15-78/OA/2021 dated 23.04.2021 are as follows:

1. Analysis of “Sales/Gross Receipts from Services (Value from ITR)”, the “Total Amount Paid/Credited under 194C, 194H, 194I, 194J” and “Gross value of Services Provided” by M/s. Patel Sanjaykumar M., B. No. 45, Suramya Bungalows, Opp. Ratnam Bungalows, Science City Road, AHMEDABAD – 380060 (Gujarat) (hereinafter referred to as “Assessee” for sake of brevity) was undertaken by the Central Board of Direct Taxes (CBDT) for the F.Y. 2015-16 to 2016-17, and details of said analysis were shared by the CBDT with the Central Board of Indirect Taxes (CBIC). On the basis of the data shared by the CBDT, it appeared that they were engaged in providing taxable services as the Assessee was holding Service Tax Registration No. AKSPP4107BSD001.

2. On scrutiny of the data shared by CBDT for the Financial Year 2015-16 and 2016-17, it appeared that the Assessee had declared less taxable value in their Service Tax Return (ST-3) for the F.Y. 2015-16 and 2016-17 as compared to the Service related taxable value declared in their Income Tax Return (ITR)/ Form 26AS, the details of which are as under:

Table - A

Sr. No.	F.Y.	Taxable Value as per ST-3 returns (In Rs.)	Gross Receipts From Services (Value from ITR/26AS) (In Rs.)	Difference Between Value of Services from ITR/26AS and Gross Value in Service Tax Provided (In Rs.)	Resultant Service Tax short paid (in Rs.)
1	2015-16	0	144066497	144066497	20889642
2	2016-17	0	128443771	128443771	19266566
TOTAL					40156208

3. Section 68 of the Finance Act, 1994 provides that ‘every person liable to pay service tax shall pay service tax at the rate specified in Section 66/66B ibid in such a manner and within such period which is prescribed under Rule 6 of the Service Tax Rules, 1994. In the instant case, the Assessee appeared to have not paid service tax as worked out as above in Table A for Financial Year 2015-16 and 2016-17.

4. No data was forwarded by CBDT, for the period 2017-18 (upto June-2017) and the assessee had also failed to provide any information regarding rendering of taxable service for the period 2017-18 (upto June-2017). Therefore, at the time of issue of SCN, it was not possible to quantify short payment of Service Tax, if any, for the period 2017-18 (upto June-2017).

5. With respect to issuance of demand of the unquantified tax liability at the time of issuance of SCN, Master Circular No. 1053/02/2017-CX dated 10.03.2017 issued by the CBEC, New Delhi clarifies that:

"2.8 Quantification of duty demanded: It is desirable that the demand is quantified in the SCN, however if due to some genuine grounds it is not possible to quantify the short levy at the time of issue of SCN, the SCN would not be considered as invalid. It would still be desirable that the principles and manner of computing the amounts due from the noticee are clearly laid down in this part of the SCN. In the case of Gwalior Rayon Mfg. (Wvg.) Co. Vs .UOI, 1982 (010) ELT 0844 (MP), the Madhya Pradesh High Court at Jabalpur affirms the same position that merely because necessary particulars have not been stated in the show cause notice, it could not be a valid ground for quashing the notice, because it is open to the petitioner to seek further particulars, if any, that may be necessary for it to show cause if the same is deficient."

6. As per section 70 of the Finance Act 1994, every person liable to pay service tax is required to himself assess the tax due on the services provided/received by him and thereafter furnish a return to the jurisdictional Superintendent of Service Tax by disclosing wholly & truly all material facts in their service tax returns (ST-3returns). The form, manner and frequency of return are prescribed under Rule 7 of the Service Tax Rules, 1994. It appeared that the Assessee had not assessed the tax dues properly, on the services received by them, and also had failed to file correct ST-3 Returns, thereby violating the provisions of Section 70(1) of the Finance Act, 1994 read with Rule 7 of the Service Tax Rules, 1994.

7. Further, as per Section 75 *ibid*, every person liable to pay the tax in accordance with the provisions of Section 68 *ibid*, or rules made there under, who fails to credit the tax or any part thereof to the account of the Central Government within the prescribed period is liable to pay the interest at the applicable rate of interest. Since the Assessee had failed to pay their Service Tax liabilities in the prescribed time limit, they were liable to pay the said amount along with interest. Thus, the said Service Tax was required to be recovered from the Assessee along with interest under Section 75 of the Finance Act, 1994.

8. Accordingly, it appeared that the Assessee had contravened the provisions of Section 68 of the Finance Act, 1994 read with Rule 6 of Service tax Rules, 1994 in as much as they had failed to pay/ short paid/ deposit Service Tax to the extent of Rs. 40156208/-, by declaring less value in their ST-3 Returns vis-a-vis their ITR/ Form 26AS, in such manner and within such period prescribed in respect of taxable services received /provided by them; Section 70 of Finance Act 1994 in as much they had failed to properly assess their service tax liability under Rule 2(1)(d) of Service Tax Rules, 1994.

9. It also appeared that at no point of time, the Assessee had disclosed or intimated to the Department regarding receipt/providing of Service of the differential value that had come to the notice of the Department only after going through the CBDT data generated for the Financial Year 2015-16 and 2016-17. The Government had from the very beginning placed full trust on the service providers and accordingly measures like self-assessment etc, based on mutual trust and confidence are in place. From the evidences, it appeared that the said Assessee had knowingly suppressed the facts regarding receipt of/providing of services by them worth the differential value as could be seen in the Table A hereinabove and thereby not paid / short paid/ not deposited Service Tax thereof to the extent of Rs. 4,01,56,208/-. It appeared that the above act of omission on the part of the Assessee resulted into non-payment of Service tax on account of suppression of material facts and contravention of provisions of Finance Act, 1994 with intent to evade payment of Service tax. Hence, the same appeared to be recoverable from them under the provisions of Section 73(1) of the Finance Act, 1994 by invoking extended period of time, along with Interest thereof at appropriate rate under the provisions of Section 75 of the Finance Act, 1994. Since the above act of omission on the part of the Assessee constituted an offence of the nature specified under Section 78 of the Finance Act, 1994, it appeared that the Assessee had rendered themselves liable for penalty under Section 78 of the Finance Act, 1994.

10. The said Assessee was given opportunity to appear for pre show cause consultation. The pre show cause consultation was fixed on 22.04.2021 however the assessee did not appear for the same.

11. Therefore, the Assessee (M/s. Patel Sanjaykumar M.) were issued a Show Cause Notice dated 23.04.2021 asking them as to why;

- (i) The demand of Service tax to the extent of Rs 4,01,56,208/- short paid /not paid by them in F.Y. 2015-16 and 2016-17, should not

- be confirmed and recovered from them under the provisions of Section 73 of the Finance Act, 1994;
- (ii) Interest at the appropriate rate should not be recovered from them under the provisions of Section 75 of the Finance Act, 1994;
 - (iii) Penalty should not be imposed upon them under the provisions of Section 78 of the Finance Act, 1994.
 - (iv) Penalty under Section 77(2) of the Finance Act, 1994 should not be imposed on them for their failure to assess their correct Service Tax liability and their failure to file correct Service Tax Returns, as required under Section 70 of the Finance Act, 1994 read with Rule 7 of the Service Tax Rules, 1994.

DEFENCE REPLY:

12. The Assessee vide their letter dated 04.06.2021 submitted their reply to the Show Cause Notice dated 23.04.2021, wherein they have inter alia stated as under –

- a. That they are Government Labour Contractor
- b. That as per Section 66(D)(a)(I) covers negative list of services; so service tax will not apply to them
- c. That they have submitted letter to Superintendent, CGST, Range-III, Division-VII, (S.G. Highway East), Ahmedabad on 31.08.2020 with respect to the said notice
- d. That they had provided services by way of construction of a civil structure or any other contract for Government, Local Body or Government Authority as a principal contractor or sub-contractor on which service tax was not applicable
- e. That “Works Contract Services” attracts the Sl. No. 12 of Notification No. 25/2012-ST dated 20.06.2012 which numerate various exemption from service tax in respect of specified services provided to Government or Government Authority

12.1 The Assessee alongwith their letter dated 04.06.2021 also submitted the following documents –

- 1. Balance Sheet for the period 2014-15
- 2. Income Tax Return with 26AS for the period 2014-15
- 3. Copy of summons dated 17.08.2020 issued by the Superintendent, CGST, Range-III, Division-VII, (S.G. Highway East), Ahmedabad North Commissionerate
- 4. Copy of their letter dated 31.08.2020 submitted to the Superintendent, CGST, Range-III, Division-VII, (S.G. Highway East)

5. Income Tax Return for the F.Y. 2015-16 and 2016-17 alongwith Form 26AS
6. Income Tax Audit Report for the F.Y. 2015-16 and 2016-17
7. VAT Form Return 202 for the F.Y. 2015-16 and 2016-17
8. Balance Sheets and P&L Account for the F.Y. 2015-16 and 2016-17
9. Work Order for the F.Y. 2015-16 and 2016-17

12.2 Further vide their letter dated 27.06.2022 the Assessee submitted the following additional documents –

- i. RA bills
- ii. Sales Ledger Copy
- iii. Tax Audit Report for the F.Y. 2015-16 and 2016-17

PERSONAL HEARING:

13. Personal hearings were granted to the Assessee on 17.12.2021, 18.01.2022, 25.04.2022, 19.05.2022, 15.06.2022, 22.07.2022, 02.09.2022, 12.10.2022 and 14.11.2022. The Assessee on 3 occasions i.e. 17.12.2021, 19.05.2022, 27.06.2022 sought adjournment of the personal hearing, but did not appear for personal hearing on any of the above mentioned other dates which were fixed for personal hearings.

13.1 In view of the non-appearance of the Assessee for the personal hearing and considering that they have already been given 9 opportunities for personal hearings which the Assessee has chosen not to avail, I am left with no option but to proceed with the issue on the basis of the facts available on record as the matter cannot be left hanging indefinitely.

13.2 In this connection, I find that Hon'ble Supreme Court, High Courts and Tribunals have, in several judgments/decision have held, that *ex-parte* decision will not amount to violation of principles of Natural Justice, when sufficient opportunities for personal hearing have been given to the noticee for defending the case. As can be discerned from para 13 above, more than sufficient opportunities have been accorded to the Assessee for availing the benefit of personal hearings but to no avail.

In support of the same, I rely upon the following judgments/orders as under:-

a) Hon'ble High Court of Kerala in the case of UNITED OIL MILLS Vs. COLLECTOR OF CUSTOMS & C. EX., COCHIN reported in 2000 (124) E.L.T. 53 (Ker.), has observed that;

"Natural justice - Petitioner given full opportunity before Collector to produce all evidence on which he intends to rely but petitioner not prayed for any opportunity to adduce further evidence - Principles of natural justice not violated.

(Emphasis Supplied)"

b) Hon'ble High Court of Calcutta in the case of KUMAR JAGDISH CH. SINHA Vs. COLLECTOR OF CENTRAL EXCISE, CALCUTTA reported in 2000 (124) E.L.T. 118 (Cal.) in Civil Rule No. 128 (W) of 1961, deciding on 13-9-1963, has observed that;

"Natural justice - Show cause notice - Hearing - Demand - Principles of natural justice not violated when, before making the levy under Rule 9 of Central Excise Rules, 1944, the assessee was issued a show cause notice, his reply considered, and he was also given a personal hearing in support of his reply - Section 33 of Central Excises & Salt Act, 1944. - It has been established both in England and in India [vide N.P.T. Co. v. N.S.T. Co. (1957) S.C.R. 98 (106)], that there is no universal code of natural justice and that the nature of hearing required would depend, inter alia, upon the provisions of the statute and the rules made thereunder which govern the constitution of a particular body. It has also been established that where the relevant statute is silent, what is required is a minimal level of hearing, namely, that the statutory authority must 'act in good faith and fairly listen to both sides' [Board of Education v. Rice, (1911) A.C. 179] and, "deal with the question referred to them without bias, and give to each of the parties the opportunity of adequately presenting the case" [Local Govt. Board v. Arlidge, (1915) A.C. 120 (132)]. [para 16]

(Emphasis supplied)"

(c) Hon'ble High Court of Delhi in the case of SAKETH INDIA LIMITED Vs. UNION OF INDIA reported in 2002 (143) E.L.T. 274 (Del.), has observed that:

"Natural justice - Ex parte order by DGFT - EXIM Policy - Proper opportunity given to appellant to reply to show cause notice issued by Addl. DGFT and to make oral submissions, if any, but opportunity not availed by appellant - Principles of natural justice not violated by Additional DGFT in passing ex parte order - Para 2.8(c) of Export-Import Policy 1992-97 - Section 5 of Foreign Trade (Development and Regulation) Act, 1992.

(Emphasis Supplied)"

(d) The Hon'ble CESTAT, Mumbai in the case of GOPINATH CHEM TECH. LTD Vs. COMMISSIONER OF CENTRAL EXCISE, AHMEDABAD-II reported in 2004 (171) E.L.T. 412 (Tri. - Mumbai), has observed that;

"Natural justice - Personal hearing fixed by lower authorities but not attended by appellant and reasons for not attending also not explained - Appellant cannot now demand another hearing - Principles of natural justice not violated. [para 5]

(Emphasis Supplied)"

(e) The Hon'ble Supreme court in the case of F.N. ROY Versus COLLECTOR OF CUSTOMS, CALCUTTA AND OTHERS reported in 1983 (13) E.L.T. 1296 (S.C.), has observed as under:

“Natural justice — Opportunity of personal hearing not availed of—Effect — Confiscation order cannot be held mala fide if passed without hearing.

- If the petitioner was given an opportunity of being heard before the confiscation order but did not avail of, it was not open for him to contend subsequently that he was not given an opportunity of personal hearing before an order was passed. [para 28]
(Emphasis Supplied)”

(f) The Hon'ble Supreme Court in the matter of JETHMAL Versus UNION OF INDIA reported in 1999 (110) E.L.T. 379 (S.C.), has observed as under;

“7.Our attention was also drawn to a recent decision of this Court in A.K. Kripak v. Union of India - 1969 (2) SCC 340, where some of the rules of natural justice were formulated in Paragraph 20 of the judgment. One of these is the well known principle of audi alteram partem and it was argued that an ex parte hearing without notice violated this rule. In our opinion this rule can have no application to the facts of this case where the appellant was asked not only to send a written reply but to inform the Collector whether he wished to be heard in person or through a representative. If no reply was given or no intimation was sent to the Collector that a personal hearing was desired, the Collector would be justified in thinking that the persons notified did not desire to appear before him when the case was to be considered and could not be blamed if he were to proceed on the material before him on the basis of the allegations in the show cause notice. Clearly he could not compel appearance before him and giving a further notice in a case like this that the matter would be dealt with on a certain day would be an ideal formality.”

DISCUSSION AND FINDINGS:

14. I have carefully gone through the facts of the case and the records available in the case file, the Show Cause Notice dated 23.04.2021, the defence reply dated 04.06.2021, the documents submitted vide letters dated 04.06.2021 and 27.06.2022 by the Assessee. Accordingly, I find that the following issues are required to be decided by me as an adjudicating authority

- i. Whether the Service Tax has been correctly demanded vide the Show Cause Notice dated 23.04.2021.
- ii. Whether the Assessee is entitled for the exemption as claimed by them.

15. I find that the genesis of the demand has risen from the analysis of the 26AS and ITR of the Assessee by the CBDT and the same being shared with the department for the period 2015-16 and 2016-17. The CBDT found that during the year 2015-16 and 2016-17, the Assessee had rendered services and had received income on such services. Therefore for verification of the apparent

non-payment of Service Tax by the Assessee, the department, prior to the issuance of Show Cause Notice, had given the opportunity for pre-SCN consultation to the Assessee on 22.04.2021, but they did not avail the same. Therefore, the department had no option but to issue a formal demand for recovery of unpaid Service Tax from the Assessee. Accordingly SCN dated 23.04.2021 was issued to the Assessee demanding service tax of **Rs. 4,01,56,208/-** (Rs. 2,08,89,642/- + Rs. 1,92,66,566/-) on the value of total taxable service, provided by the Assessee amounting to Rs. **27,25,10,268/-** (Rs. 14,40,66,497/- + Rs. 12,84,43,771/-) for F.Y. 2015-16 and 2016-17.



16. I find that the SCN states that the Assessee has not reflected any taxable income in their ST-3 returns. However, on perusal of the status of filing of ST-3 returns in the departmental portal, it is found that the Assessee had filed all their ST-3 returns for the period 2015-16 and 2016-17 and they had also reflected their income earned from provision of Works Contract services in their ST-3 Returns. The dates of filing ST-3 returns as appearing in the departmental portal are as below –

Table - B

Sl. No.	Period	Due Date of filing ST-3 return	Date of filing ST-3 return	No. of days delayed in filing the ST-3 return
1	April 2015 to September 2015	25-10-2015	23-04-2016	181
2	October 2015 to March 2016	29-04-2016	23-04-2016	0
3	April 2016 to September 2016	25-10-2016	10-11-2016	16
4	October 2016 to March 2017	30-04-2017	25-04-2017	0
5	April 2017 to June 2017	15-08-2017	02-06-2018	291

Scanned copies of the relevant pages of ST-3 Returns are reproduced below for reference -

For FY 2015-16 (April 2015 to September 2015)

	Ministry of Finance - Department of Revenue Central Board of Indirect Taxes and Customs	
Form ST - 3		
(Return under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994) - Filed		

Observation Report

Sl.No.	Code	Error	Remarks
1	V2SRC10	Exemption Notification No. (025/2012-S.T.) and Serial No. (12(e)) is not applicable to the Service (Works contract service) and/or for the return period.	

PART - A - General Information

A1.	Original Return	Yes
	Revised Return	No
A2.	STC Number	AKSPF4107B5DD01
	Return Number	AKSPF4107B5DD01_SD0203A001_ST3_042015
A3.	Name of the Assessee	PATEL SANJAYKUMAR IL
	Trade Name	M/S. PATEL SANJAYKUMAR M
	Commissionerate	
	Division	DIVISION-VI - S G HIGHWAY WEST
	Range	RANGE IV
	Address of Registered Unit	SURAJAYA BUNGLOW, B HO 45, AHMEDABAD, 380060
	Due date filing for this return	25/10/2015
	Actual date of filing	23/04/2016
	No. of days beyond due date	181
A4.	Financial Year	2015-2016
A5.	Return for the period	April-September
A6.		
A6.1.	Has the Assessee opted to operate as "Large Taxpayer" Unit ("Y/N") (As defined under Rule 2(e) (aa) of the Central Excise Rules, 2002 read with Rule 2 (1) (c)(cc) of	No
A6.2.	If reply to column A6.1 is "Y", name of Large Taxpayer Unit opted for	
A7.	Premises Code Number	SD0203A001
A8.	Constitution of assessee	Proprietorship/Individual

A9 - Taxable Service(s) for which Tax is being paid

Description of Taxable Services	Sub Clause
Interior decoration/ Designer services	(R)
Consulting engineer services	(S)
Construction services other than residential complex, including commercial/industrial buildings or civil structures	(ZZA)
Construction of residential complex service	(ZZB)
Works contract service	(ZZZA)
Legal consultancy service	(ZZZZ)

Taxable Service for which Tax is being paid: Interior decoration/ Designer services

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ("Y/N")	No
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A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ("Y/N")	No
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A13 - Provisional Assessment

A13.1	Whether provisionally assessed ("Y/N")	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
B1.1	Gross Amount (including amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/quotations or any other documents may not have been issued) for which bills/invoices/quotations or any other documents are issued relating to service provided or to be provided (including export of service and exempted service)	0	0	0

Taxable Service for which Tax is being paid: Works contract service

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 65(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ("Y/N")	Yes
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A11.2 Notification No. and Sl. No. in the Notification under which such exemption is availed

Sl. No.	Notification No.	Notification Sl. No.
1	025/2012-S.T.	12(b)

A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ("Y/N")	Yes
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A12.2 Notification No. and Sl. No. in the Notification under which such abatement is availed

Sl. No.	Notification No.	Notification Sl. No.
1	024/2012-S.T.	1

A13 - Provisional Assessment

A13.1	Whether provisionally assessed ("Y/N")	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
B1.1	Gross Amount (excluding amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/contracts or any other documents may not have been issued) for which bills/invoices/contracts or any other documents are issued relating to service provided or to be provided (including export of service and exempted service)	14313220	6616766	20480986
B1.2	Amount received in advance for services for which bills/invoices/contracts or any other documents have not been issued	0	0	0
B1.3	Amount taxable on receipt basis under third proviso to rule 9(1) of Service Tax Rules, 1994 for which bills/invoices/contracts or any other documents have not been issued	0	0	0
B1.4	Amount taxable for services provided for which bills/invoices/contracts or any other documents have not been issued	0	0	0
B1.5	Money equivalent of other considerations charged, if any, in a form other than money	0	0	0
B1.6	Amount on which Service Tax is payable under partial reverse charge	0	0	0
B1.7	Gross Taxable Amount B1.7 = (B1.1 + B1.2 + B1.3 + B1.4 + B1.5 + B1.6)	14313220	6616766	20480986
B1.8	Amount charged against export of service provided or to be provided	0	0	0
B1.9	Amount charged for exempted service provided or to be provided (other than export of service given at B1.8 above)	12572660	44150763	56723423
B1.10	Amount charged as Pure Agent	0	0	0
B1.11	Amount claimed as abatement	716154	12240432	13656586
B1.12	Any other amount claimed as deduction 0	0	0	0
B1.13	Total Amount Claimed as Deduction B1.13 = (B1.6 + B1.9 + B1.10 + B1.11 + B1.12)	13288814	57091197	70380011
B1.14	NET TAXABLE VALUE B1.14 = (B1.7 - B1.13)	10244406	9076482	10100888

B1.15 Service Tax Rate-wise break up of NET TAXABLE VALUE (B1.14): Advalorem Rate

Sl.No.	Taxable Rate			Taxable Value	
	Tax Rate %	Swachh Bharat Cess	EDU Cess %	SHEДУ Cess	Total
1	14	0	0	0	88022
2	12	0	2	1	935514
					Total
					1024406
					10100888

B1.16 Specific Rate (applicable as per Rule 6 of ST Rules)

Sl.No.	Taxable Rate			Taxable Value	
	Tax Rate %	Swachh Bharat Cess	EDU Cess %	SHEДУ Cess	Total
					Total
					0
					0

B1.17	Service Tax payable	124707	1270706	1395413
B1.18	Less R and D Cess payable	0	0	0
B1.19	Net Service Tax payable B1.19 = (B1.17 - B1.18)	124707	1270706	1395413
B1.20	Education Cess payable	2245	0	2245
B1.21	Secondary and Higher Education Cess payable	1123	0	1123
B1.22	Swachh Bharat Cess payable based on entries in B1.15	0	0	0
B1.23	Swachh Bharat Cess payable based on entries in B1.16	0	0	0
B1.24	Total Swachh Bharat Cess payable B1.24 = (B1.22 + B1.23)	0	0	0

PART B2 - For Service Receiver

PART - D Service tax paid in cash and through CENVAT CREDIT

Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess, Krishi Kalyan Cess and other amounts paid				
Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
D1	In Cash	124707	1270708	1395415
D2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of services)	0	0	0
D3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
D4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(1) of the ST Rules	0	0	0
D5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
D6	By adjustment of excess amount paid earlier in Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of reduction of Property Tax paid and adjusted in this period under Rule 8 (4C) of the ST Rules	0	0	0
D7	By Door Adjustment in the case of specified Govt Departments	0	0	0
D8	Total Tax paid D8 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	124707	1270708	1395415

PART - DA SWACHH BHARAT CESS (SBC) Paid In Cash and through Adjustments

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
		0	0	

PART - DB KRISHI KALYAN CESS (KKC) Paid in Cash and through CENVAT CREDIT

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
		0	0	

PART - E Education CESS Paid in Cash and through CENVAT CREDIT

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
E1	In Cash	2245	0	2245
E2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of services)	0	0	0
E3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
E4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(1) of the ST Rules	0	0	0
E5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
E6	By adjustment of excess amount paid earlier in Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of reduction of Property Tax paid and adjusted in this period under Rule 8 (4C) of the ST Rules	0	0	0
E7	By Door Adjustment in the case of specified Govt Departments	0	0	0
E8	Total Education Cess paid E8 = (E1 + E2 + E3 + E4 + E5 + E6 + E7)	2245	0	2245

PART - F Secondary and Higher Education CESS Paid in Cash and through CENVAT CREDIT

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
F1	In Cash	1123	0	1123
F2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of services)	0	0	0
F3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
F4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(1) of the ST Rules	0	0	0
F5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
F6	By adjustment of excess amount paid earlier in Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of reduction of Property Tax paid and adjusted in this period under Rule 8 (4C) of the ST Rules	0	0	0
F7	By Door Adjustment in the case of specified Govt Departments	0	0	0
F8	Total Secondary and Higher Education Cess paid E8 = (E1 + E2 + E3 + E4 + E5 + E6 + E7)	1123	0	1123

PART - G Arrears, Interest, Penalty, any Other Amount etc., Paid

Sl.No.	Quarter	Apr-Jun	Jul-Sep	Total
G1	Arrears of Revenue (Tax amount) paid in cash	0	0	0
G2	Arrears of Revenue (Tax amount) paid by utilizing CENVAT credit	0	0	0
G3	Arrears of Education Cess paid in cash	0	0	0
G4	Arrears of Education Cess paid by utilizing CENVAT credit	0	0	0
G5	Arrears of Secondary and Higher Education Cess paid in cash	0	0	0
G6	Arrears of Secondary and Higher Education Cess paid by utilizing CENVAT credit	0	0	0
G7	Amount paid in terms of Section 73A of Finance Act, 1994	0	0	0
G8	Interest paid (in cash only)	10647	48253	58900
G9	Penalty paid (in cash only)	0	3200	3200
G10	Amount of Late Fee paid, if any	0	0	0
G11	Any Other Amount paid (Please specify)	0	0	0
G12	Total payment of Arrears, Interest, Penalty and any other amount, etc. made G12 = (G1 + G2 + G3 + G4 + G5 + G6 + G7 + G8 + G9 + G10 + G11)	10647	52053	62700
G13	Arrears of Swachh Bharat Cess paid in cash	0	0	0
G14	Interest on Swachh Bharat Cess paid in cash	0	0	0
G15	Penalty on Swachh Bharat Cess paid in cash	0	0	0
G16	Total payment of Arrears, Interest, and Penalty on Swachh Bharat Cess G16 = (G13 + G14 + G15)	0	0	0
G17	Arrears of Krishi Kalyan Cess paid in cash	0	0	0
G18	Interest on Krishi Kalyan Cess paid by utilizing CENVAT Credit	0	0	0
G19	Interest on Krishi Kalyan Cess paid in cash	0	0	0
G20	Penalty on Krishi Kalyan Cess paid in cash	0	0	0
G21	Total payment of Arrears, Interest, Penalty on Krishi Kalyan Cess G21 = (G17+G18+G19+G20)	0	0	0

PART - H

H1 DETAILS OF CHALLAN (vide which Service Tax, Swachh Bharat Cess, Krishi Kalyan Cess, Education Cess, Secondary and Higher Education Cess and other amounts have been)

Challan Nos. and Amount			
Sl.No.	Quarter	Challan Number (CR)	Amount
1	Apr-Jun	02117752912201500005	125242
2	Apr-Jun	02117752912201500006	13480
3	Jul-Sep	02117752912201500049	1318900
4	Jul-Sep	02117752912201500004	3000

H2 Source Documents details for payments made in advance / adjustment, for entries made at D1, D4, D5, D6, D7; DA2, DA3, DA4, DA4.1, DA5, DB3, DB4, DB5, DB6, DB7; E3, E4, E5, E6, E7; F3, F4, F5, F6, F7; and G1 to G15 and G17 to G21 as per Q29

Sl.No.	Sl. No. and description of payment entry in this return	Quarter	Challan / Document Number	Challan / Document Date	Amount
1	CG-Over amount paid - Penalty	7	00006	22/12/2015	3200
2	CG-Over amount paid - Interest	4	00006	22/12/2015	9612
3	CG-Over amount paid - Interest	4	00006	22/12/2015	1033
4	CG-Over amount paid - Interest	7	00049	22/12/2015	48252

Ministry of Finance - Department of Revenue Central Board of Indirect Taxes and Customs
Form ST - 3
(Return under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994) - Filed

Observation Report

Sl.No.	Code	Error	Remarks
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PART - A - General Information

A1.	Original Return	Yes	
	Revised Return	No	
A2.	STC Number	AKSPPA107BSD001	
	Return Number	AKSPPA107BSD001_SD0203A001_ST3_102015	
A3.	Name of the Assessee	PATEL SANJAYBHAI M	
	Trade Name	MS PATEL SANJAYKUMAR M	
	Commissionerate		
	Division	DIVISION-VI - S G HIGHWAY WEST	
	Range	RANGE IV	
	Address of Registered Unit	SURAMYA BUNGLOW, B NO 45, AHMEDABAD, 380060	
	Due date filing for this return	29/04/2016	
	Actual date of filing	23/04/2016	
	No. of days beyond due date	0	
A4.	Financial Year	2015-2016	
A5.	Return for the period	October-March	
A5.			
A6.1.	Has the Assessee opted to operate as "Large Taxpayer" Unit ("Y/N") (As defined under Rule 2(e) (aa) of the Central Excise Rules, 2002 read with Rule 2 (1) (c)(c) of	No	
A6.2.	If reply to column A6.1 is "Y", name of Large Taxpayer Unit opted for		
A7.	Premises Code Number	SD0203A001	
A8.	Constitution of assessee	Proprietorship/Individual	

A9 - Taxable Service(s) for which Tax is being paid

Description of Taxable Services	Sub Clause
Interior decoration/ Designer services	(3)
Consulting engineer services	(5)
Construction services other than residential complex, including commercial/industrial buildings or civil structures	(22)
Construction of residential complex service	(222)
Works contract service	(2222)
Legal consultancy service	(22222)

Taxable Service for which Tax is being paid: Interior decoration/ Designer services

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ("Y/N")	No
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A12 - Abatement

A12.1	Has any abatement from the value of services been claimed ("Y/N")	No
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A13 - Provisional Assessment

A13.1	Whether provisionally assessed ("Y/N")	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
B1.1	Gross Amount (excluding amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/challans or any other documents may not have been issued) for which bills/invoices/challans or any other documents are issued relating to service provided or to be provided (including export of service and exempted service)	0	0	0
B1.2	Amount received in advance for services for which bills/invoices/challans or any other documents have not been issued	0	0	0
B1.3	Amount taxable on receipt basis under third proviso to Rule 6(1) of Service Tax Rules, 1994 for which bills/invoices/challans or any other documents have not been issued	0	0	0
B1.4	Amount taxable for services provided for which bills/invoices/challans or any other documents have not been issued	0	0	0
B1.5	Money equivalent of other considerations charged, if any, in a form other than money	0	0	0
B1.6	Amount on which Service Tax is payable under partial reverse charge	0	0	0
B1.7	Gross Taxable Amount B1.7 = (B1.1 + B1.2 + B1.3 + B1.4 + B1.5 + B1.6)	0	0	0
B1.8	Amount charged against export of service provided or to be provided	0	0	0
B1.9	Amount charged for exempted service provided or to be provided (other than export of service given at B1.8 above)	0	0	0
B1.10	Amount charged as Pure Agent	0	0	0
B1.11	Amount claimed as abatement	0	0	0

PART - D Service tax paid in cash and through CENVAT CREDIT				
Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess, Krishi Kalyan Cess and other amounts paid				
Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
D1	In Cash	912130	5292	917422
D2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0
D3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
D4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0
D5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
D6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0
D7	By Book Adjustment in the case of specified Govt Departments	0	0	0
D8	Total Tax paid D8 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	912130	5292	917422

PART - DA SWACHH BHARAT CESS (SBC) Paid In Cash and through Adjustments				
Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
DA1	Swachh Bharat Cess Paid in Cash	0	100	100
DA2	By adjustment of amount paid as SBC in advance under Rule 6(1A) of the ST Rules (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0
DA3	By adjustment of excess amount paid earlier as SBC and adjusted, by taking credit of such excess SBC paid, in this period under Rule 6(3) of the ST Rules	0	0	0
DA4	By adjustment of excess amount paid earlier as SBC and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
DA4.1	By adjustment of excess amount paid earlier as SBC in respect of service of Renting of Immovable Property, on account of non-availment of deduction of property tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0
DA5	By Book Adjustment in the case of specified Government Departments	0	0	0
DA6	Total Swachh Bharat Cess Paid DA6 = (DA1 + DA2 + DA3 + DA4 + DA5)	0	100	100

PART - DB KRISHI KALYAN CESS (KKC) Paid In Cash and through CENVAT CREDIT				
Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
		0	0	0

PART - E Education CESS Paid In Cash and through CENVAT CREDIT				
Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
E1	In Cash	0	0	0
E2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0
E3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
E4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0
E5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
E6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0
E7	By Book Adjustment in the case of specified Govt Departments	0	0	0
E8	Total Education Cess paid E8 = (E1 + E2 + E3 + E4 + E5 + E6 + E7)	0	0	0

PART - F Secondary and Higher Education CESS Paid In Cash and through CENVAT CREDIT				
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Sl.No.	Quarter	Oct-Dec	Jan-Mar	Total
F1	In Cash	0	0	0
F2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0
F3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0
F4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0
F5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0
F6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0
F7	By Book Adjustment in the case of specified Govt Departments	0	0	0
F8	Total Secondary and Higher Education Cess paid E8 = (E1 + E2 + E3 + E4 + E5 + E6 + E7)	0	0	0

PART - H

H1 DETAILS OF CHALLAN (vide which Service Tax, Swachh Bharat Cess, Krishi Kalyan Cess, Education Cess, Secondary and Higher Education Cess and other amounts have been paid)					
Challan Nos. and Amount					
Sl.No.	Quarter	Challan Number (CIN)	Amount		
1	Oct-Dec	02117750001201600432	912130		
2	Jan-Mar	00053473103201646584	5422		

H2 Source Documents details for payments made in advance / adjustment, for entries made at D3, D4, D5, D6, D7; DA2, DA3, DA4, DA4.1, DA5; DB3, DB4, DB5, DB6, DB7; E3, E4, E5, E6, E7; F3, F4, F5, F6, F7; and G1 to G11 and G13 to G15 and G17 to G20					
Sl.No.	Sl. No. and description of payment entry in this return	Quarter	Challan / Document Number	Challan / Document Date	Amount
1		0			0

Ministry of Finance - Department of Revenue Central Board of Indirect Taxes and Customs
Form ST - 3 (Return under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994) - Filed

Observation Report

Sl.No.	Code	Error	Remarks
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PART - A - General Information

A1.	Original Return	Yes
	Revised Return	No
A2.	STG Number	AKSP4107BSD001
	Return Number	AKSP4107BSD001_5D0203A001_ST3_042016
A3.	Name of the Assessee	SANJAYBHAI M PATEL
	Trade Name	M/S. PATEL SANJAYKUMAR M.
	Commissionerate	
	Division	DIVISION-VI - S G HIGHWAY WEST
	Range	RANGE IV
	Address of Registered Unit	SURAJYA BUNGLOW, D NO 45, AHMEDABAD, 360000
	Due date filing for this return	25/10/2016
	Actual date of filing	10/11/2016
	No. of days beyond due date	16
A4.	Financial Year	2016-2017
A5.	Return for the period	April-September
A6.		
A6.1.	Has the Assessee opted to operate as "Large Taxpayer" Unit ["Y/N"] (As defined under Rule 2(e) of the Central Excise Rules, 2002 read with Rule 2 (1) (c)(cc) of	No
A6.2.	If reply to column A6.1 is "Y", name of Large Taxpayer Unit opted for	
A7.	Premises Code Number	S00203A001
A8.	Constitution of assessee	Proprietorship/Individual/One Person Company

A9 - Taxable Service(s) for which Tax is being paid

Description of Taxable Services	Sub Clause
Interior decoration/ Designer services	(e)
Consulting engineer services	(g)
Construction services other than residential complex, including commercial/industrial buildings or civil structures	(zzz)
Construction of residential complex service	(zzzh)
Works contract service	(zzzja)
Legal consultancy service	(zzzjm)

Taxable Service for which Tax is being paid: Interior decoration/ Designer services

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ["Y/N"]	No
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A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ["Y/N"]	No
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A13 - Provisional Assessment

A13.1	Whether provisionally assessed ["Y/N"]	No
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Taxable Service for which Tax is being paid: Works contract service

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ('Y/N')	No
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A12 - Abatement

A12.1	Has any abatement from the value of services been claimed ('Y/N')	Yes
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A12.2 Notification No. and Sl. No. in the Notification under which such abatement is availed

Sl. No	Notification No.	Notification Sl. No
1	024/2012-S.T	1

A13 - Provisional Assessment

A13.1	Whether provisionally assessed ('Y/N')	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total
B1.1	Gross Amount (excluding amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/challans or any other documents may not have been issued) for which bills/invoices/challans or any other documents are issued relating to service provided or to be provided (including export of service and exempted service)	0	0	0	0	0	1500425	1500425
B1.2	Amount received in advance for services for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.3	Amount taxable on receipt basis under and proviso to Rule 6(1) of Service Tax Rules, 1994 for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.4	Amount taxable for services provided for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.5	Money equivalent of other considerations charged, if any, in a form other than money	0	0	0	0	0	0	0
B1.8	Amount on which Service Tax is payable under partial reverse charge	0	0	0	0	0	0	0
B1.7	Gross Taxable Amount B1.7 = (B1.1 + B1.2 + B1.3 + B1.4 + B1.5 + B1.6)	0	0	0	0	0	1500425	1500425
B1.8	Amount charged against export of service provided or to be provided	0	0	0	0	0	0	0
B1.9	Amount charged for exempted service provided or to be provided (other than export of service given at B1.8 above)	0	0	0	0	0	0	0
B1.10	Amount charged as Pure Agent	0	0	0	0	0	0	0
B1.11	Amount claimed as abatement	0	0	0	0	0	902295	902295
B1.12	Any other amount claimed as deduction 0	0	0	0	0	0	0	0
B1.13	Total Amount Claimed as Deduction B1.13 = (B1.5 + B1.9 + B1.10 + B1.11 + B1.12)	0	0	0	0	0	902295	902295
B1.14	NET TAXABLE VALUE B1.14 = (B1.7 - B1.13)	0	0	0	0	0	6001930	6001930

B1.15 Service Tax Rate-wise break up of NET TAXABLE VALUE (B1.14): Advalorem Rate

SLNo.	Taxable Rate					Taxable Value				
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEДУ Cess	Jul	Aug	Sep	Total	
1	14	0.5	0.5	0	0	0	0	6001930	6001930	
						Total	0	0	6001930	6001930

B1.16 Specific Rate (applicable as per Rule 5 of ST Rules)

SLNo.	Taxable Rate					Taxable Value				
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEДУ Cess	Jul	Aug	Sep	Total	
						0	0	0	0	
						Total	0	0	0	0

B1.17	Service Tax payable	0	0	0	0	0	840270	840270
B1.18	Less R and D Cess payable	0	0	0	0	0	0	0
B1.19	Net Service Tax payable B1.19 = (B1.17 - B1.18)	0	0	0	0	0	840270	840270
B1.20	Education Cess payable	0	0	0	0	0	0	0
B1.21	Secondary and Higher Education Cess payable	0	0	0	0	0	0	0
B1.22	Swachh Bharat Cess payable based on entries in B1.15	0	0	0	0	0	30010	30010
B1.23	Swachh Bharat Cess payable based on entries in B1.15	0	0	0	0	0	0	0
B1.24	Total Swachh Bharat Cess payable B1.24 = (B1.22 + B1.23)	0	0	0	0	0	30010	30010
B1.25	Krishi Kalyan Cess payable based on entries in serial number B1.15	0	0	0	0	0	30010	30010
B1.26	Krishi Kalyan Cess payable based on entries in serial number B1.15	0	0	0	0	0	0	0
B1.27	Total Krishi Kalyan Cess payable B1.27 = (B1.25 + B1.26)	0	0	0	0	0	30010	30010

PART B2 - For Service Receiver

C4 Challan Nos. and Amount		
SLNo.	Challan Number (CH)	Amount

PART - D Service tax paid in cash and through CENVAT CREDIT									
Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess, Krishi Kalyan Cess and other amounts paid									
SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
D1	In Cash	0	0	0	0	0	89704	89704	
D2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	750506	750506	
D3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	
D4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
D5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
D6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	
D7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	
D8	Total Tax paid D8 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	0	0	0	0	0	840270	840270	

PART - DA SWACHH BHARAT CESS (SBC) Paid in Cash and through Adjustments									
SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
DA1	Swachh Bharat Cess Paid in Cash	0	0	0	0	0	30010	30010	
DA2	By adjustment of amount paid as SBC in advance under Rule 6(1A) of the ST Rules (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
DA3	By adjustment of excess amount paid earlier as SBC and adjusted, by taking credit of such excess SBC paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
DA4	By adjustment of excess amount paid earlier as SBC and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
DA4.1	By adjustment of excess amount paid earlier as SBC in respect of service of Renting of Immovable Property, on account of non-availment of deduction of property tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	

SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total
DA5	By Book adjustment in the case of specified Government Departments	0	0	0	0	0	0	0
DA6	Total Tax paid D6 = (D1 + D2 + D3 + D4 + D5 + D6)	0	0	0	0	0	30010	30010

PART - DB KRISHI KALYAN CESS (KKC) Paid in Cash and through CENVAT CREDIT									
SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
DB1	In Cash	0	0	0	0	0	3200	3200	
DB2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
DB3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	
DB4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
DB5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
DB6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	
DB7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	
DB8	Total Krishi Kalyan Cess paid DB8 = (DB1+DB2+DB3+DB4+DB5+DB6+DB7)	0	0	0	0	0	3200	3200	

PART - G Arrears, Interest, Penalty, any Other Amount etc., Paid									
SLNo.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
G1	Arrears of Revenue (Tax amount) paid in cash	0	0	0	0	0	0	0	
G2	Arrears of Revenue (Tax amount) paid by using CENVAT credit	0	0	0	0	0	0	0	
G3	Arrears of Education Cess paid in cash	0	0	0	0	0	0	0	
G4	Arrears of Education Cess paid by using CENVAT credit	0	0	0	0	0	0	0	
G5	Arrears of Secondary and Higher Education Cess paid in cash	0	0	0	0	0	0	0	
G6	Arrears of Secondary and Higher Education Cess paid by using CENVAT credit	0	0	0	0	0	0	0	
G7	Amount paid in terms of Section 73A of Finance Act, 1991	0	0	0	0	0	0	0	
G8	Interest paid (in cash only)	0	0	0	0	0	866	866	
G9	Penalty paid (in cash only)	0	0	0	0	0	1000	1000	
G10	Amount of Late Fee paid, if any	0	0	0	0	0	0	0	
G11	Any Other Amount paid/deduction (specify)	0	0	0	0	0	0	0	
G12	Total payment of Arrears, Interest, Penalty and any other amount, etc. made G12 = (G1 + G2 + G3 + G4 + G5 + G6 + G7 + G8 + G9 + G10 + G11)	0	0	0	0	0	0	1866	
G13	Arrears of Swachh Bharat Cess paid in cash	0	0	0	0	0	0	0	
G14	Interest on Swachh Bharat Cess paid in cash	0	0	0	0	0	204	204	
G15	Penalty on Swachh Bharat Cess paid in cash	0	0	0	0	0	0	0	
G16	Total payment of Arrears, Interest, and Penalty on Swachh Bharat Cess G16 = (G13 + G14 + G15)	0	0	0	0	0	204	204	
G17	Arrears of Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	
G18	Arrears of Krishi Kalyan Cess paid by using CENVAT credit	0	0	0	0	0	0	0	
G19	Interest on Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	
G20	Penalty on Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	
G21	Total payment of arrears, interest, penalty on Krishi Kalyan Cess G21 = (G17+G18+G19+G20)	0	0	0	0	0	0	0	

PART - H									
H1 DETAILS OF CHALLAN (vide which Service Tax, Swachh Bharat Cess, Krishi Kalyan Cess, Education Cess, Secondary and Higher Education Cess and other amounts have been)									
Challan Nos. and Amount									
SLNo.	Month	Challan Number (CH)	Amount						
1	Sep	03177325/020100118	124164						
2	Sep	0005347101120101150	1000						
H2 Source Documents details for payments made in advance / adjustment, for entries made at D3, D4, D5, D6, D7; DA2, DA3, DA4, DA4.1, DA3; DB3, DB4, DB5, DB6, DB7; E3, E4, E5, E6, E7; F3, F4, F5, F6, F7; and G1 to G11 and G13 to G16 and G17 to G20									
SLNo.	Sl. No. and description of payment entry in this return	Month	Challan / Document Number	Challan / Document Date	Amount				
1	G3-Other amounts paid - Interest	Sep	00118	25/10/2016	866				
2	G14-Other amounts paid - Interest(SB Cess)	Sep	00118	25/10/2016	204				
3	G19-Other amounts paid - Interest(KKC Cess)	Sep	00118	25/10/2016	32				
4	G9-Other amounts paid - Penalty	Sep	01190	10/11/2016	1000				

Ministry of Finance - Department of Revenue Central Board of Indirect Taxes and Customs
Form ST - 3 (Return under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994) - Filed

Observation Report

SLNo.	Code	Error	Remarks
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PART - A - General Information

A1.	Original Return	Yes	
	Revised Return	No	
A2.	STC Number	AKSPP4107SD001	
	Return Number	AKSPP4107SD001_SD0103A001_ST3_182016	
A3.	Name of the Assessee	SANJAYBHAI M PATEL	
	Trade Name	MS PATEL SANJAYKUMAR M	
	Commissionerate		
	Division	DIVISION-VI - S G HIGHWAY WEST	
	Range	RANGE IV	
	Address of Registered Unit	SURAJYA BUNGLOW, D.NO.45, AHMEDABAD,380000	
	Due date filing for this return	30/04/2017	
	Actual date of filing	25/04/2017	
	No. of days beyond due date	0	
A4.	Financial Year	2016-2017	
A5.	Return for the period	October-March	
A6.			
A6.1.	Has the Assessee opted to operate as "Large Taxpayer" Unit ["Y/N"] (As defined under Rule 2(e) of the Central Excise Rules, 2002 read with Rule 2 (1) (c)(cc) of	No	
A6.2.	If reply to column A6.1 is "Y", name of Large Taxpayer Unit opted for		
A7.	Premises Code Number	SD0103A001	
A8.	Constitution of assessee	Proprietorship/Individual/One Person Company	

A9 - Taxable Service(s) for which Tax is being paid

Description of Taxable Services	Sub Clause
Interior decoration/ Designer services	(9)
Consulting engineer services	(9)
Construction services other than residential complex, including commercial/industrial buildings or civil structures	(22a)
Construction of residential complex services	(22b)
Works contract service	(22c)
Legal consultancy service	(22m)

Taxable Service for which Tax is being paid: Interior decoration/ Designer services

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 64(1)	Yes
A10.2	A Service Receiver under Section 64(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 64(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 64(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ["Y/N"]	No
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A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ["Y/N"]	No
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A13 - Provisional Assessment

A13.1	Whether provisionally assessed ["Y/N"]	No
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Taxable Service for which Tax is being paid: Works contract service

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	Yes
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	50%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ("Y/N")	Yes
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A11.2 Notification No. and Sl. No. in the Notification under which such exemption is availed

Sl. No.	Notification No.	Notification Sl. No.
1	0302012-S.T	9

A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ("Y/N")	Yes
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A12.2 Notification No. and Sl. No. in the Notification under which such abatement is availed

Sl. No.	Notification No.	Notification Sl. No.
1	0242012-S.T	1

A13 - Provisional Assessment

A13.1	Whether provisionally assessed ("Y/N")	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

SLNo.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
B1.1	Gross Amount (excluding amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/charitans or any other documents may not have been issued) for which bills/invoices/charitans or any other documents are issued relating to service provided or to be provided (including a report of service and exempted service)	2069331	3064917	0	0	0	0	6034248	
B1.2	Amount received in advance for services for which bills/invoices/charitans or any other documents have not been issued	0	0	0	0	0	0	0	
B1.3	Amount taxable on receipt basis under para 6 of Rule 6 of Service Tax Rules 1974 for which bills/invoices/charitans or any other documents have not been issued	0	0	0	0	0	0	0	
B1.4	Amount taxable for services provided for which bills/invoices/charitans or any other documents have not been issued	0	0	0	0	0	0	0	
B1.5	Money equivalent of other considerations charged, if any, in a form other than money	0	0	0	0	0	0	0	
B1.6	Amount on which Service Tax is payable under partial reverse charge	0	0	0	0	0	0	0	
B1.7	Gross Taxable Amount B1.7 = (B1.1 + B1.2 + B1.3 + B1.4 + B1.5 + B1.6)	2069331	3064917	0	0	0	0	6034248	
B1.8	Amount charged against export of service provided or to be provided	0	0	0	0	0	0	0	
B1.9	Amount charged for exempted service provided or to be provided (other than export of service as in B1.8 above)	0	0	0	0	0	0	0	
B1.10	Amount charged as Pure Agent	0	0	0	0	0	0	0	
B1.11	Amount claimed as abatement	1171004	2372950	0	0	0	0	3550014	
B1.12	Any other amount claimed as deduction 0	0	0	0	0	0	0	0	
B1.13	Total Amount Claimed as Deduction B1.13 = (B1.8 + B1.9 + B1.10 + B1.11 + B1.12)	1171004	2372950	0	0	0	0	3550014	
B1.14	NET TAXABLE VALUE B1.14 = (B1.7 - B1.13)	898267	1585967	0	0	0	0	2484234	
B1.15	Service Tax Rate-wise break up of NET TAXABLE VALUE (B1.14): Advalorem Rate								
SLNo.	Taxable Rate					Taxable Value			
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEDU Cess	Jan	Feb	Mar	Total
1	14	0.5	0.5	0	0	898267	0	0	2484234
Total						898267	0	0	2484234
B1.16	Specific Rate (applicable as per Rule 6 of ST Rules)								
SLNo.	Taxable Rate					Taxable Value			
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEDU Cess	Jan	Feb	Mar	Total
Total						0	0	0	0
B1.17	Service Tax payable	125757	222035	0	0	0	0	347792	
B1.18	Less R and D Cess payable	0	0	0	0	0	0	0	
B1.19	Net Service Tax payable B1.19 = (B1.17 - B1.18)	125757	222035	0	0	0	0	347792	
B1.20	Education Cess payable	0	0	0	0	0	0	0	
B1.21	Secondary and Higher Education Cess payable	0	0	0	0	0	0	0	
B1.22	Swachh Bharat Cess payable based on entries in B1.19	4421	7900	0	0	0	0	12421	
B1.23	Swachh Bharat Cess payable based on entries in B1.19	0	0	0	0	0	0	0	
B1.24	Total Swachh Bharat Cess payable B1.24 = (B1.22 + B1.23)	4421	7900	0	0	0	0	12421	
B1.25	Krishi Kalyan Cess payable based on entries in serial number B1.19	4491	7900	0	0	0	0	12421	
B1.26	Krishi Kalyan Cess payable based on entries in serial number B1.19	0	0	0	0	0	0	0	

C4 Challan Nos. and Amount	
Sl.No.	Amount

PART - D Service tax paid in cash and through CENVAT CREDIT									
Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess, Krishi Kalyan Cess and other amounts paid									
Sl.No.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
D1	In Cash	125757	222035	0	0	0	0	0	347792
D2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	0
D3	By adjustment of amount paid in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	0
D4	By adjustment of excess amount paid either as Service Tax and adjusted by taking credit of such excess Service Tax paid in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	0
D5	By adjustment of excess amount paid either as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	0
D6	By adjustment of excess amount paid either as Service Tax in respect of service of Raising of Immovable Property, on account of non-achievement of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	0
D7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	0
D8	Total Tax paid D8 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	125757	222035	0	0	0	0	0	347792

PART - DA SWACHH BHARAT CESS (SBC) Paid in Cash and through Adjustments									
Sl.No.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
DA1	Swachh Bharat Cess Paid in Cash	4491	7930	0	0	0	0	0	12421
DA2	By adjustment of amount paid in advance under Rule 6(1A) of the ST Rules (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	0

Sl.No.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
DA3	By adjustment of excess amount paid either as SBC and adjusted, by taking credit of such excess SBC paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	0
DA4	By adjustment of excess amount paid either as SBC and adjusted in this period under Rule 6(4) of the ST Rules	0	0	0	0	0	0	0	0
DA4.1	By adjustment of excess amount paid either as SBC in respect of service of Raising of Immovable Property, on account of non-achievement of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	0
DA5	By Book Adjustment in the case of specified Government Departments	0	0	0	0	0	0	0	0
DA6	Total Tax paid DA6 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	4491	7930	0	0	0	0	0	12421

PART - DB KRISHI KALYAN CESS (KKC) Paid in Cash and through CENVAT CREDIT									
Sl.No.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
DB1	In Cash	4491	7930	0	0	0	0	0	12421
DB2	By CENVAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	0
DB3	By adjustment of amount paid in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	0
DB4	By adjustment of excess amount paid either as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	0
DB5	By adjustment of excess amount paid either as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	0
DB6	By adjustment of excess amount paid either as Service Tax in respect of service of Raising of Immovable Property, on account of non-achievement of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	0
DB7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	0
DB8	Total Krishi Kalyan Cess paid DB8 = (DB1 + DB2 + DB3 + DB4 + DB5 + DB6 + DB7)	4491	7930	0	0	0	0	0	12421

PART - O Arrears, Interest, Penalty, any Other Amount etc., Paid									
Sl.No.	Month	Oct	Nov	Dec	Jan	Feb	Mar	Total	
O1	Arrears of Service Tax (Tax Amount) paid in cash	0	0	0	0	0	0	0	0
O2	Arrears of Education Cess (Tax Amount) paid by utilizing CENVAT credit	0	0	0	0	0	0	0	0
O3	Arrears of Education Cess paid in cash	0	0	0	0	0	0	0	0
O4	Arrears of Education Cess paid by utilizing CENVAT credit	0	0	0	0	0	0	0	0
O5	Arrears of Secondary and Higher Education Cess paid in cash	0	0	0	0	0	0	0	0
O6	Arrears of Secondary and Higher Education Cess paid by utilizing CENVAT credit	0	0	0	0	0	0	0	0
O7	Arrears paid in form of Interest T/A as per Section 481A	0	0	0	0	0	0	0	0
O8	Interest paid on cash basis	0	3045	0	0	0	0	0	3045
O9	Penalty paid in cash basis	0	0	0	0	0	0	0	0
O10	Amount of Late Fee paid, if any	0	0	0	0	0	0	0	0
O11	Any Other amounts paid (please specify)	0	0	0	0	0	0	0	0
O12	Total payment of Arrears, Interest, Penalty and any other amount, etc., under O12 = (O1 + O2 + O3 + O4 + O5 + O6 + O7 + O8 + O9 + O10 + O11)	0	3045	0	0	0	0	0	3045
O13	Arrears of Swachh Bharat Cess paid in cash	0	0	0	0	0	0	0	0
O14	Arrears of Swachh Bharat Cess paid in cash	0	109	0	0	0	0	0	109
O15	Penalty on Swachh Bharat Cess paid in cash	0	0	0	0	0	0	0	0
O16	Total Payment of Arrears, Interest, and Penalty on Swachh Bharat Cess O16 = (O13 + O14 + O15)	0	109	0	0	0	0	0	109
O17	Arrears of Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	0
O18	Arrears of Krishi Kalyan Cess paid by utilizing CENVAT Credit	0	0	0	0	0	0	0	0
O19	Interest on Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	0
O20	Penalty on Krishi Kalyan Cess paid in cash	0	0	0	0	0	0	0	0
O21	Total payment of Arrears, Interest, Penalty on Krishi Kalyan Cess O21 = (O17 + O18 + O19 + O20)	0	0	0	0	0	0	0	0

PART - H									
H1 DETAILS OF CHALLAN (vide which Service Tax, Swachh Bharat Cess, Krishi Kalyan Cess, Education Cess, Secondary and Higher Education Cess and other amounts have been)									
Challan Nos. and Amount		Challan Number (CIN)					Amount		
Sl.No.	Month								
1	Oct	0311780301201700737					124739		
2	Jan	0211782104201700008					241179		
H2 Source Documents (where for payments made in advance / adjustment, for entries made at D3, D4, D6, D8, D7; DA3, DA4, DA4.1, DA5, DA6; DB3, DB4, DB5, DB6, DB7; E3, E4, E5, E6, E7; F3, F4, F5, F6, F7) and O1 to O14 and O13 to O15 and O17 to O20									
Sl.No.	Sl. No. and description of payment entry in this return	Month	Challan / Document Number	Challan / Document Date	Amount				
1	O8-Other amounts paid - Interest	Jan	00008	21/04/2017	3045				
2	O14-Other amounts paid - Interest (ED Cess)	Jan	00008	21/04/2017	109				
3	O16-Other amounts paid - Interest (KLC Cess)	Jan	00008	21/04/2017	109				

Ministry of Finance - Department of Revenue Central Board of Indirect Taxes and Customs
Form ST - 3 (Return under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994) - Filed

Observation Report

Sl.No.	Code	Error	Remarks
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PART - A - General Information

A1.	Original Return	Yes
	Revised Return	No
A2.	STC Number	AKSPR107BS0001
	Return Number	AKSPR107BS0001 :WTD34A001 :GT3_042017
A3.	Name of the Assessee	PATEL SANJAYBHAIJI
	Trade Name	M.S. PATEL SANJAYKUMAR II.
	Commissionerate	
	Division	DN1504V1 - G HIGHWAY WEST
	Range	RANGE IV
	Address of Registered Unit	SURAMYA BUNGLOW, B HO 45, AJI BICDADAD, 300060
	Date date filing for this return	15/06/2017
	Actual date of filing	02/06/2018
	No. of days beyond due date	201
A4.	Financial Year	2017-2018
A5.	Return for the period	April-September
A6.	Has the Assessee opted to operate as "Large Taxpayer" Unit (Y/N) (As defined under Rule 2(1) (a) of the Central Excise Rules, 2002 read with Rule 2 (1) (c)(cc) of	
A6.1.		No
A6.2.	If reply to column A6.1 is "Y", name of Large Taxpayer Unit opted for	
A7.	Premises Code Number	V70004A001
A8.	Constitution of assessee	Partnership/Individual/One Person Company

A9 - Taxable Service(s) for which Tax is being paid

Description of Taxable Services	Sub Clause
Interior decoration/ Designer services	(a)
Consulting engineer services	(b)
Construction services other than residential complex, including commercial/industrial buildings or civil structures	(2)(a)
Construction of residential complex service	(2)(b)
Works contract service	(2)(2a)
Legal consultancy service	(2)(2b)

Taxable Service for which Tax is being paid: Interior decoration/ Designer services

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 68(1)	Yes
A10.2	A Service Receiver under Section 68(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 68(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 68(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	
		0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	
		0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification (Y/N)	No
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A12 - Abatement

A12.1	Has any abatement from the value of services been claimed (Y/N)	No
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Taxable Service for which Tax is being paid: Works contract service

A10 - Assessee is liable to pay Service Tax on this taxable service as

A10.1	A Service Provider under Section 65(1)	Yes
A10.2	A Service Receiver under Section 65(2)	No
A10.3	A Service Provider under partial reverse charge under provision to Section 65(2)	No
A10.4	A Service Receiver under partial reverse charge under provision to Section 65(2)	No
A10.5	If covered by A10.3 above, then the percentage of Service Tax Payable as Provider of Service	0%
A10.6	If covered by A10.4 above, then the percentage of Service Tax Payable as Recipient of Service	0%

A11 - Exemptions

A11.1	Has the assessee availed benefit of any exemption Notification ("Y/N")	No
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A12 - Abatements

A12.1	Has any abatement from the value of services been claimed ("Y/N")	Yes
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A12.2 Notification No. and SL No. in the Notification under which such abatement is availed

Sl. No.	Notification No.	Notification Sl. No.
1	02/2012-S.T.	1

A13 - Provisional Assessment

A13.1	Whether provisionally assessed ("Y/N")	No
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PART - B - Value of Taxable Service and Service Tax Payable

PART B1 - For Service Provider

Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total
B1.1	Gross Amount (excluding amounts received in advance, amounts taxable on receipt basis, for which bills/invoices/challans or any other documents may not have been issued) for which bills/invoices/challans or any other documents are issued relating to service provided or to be provided (including export of service and exempted service)	0	0	4705456	0	0	0	4705456
B1.2	Amount received in advance for services for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.3	Amount taxable on receipt basis under proviso to Rule 6(1) of Service Tax Rules, 1994 for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.4	Amount taxable for services provided for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B1.5	Money equivalent of other considerations charged, if any, in a form other than money	0	0	0	0	0	0	0
B1.6	Amount on which Service Tax is payable under partial reverse charge	0	0	0	0	0	0	0
B1.7	Gross Taxable Amount B1.7 = (B1.1 + B1.2 + B1.3 + B1.4 + B1.5 + B1.6)	0	0	4705456	0	0	0	4705456
B1.8	Amount charged against export of service provided or to be provided	0	0	0	0	0	0	0
B1.9	Amount charged for exempted service provided or to be provided (other than export of service given at B1.8 above)	0	0	0	0	0	0	0
B1.10	Amount charged as Pure Agent	0	0	0	0	0	0	0
B1.11	Amount claimed as abatement	0	0	2823250	0	0	0	2823250
B1.12	Any other amount claimed as deduction 0	0	0	0	0	0	0	0
B1.13	Total Amount Claimed as Deduction B1.13 = (B1.10 + B1.9 + B1.11 + B1.12)	0	0	2823250	0	0	0	2823250
B1.14	NET TAXABLE VALUE B1.14 = (B1.7 - B1.13)	0	0	1882186	0	0	0	1882186

Sl.No.	Taxable Rate				Taxable Value				
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEDU Cess	Jul	Aug	Sep	Total
1	14	0.5	0.5	0	0	1682156	0	0	1682156
Total					0	1682156	0	0	1682156

Sl.No.	Taxable Rate				Taxable Value				
	Tax Rate %	Swachh Bharat Cess	Krishi Kalyan Cess %	EDU Cess %	SHEDU Cess	Jul	Aug	Sep	Total
Total					0	0	0	0	0

B1.17	Service Tax payable	0	0	263506	0	0	0	263506
B1.18	Less R and D Cess payable	0	0	0	0	0	0	0
B1.19	Net Service Tax payable B1.19 = (B1.17 - B1.18)	0	0	263506	0	0	0	263506
B1.20	Education Cess payable	0	0	0	0	0	0	0
B1.21	Secondary and Higher Education Cess payable	0	0	0	0	0	0	0
B1.22	Swachh Bharat Cess payable based on entries in B1.19	0	0	9411	0	0	0	9411
B1.23	Swachh Bharat Cess payable based on entries in B1.19	0	0	0	0	0	0	0
B1.24	Total Swachh Bharat Cess payable B1.24 = (B1.22 + B1.23)	0	0	9411	0	0	0	9411
B1.25	Krishi Kalyan Cess payable based on entries in serial number B1.19	0	0	9411	0	0	0	9411
B1.26	Krishi Kalyan Cess payable based on entries in serial number B1.19	0	0	0	0	0	0	0
B1.27	Total Krishi Kalyan Cess payable B1.27 = (B1.25 + B1.26)	0	0	9411	0	0	0	9411

PART B2 - For Service Receiver

Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total
B2.1	Gross Amount (excluding amounts paid in advance, amounts taxable on payment basis, for which bills/invoices/challans or any other documents may not have been issued) for which bills/invoices/challans or any other documents are issued relating to service received or to be received	0	0	0	0	0	0	0
B2.2	Amount paid in advance for services for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B2.3	Amount taxable on receipt basis under proviso to Rule 6(1) of Service Tax Rules, 1994 for which bills/invoices/challans or any other documents have not been issued	0	0	0	0	0	0	0
B2.4	Amount charged for exempted service provided or to be provided (other than export of service)	0	0	0	0	0	0	0

PART - D Service tax paid in cash and through GEN VAT CREDIT									
Service Tax, Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess, Krishi Kalyan Cess and other amounts paid									
Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
D1	In Cash	0	0	263506	0	0	0	263506	
D2	By GEN VAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
D3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	
D4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
D5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
D6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	
D7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	
D8	Total Tax paid D8 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	0	0	263506	0	0	0	263506	

PART - DA SWACHH BHARAT CESS (SBC) Paid In Cash and through Adjustments									
Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
DA1	Swachh Bharat Cess Paid in Cash	0	0	9411	0	0	0	9411	
DA2	By adjustment of amount paid as SBC in advance under Rule 6(1A) of the ST Rules (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
DA3	By adjustment of excess amount paid earlier as SBC and adjusted, by taking credit of such excess SBC paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
DA4	By adjustment of excess amount paid earlier as SBC and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
DA4.1	By adjustment of excess amount paid earlier as SBC in respect of service of Renting of Immovable Property, on account of non-availment of deduction of property tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	

Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total
DA5	By Book Adjustment in the case of specified Government Departments	0	0	0	0	0	0	0
DA6	Total Tax paid DA6 = (D1 + D2 + D3 + D4 + D5 + D6 + D7)	0	0	9411	0	0	0	9411

PART - DB KRISHI KALYAN CESS (KKC) Paid In Cash and through GEN VAT CREDIT									
Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
DB1	In Cash	0	0	9411	0	0	0	9411	
DB2	By GEN VAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
DB3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	
DB4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
DB5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
DB6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	
DB7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	
DB8	Total Krishi Kalyan Cess paid DB8 = (DB1 + DB2 + DB3 + DB4 + DB5 + DB6 + DB7)	0	0	9411	0	0	0	9411	

PART - E Education CESS Paid In Cash and through GEN VAT CREDIT									
Sl.No.	Month	Apr	May	Jun	Jul	Aug	Sep	Total	
E1	In Cash	0	0	0	0	0	0	0	
E2	By GEN VAT Credit (not applicable where the Service Tax is liable to be paid by the recipient of service)	0	0	0	0	0	0	0	
E3	By adjustment of amount paid as Service Tax in advance under Rule 6(1A) of the ST Rules	0	0	0	0	0	0	0	
E4	By adjustment of excess amount paid earlier as Service Tax and adjusted, by taking credit of such excess Service Tax paid, in this period under Rule 6(3) of the ST Rules	0	0	0	0	0	0	0	
E5	By adjustment of excess amount paid earlier as Service Tax and adjusted in this period under Rule 6(4A) of the ST Rules	0	0	0	0	0	0	0	
E6	By adjustment of excess amount paid earlier as Service Tax in respect of service of Renting of Immovable Property, on account of non-availment of deduction of Property Tax paid and adjusted in this period under Rule 6(4C) of the ST Rules	0	0	0	0	0	0	0	
E7	By Book Adjustment in the case of specified Govt Departments	0	0	0	0	0	0	0	
E8	Total Education Cess paid E8 = (E1 + E2 + E3 + E4 + E5 + E6 + E7)	0	0	0	0	0	0	0	

PART - H									
H1 DETAILS OF CHALLAN (vide which Service Tax, Swachh Bharat Cess, Krishi Kalyan Cess, Education Cess, Secondary and Higher Education Cess and other amounts have been)									
Sl.No.	Month	Challan Number (CIN)	Amount						
1	Jun	02117751005201700056	272303						
2	Jun	00053170206201600057	11252						
H2 Source Documents details for payments made in advance / adjustment, for entries made at D3, D4, D5, D6, D7; DA2, DA3, DA4, DA4.1, DA5, DB3, DB4, DB5, DB6, DB7; E3, E4, E5, E6, E7; F3, F4, F5, F6, F7; and G1 to G11 and G13 to G15 and G17 to G20									
Sl.No.	Sl. No. and description of payment entry in this return	Month	Challan / Document Number	Challan / Document Date	Amount				
1	G8-Other amounts paid - Interest	Jun	00056	10/06/2017	5665				
2	G14-Other amounts paid - Interest(SD Cess)	Jun	00056	10/06/2017	210				
3	G19-Other amounts paid - Interest(KK Cess)	Jun	00056	10/06/2017	210				
4	G8-Other amounts paid - Interest	Jun	00057	02/06/2018	1826				
5	G14-Other amounts paid - Interest(SD Cess)	Jun	00057	02/06/2018	67				
6	G19-Other amounts paid - Interest(KK Cess)	Jun	00057	02/06/2018	67				

16.1 The summary of incomes reflecting in Form 26AS, ST-3 Returns and their P&L Accounts is worked out as under –

TABLE – C

Sl. No.	Year	Income as per Form26AS	Income as per ST-3 Returns	Income as per P&L A/c.
1	2015-16	14,40,66,497/-	17,96,40,294/-	14,01,66,760/-
2	2016-17	12,84,43,771/-	2,10,39,073/-	13,71,90,589/-

16.2 The SCN is based on the charge that there is a difference in the income appearing under the head 194C in the Form 26AS and the ST-3 of the Assessee; and that the Assessee had not reflected the said income in their ST-3 returns. However, I find that the income reflected in the ST-3 returns of the Assessee has not been taken into consideration while computing the differential amount of taxable value of Rs. **27,25,10,268/-** and therefore the taxable value arrived for issuance of the SCN is found to be not correct. The summary of of ST-3 returns filed by the Assessee is worked out as under for ease of reference -

TABLE – D (i)

Sl. No.	Particulars	2015-16 (April to September)			2015-16 (October 2015 to March 2016)			Total for FY (2015-16)
		Apr-June 2015	July-Sept 2015	Total	Oct-Dec 2015	Jan-Mar 2016	Total	
1	Gross Value	14313220	66167686	80480906	54151976	45007412	99159388	179640294
2	Exemption Availed	12572660	44150765	56723425	38861090	44912894	83773984	140497409
3	Abatement Claimed	716154	12940432	13656586	8775665	56711	8832376	22488962
4	Taxable Value	1024406	9076489	10100895	6515221	37807	6553028	16653923
5	Service Tax	124707	1270708	1395415	912131	5293	917424	2312839
6	Education Cess	2245	0	2245	0	0	0	2245
7	Secondary Higher Education Cess	1123	0	1123	0	0	0	1123
8	Swatch Bharat Cess	0	0	0	0	189	189	189
9	Krishi Kalyan Cess	0	0	0	0	0	0	0
10	Total Service Tax Payable (sum of Sl. No. 5 to 9)	128075	1270708	1398783	912131	5482	917613	2316396
	Mode of Payment of Tax							
11	Cash	128075	1270708	1398783	912131	5482	917613	2316396
12	Cenvat	0	0	0			0	0

TABLE – D (ii)

Sl. No.	Particulars	2016-17 (April to September)			2015-16 (October 2016 to March 2017)			Total for FY (2016-17)
		Apr-June 2015	July-Sept 2015	Total	Oct-Dec 2015	Jan-Mar 2016	Total	
1	Gross Value	0	15004825	15004825	6034248	0	6034248	21039073
2	Exemption Availed	0	0	0	0	0	0	0
3	Abatement Claimed	0	9002895	9002895	3550014	0	3550014	12552909

4	Taxable Value	0	6001930	6001930	2484234	0	2484234	8486164
5	Service Tax	0	840270	840270	347792	0	347792	1188062
6	Education Cess	0	0	0	0	0	0	0
7	Secondary Higher Education Cess	0	0	0	0	0	0	0
8	Swatch Bharat Cess	0	30010	30010	12421	0	12421	42431
9	Krishi Kalyan Cess	0	30010	30010	12421	0	12421	42431
10	Total Service Tax Payable (sum of Sl. No. 5 to 9)	0	900290	900290	372634	0	372634	1272924
11	Cash	0	122980	122980	372634	0	372634	495614
12	Cenvat	0	777310	777310	0	0	0	777310

16.3 Accordingly on the basis of table D(i) and D(ii), it is found that the Assessee, had filed their ST-3 returns and also declared the value of service rendered by them, and also made payment of Service Tax as per their own assessment. Therefore it appears that the show cause notice has been issued in haste, without taking into consideration the figures reflected by the Assessee in their ST-3 returns. Thus the basic premises on which the SCN has been issued i.e. non-reflection of income in the ST-3 returns by the Assessee, is absolutely and manifestly incorrect and therefore absolutely unsustainable.

17. However still, I find it pertinent to delve into the correctness of liability to pay Service Tax by the Assessee with regard to the income earned by them by providing the apparent taxable services, which is reflected in their Form 26AS, P&L Account and ST-3 returns.

17.1 I find that the demand for the year 2015-16 and 2016-17 in the Show Cause Notice has been raised on the basis of income reflected in the Form 26AS of the Assessee for the relevant F.Y. 2015-16 and 2016-17, and therefore, for the sake of consistency in computation of tax, I would also rely on the income reflected in the 26AS for the period 2015-16 and 2016-17.

18. Accordingly, I find that the 1st issue which requires determination as of now is whether the assessee is liable to pay service tax on the total taxable value of Rs. **27,25,10,268/-** for the Financial Year 2015-16 and 2016-17.

19. I find that the Assessee has not contested the computation of the value of taxable services in the SCN and there is no dispute as far as the receipt of the consideration for provision of service by the assessee is concerned. The only contention of the Assessee is that they are engaged in providing Works Contract Services to the Government and Government Authority; that the services provided by them are exempted services in terms of Entry No. 12 of the Notification No. 25/2012-ST dated 20.06.2012; that

accordingly they were not liable to pay service tax on provision of such services. Therefore, I find that there is no dispute as far as the provision of services as well as receipt of income on provision of such services by the assessee for the period from 2015-16 and 2016-17 as given below:

TABLE - E

Sl. No.	Year	Total Taxable Value (Rs.)
1	2015-16	14,40,66,497/-
2	2016-17	12,84,43,771/-
	TOTAL	27,25,10,268/-

19.1 As far as the Service Tax liability for the period 2015-16 is concerned, I find that income of Rs. 14,40,66,497/- relied in the SCN is the income reflected in the 26AS. The SCN also states that the income of Rs. 14,40,66,497/- is the differential amount between the income reflected in the ST-3 returns and income reflected in the 26AS. The income reflected in the ST-3 has been also shown as Zero in the SCN. However, I find that for the same period i.e. 2015-16 the Assessee had filed their ST-3 returns, the Assessee had declared a gross taxable value of Rs. 17,96,40,294/- in their ST-3 returns which is much higher than the income of Rs. 14,40,66,497/- reflected in their 26AS. The Assessee had also made a payment of Service Tax of Rs. 23,16,396/- during the F.Y. 2015-16. Therefore, considering the facts that (1) the differential value computed in the SCN for demanding Service Tax for the period is factually wrong, (2) the Assessee had filed the ST-3 returns declaring the gross value of income from services rendered by them and (3) that they had also made a payment of Service Tax of Rs. 23,16,396/-, I hold that the entire demand of Service Tax of Rs. 2,08,89,642/- on the alleged taxable income of Rs. 14,40,66,497/- for the period 2015-16 is incorrect and untenable and therefore it is liable to be dropped.

19.2 As far as the Service Tax liability for the period 2016-17 is concerned, I find that income of Rs. 12,84,43,771/- relied in the SCN is the income reflected in the 26AS. The SCN also states that the income of Rs. 12,84,43,771/- is the differential amount between the income reflected in the ST-3 returns and income reflected in the 26AS. The income reflected in the ST-3 has been also shown as Zero in the SCN. However, I find that for the same period i.e. 2016-17 the Assessee had filed their ST-3 returns, they had declared a gross taxable value of Rs. 2,10,39,073/- in their ST-3 returns. The Assessee had also made a payment of Service Tax of Rs. 12,72,924/- during the F.Y. 2016-17. I also find that income declared by the Assessee in the P&L Account for the period 2016-17 is Rs. 13,71,90,589/-. Thus I find that there is

substantial variation in the figures reflected in the 26AS, ST-3 returns & P&L Account of the Assessee. I also find that the Assessee had declared substantially less value (Rs. 2,10,39,073/-) of taxable service in the ST-3 returns in comparison to value (Rs. 12,84,43,771/-) of taxable service reflected in the 26AS. Therefore I find it necessary to scrutinize and analyse the contention of the Assessee having provided exempted service on the basis of the documents submitted by them.

20. In view of the above mentioned narrative, the 2nd issue that needs to be decided is, whether the services provided by the assessee during the period 2016-17 is eligible for exemption under Notification No. 25/2012-ST as claimed by them or otherwise.

20.1 I find that the Assessee has submitted the following work orders and RA Bills. The details of the Work Orders and RA Bills are as under –

TABLE - F

WORKS ORDERS

Sl. No.	Work Order No. & date	Issued by	Nature of work
1	AB/Tender/168 dtd. 28.05.2014	Executive Engineer, R&B Division, Surendranagar	Construction of High School (RMSA) Building at Jesada, Virendragadh & Ravaliyavadar, Tal:Dhrangadhra of Surendranagar District
2	AB/Tender/169 dtd. 28.05.2014	-do-	Construction of High School (RMSA) Building at Vagadvav, New Ishanpur & Dhavana of Halwad Taluka of Surendranagar District
3	AB/Tender-Depo. Letter/377/2015 dtd. 28.01.2015	Executive Engineer, R&B Division, Kheda	S.R. to various non-residential building under R&B sub-division, Nadiad (NR Package-1) 2014-15 Repairs to RCC Slab work, flooring, doors & windows, grill work, plumbing, aluminium partition, parking shed, compound wall and miscellaneous work
4	AB/TC/1048/2015 dtd. 23.03.2015	Executive Engineer Capital Project Division No. 2	Construction of Gate No. 2,3,6 and 7 at Sachivalay Sardar Bhavan and development of front & back portion of Vidhansabha
5	AB/TC/609/2015 dtd. 24.03.2015	Executive Engineer Capital Project Division No. 4	Providing and fixing of Modular Furniture for Electronic Media Bhavan in Sector 16, Gandhinagar
6	Jalseva/M&N/1014/2015 dtd. 21.04.2015	Director, Gujarat Water Supply &	Civil, Renovation, Electrification and Landscaping work at the

		Severage Board, Gandhinagar	Gujarat Jalseva Talim Sanstha office enclave situated at Sector 15, Gandhinagar
7	TK-73(9)/GT/ Kaamgiri/9706 dtd. 23.05.2014	Managing Director, Gujarat Land Development Corp. Ltd., Gandhinagar	Construction of new lake/ deepening of village lakes at Devbhumi Dwarka
8	PIU/ACs/A.H./ Ahmedabad/3744 /2013 dtd. 07.08.2013	Chief Engineer, Project Implementation Unit, Gandhinagar	Furniture works for GMERS Medical College Sola & Gandhinagar
9	PIU/ACs/CMSO/ Dahod/4317/2013 dtd. 24.09.2013	-do-	Interior and Furniture works for O/o the Commissioner of Women & Child Development Department Block No. 20, Sector 10/B, Jivraj Mehta Bhavan, Gandhinagar
10	Construction/Khe dbrama Compund Wall/ 7118/2016 dtd. 08.03.2016	Dy. Engineer, Hemchandr aacharya North Gujarat University, Patan	Construction of compound wall at Khedbrahma Campus
11	AB/TC/201/2014 dtd. 24.01.2014	Executive Engineer, Gujarat High Court Division R & B Division, Ahmedabad	Construction of barrack for security personnel deployed in Gujarat High Court
12	BDJ/1015/1647/ C-1 dtd. 08.03.2016	Deputy Secretary, R&B Division, Gandhinagar	Addition & alteration work at Government Polytechnic, Ahmedabad

TABLE - G

R.A. Bills (2016-17)

Name of the deductor as per Form 26AS	Total Income as per Form 26AS as per Section 194(C)	RA Bill No. & Date	Work Order No. & Date	Nature of work
	2016-17			
Executive Engineer Road & Building	18,31,929	9th & Final RA Bill	AB/Tender/169 dtd. 28.05.2014	Construction of High School (RMSA) Building at Vagadvav, New Ishanpur & Dhavana of Halwad Taluka of Surendranagar District
	25,36,970	6th & Final RA Bill	AB/Tender/168 dtd. 28.05.2014	Construction of High School (RMSA) Building at Jesada, Virendragadh & Ravaliyavadar, Tal:Dhrangadhra of Surendranagar District

Gujarat Water Supply & Sewerage Board 084	85,86,216	7th RA Bill	Jalseva/M&R/1018/2015 dtd. 21.04.2015	Civil, Renovation, Electrification and Landscaping work at the Gujarat Jalseva Talim Sanstha office enclave situated at Sector 15, Gandhinagar
	71,03,924	6th RA Bill		
	50,98,205	5th RA Bill		
	50,42,997	4th RA Bill		
Executive Engineer Kheda R & B Division Nadiad	18,41,014	8th & Final RA Bill	AB/Tender/1022 dtd. 28.02.2014	Construction of Dr. Baba Saheb Ambedkar Bhavan
Hemchandraacharya North Gujarat University	36,99,917	M.B. No. 20	Construction/Khedbrahma Compund Wall/7118/2016 dtd. 08.03.2016	Construction of compound wall at Khedbrahma Campus
	13,34,217	M.B. No. 20		
	13,29,428	M.B. No. 20		
Total Income as per Form 26AS	3,84,04,817			

21.3 I find that the Assessee has blandly claimed that the they are engaged in activity of Works contract services for government and the services provided by them are exempted services under Notification 25/2012-ST dated 20.06.2012. The Assessee has not stated specifically as to under which entry of Notification No. 25/2012-ST their activity is exempted, but on the basis of work orders and RA bills submitted by them it is observed that they have provided the services pertaining to Construction of Civil Structure. The relevant exemption notification and the relevant entries in which these services fall are as under –

Table - H

Sl. No.	Nature of work	Relevant exemption notification Number	Entry Number of the Notfn.
1	Construction of Civil Structure	25/2012-ST dtd. 20.06.2012	12(A)(a)
2	Construction of Structure predominantly for use as Educational Establishment	9/2016- ST dtd. 01.03.2016	12(A)(b)

To appreciate the issue in the correct perspective, relevant extracts/entries of Notification No. 25/2012-ST and 9/2016-ST under which the services rendered by the Assessee falls are reproduced as follows:

Relevant Entry Numbers of Notification No. 25/2012-ST dated 20.06.2012:

“12A. Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning,

installation, completion, fitting out, repair, maintenance, renovation, or alteration of -

(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;

(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment; or

(c) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation 1 to clause (44) of section 65 B of the said Act;

under a contract which had been entered into prior to the 1st March, 2015 and on which appropriate stamp duty, where applicable, had been paid prior to such date:

Provided that nothing contained in this entry shall apply on or after the 1st April, 2020;]

(Inserted vide Notification No. 9/2016- ST dated, 1.3.2016 w.e.f.1.3.2016.)"

As far as services of "Construction of Civil Structure" and "Construction of Structure predominantly for use as Educational Establishment" are concerned, I find that the same are exempted vide Entry No. 12(A)(a) & 12(A)(b) of Notification No. 25/2-12-ST (inserted vide Notification No. 9/2016- ST dated, 1.3.2016 w.e.f.1.3.2016) subject to the condition that the contract for such work should have been entered into prior to 1st March 2015.

21.4 Further, in order to decide as to whether the Assessee is eligible for exemption for a certain income earned by them on services rendered by them, it is pertinent that the Assessee should produce factual evidences which reflects the proper description of the service rendered by them and also the amount received by them. I find that Assessee has submitted some work orders and some RA bills as mentioned herein above. The summary of taxable value worked out in the SCN and the amount of income for which the Assessee has submitted the RA Bills/Works Orders is as under -

TABLE - I

Sl. No.	Year	Gross Total Taxable Value (Rs.)	Value for which documents given	Value for which no documents submitted (Rs.) (3 - 4)
1	2	3	4	5
1	2016-17	12,84,43,771	3,84,04,817/-	9,00,38,954/-

21.5 Thus as per the Table-I given above, I find that the Assessee, has not submitted any documents for the amount of Rs. 9,00,38,954/- evidencing that they had provided exempted services as is being claimed by them. In view of want of sufficient documents, I am not in a position to classify as to which services were rendered by them, and therefore I am constrained to hold that

the Assessee is liable to pay total Service Tax of Rs. 1,35,05,843/- on the income of Rs. 9,00,38,954/- for the period 2016-17 as worked out in the table below -

TABLE - J

Sr. No.	F.Y.	Gross Receipts From Services (Value from ITR/26AS) (In Rs.)	Resultant Service Tax @ 15% short paid (in Rs.)
1	2016-17	9,00,38,954/-	1,35,05,843/-

21.6 Now, the issue which further needs to be decided is whether w.r.t. the value of Service for which the Assessee has submitted documents, whether they are eligible for exemption as claimed by them. To analyse the same, the summary of such income for which the documents have been submitted is worked out as below -

TABLE - K

2016-17

Name of the deductor as per Form 26AS	Total Income as per Form 26AS as per Section 194(C)	Nature of work
Executive Engineer Road & Building	43,68,899/-	Construction of Govt. High School
Gujarat Water Supply & Sewerage Board 084	2,58,31,342/-	Civil, Renovation, Electrification and Landscaping work at the Gujarat Jalseva Talim Sanstha office enclave situated at Sector 15, Gandhinagar
Executive Engineer Kheda R & B Division Nadiad	18,41,014/-	Construction of Dr. Baba Saheb Ambedkar Bhavan
Hemchandraacharya North Gujarat University	63,63,562/-	Construction of compound wall at Khedbrahma Campus
TOTAL	3,84,04,817/-	

Scanned copies of the work orders are reproduced below for easy reference -

REGISTERED Post A-D
No. AB/Tender/169

Office of the Executive Engineer
R. & B. Division
Surendranagar, Dt. 28-05-14

To: Sanjay Kumar Manilal Patel
Sd/-
406, J. B. Tower, Opp. Door Darshan Kendra,
Drive in Road, Thaltej,
Ahmedabad-380054.

Sub : Construction of High School(RNISA) Building at
Vegadva, New Ishanpur & Dhasana, Tal: Thaltej,
Dist: Surendranagar

Ref : Govt. R. & B. Department No. BED:55/2014/3771/N,
Dt. 13-05-14

Your unconditional tender for the above work standing at 7.36% below i.e. Rs. 18350220.83 (Rs. One Crore Eighty Three Lakhs Fifty Thousands Two Hundred Twenty and Eighty Three Paissa Only) against the estimated cost put to tender Rs. 1,98,07,107.22 is hereby accepted. You are therefore requested to pay the security deposit of Rs. 4,95,500.00 (Rs. Four Lakhs Ninety Five Thousands Five Hundred Only) in the form of small saving or Narmada Bonds (Minimum one year time period) within ten days and attend this office for signing the contract documents.

You are also requested to produce the following documents at the time of signing the agreement.
1) Partnership Deed. 2) Powers of attorney. 3) Performance Bond of Rs. 9,91,000.00 in the Prescribed form, from any Scheduled Bank / Nationalized Bank. Amount put to tender up to 1 Crore performance bond must valid up to 6 months beyond time limit and amount put to tender more than 1 Crore performance bond must valid 1 year beyond time limit.

Executive Engineer
R. & B. Division
Surendranagar

- 1) Copy submitted to the Superintending Engineer, R. & B. Circle No-1, Rajkot for information.
- 2) Copy to The Dy. En. Ingr. R. & B. Sub Division Dhrangadhra Since the rates of tender are more than 5% above the estimated cost the revised estimate should immediately be prepared and got approved from the competent authority.
- 3) Copy AB A-4 for information & necessary action.
- 4) Copy PB Building for information & necessary action.
- 5) Copy AB B-1 for information & necessary action.
- 6) For your information.



ગુજરાત જલસેવા તાલીમ સંસ્થા

ગુજરાત પાણી પુરવઠા અને ગટર વ્યવસ્થા બોર્ડ
સેક્ટર-૧૫, ગાંધીનગર

પત્ર ક્રમાંક : જલસેવા/ મ.અને ભિ./ ૧૦૧૮/૨૦૧૫
Speed post with AD

તા.૨૬/૦૪/૨૦૧૫

મતિ,
મે. પટેલ સંજયકુમાર એમ.,
૪૦૬, જે.બી.ટાવર,
દુરદર્શન કેન્દ્રની સામે,
ડાઈવ-ઈન રોડ, થાલતેજ
અમદાવાદ-૩૮૦૦૫૪

વિષય: ગુજરાત જલસેવા તાલીમ સંસ્થા, સેક્ટર-૧૫, ગાંધીનગરની ઉપાત કચેરી સંકુલના, સિવિલ
રી-નોવેશન, ઈલેક્ટ્રીફિકેશન તથા લેન્ડસ્કેપ સાથેના કામની વર્ક ઓર્ડર આપવા બાબત.

સંદર્ભ: ટેન્ડર આઈ.ડી. ૧૬૦૬૨૦

મહારામ,

ઉપરોક્ત વિષયના અંગે જયભારતીય જાણવવાનું કે ગુજરાત જલસેવા તાલીમ સંસ્થા,
સેક્ટર-૧૫, ગાંધીનગરની ઉપાત કચેરી સંકુલના, સિવિલ રી-નોવેશન, ઈલેક્ટ્રીફિકેશન તથા
લેન્ડસ્કેપ સાથેના કામ બાબતે, આપે સંદર્ભિત ટેન્ડર આઈ.ડી. ૧૬૦૬૨૦થી ભરેલા ભાવપત્રક, કે જે
અંદાજિત રકમ રૂ.૫,૩૮,૯૬,૫૫૮.૦૦ કરતા ૧૮.૩૦% નીચા, એટલે કે
રૂ.૪૮,૬૦,૪૩૧.૪૫ના પટાકા સાથે રૂ.૪,૯૦,૩૬,૧૨૬.૫૫ના ધામ છે, તેને આ સાથે મંજૂર
કરવામાં આવે છે. સંદર કામ અંગેની નીચેની વિગતની સીક્યોરીટી ડીપોઝીટ આપના તરફથી
તા.૧૩/૦૪/૨૦૧૫ના રોજ કચેરીમાં જમા કરવામાં આવેલ છે.

૧. રૂ.૨૬,૯૫,૦૦૦/-ની તા.૧૧/૪/૨૦૧૫ની, મહેસાણા અર્બન કો-ઓપરેટીવ બેંક
લીમીટેડની બેંક ડેપોઝીટ
૨. રૂ.૧૩,૬૫,૦૦૦/-ની તા.૧૦/૪/૨૦૧૫ની અહલાબાદ બેંક, ઘાટલોડીયા શાખા,
અમદાવાદની બે વર્ષની મુદતની બેંક ડી.આર

ઉપરિ તા.૧૩/૦૪/૨૦૧૫ના રોજ કરારપત્ર પણ કરવામાં આવેલ છે. આથી તમોને ઉક્ત
કામ શરૂ કરવાની આદેશ આપવામાં આવે છે. સંદર કામ કરારનામામાં દર્શાવ્યા મુજબ, બાર માસની
સમયમર્યાદામાં પુરૂ કરવાનું રહેશે. ટેન્ડરની સમયમર્યાદા, લાઈન આઉટ આપ્યા તારીખથી ગણતરીમાં
લેવાની રહેશે.

(મહેશ સિંહ)
નિયામક

નકલ રવાના:

- સિવિલ શાખા તરફ જણ તેમજ કાર્યાલયી અર્થે.
- ટેન્ડર ફાઈલ.

SECTOR-15, 'G' ROAD, GANDHINAGAR-382016 Email: gjtl.gwssb@gmail.com
Tol: (079)23223941 to 47 Fax: (079) 23223243

B.Y.R.P.A.D.

No. AB/Tender-Depo. Letter/ 1016 / 2014

Phone(0268) 2563598/2566404
Office of the Executive Engineer,
Kheda Roads and Buildings Division,
Ayojan bhavan Compound,
P.O. Nadiad-387001
Date: 26-2-2014

To,
Shri Sanjaykumar Manilal Patel,
406, J.B.Tower,
Opp. Door Darshan Kendra,
Drive in Road, Thaltej,
Ahmedabad-380 054.

Sub. :- (Tender ID : 138180)
Construction of Dr. Baba Saheb Ambedkar Bhawan at
Nadiad.

Your tender for the above noted work is hereby accepted by the undersigned for
Rs. 93.85309=75 i.e. - 11.0204 % Below against the Estimated cost of Rs.
1.05.47.712=88 you are therefore requested to pay the Security Deposit of Rs.
2.63.693=00 (Rupees Two lacs sixty three thousand six hundred ninety three only) In the
form National Saving Certificate or Sardar Sarovar Narmada Nigam Bond of not less than
two years period duly pledged in the Name of the Executive Engineer (R&B) Division,
Nadiad and performance Bonds as per tender condition in Annexure-3 for Rs. 5.27.386=00
For the period 12 (Twelve) Months of any schedule Bank and attend this office with the
Same for Competing the tender papers. Payment will be made when fund will be available
with department No Claim will be accepted for delayed payment & no correspondence will
be entertained.

- (2) you are hereby requested to pay the Security Deposit within Ten days from the date of
receipt of this letter failing which you tender will be rejected and Earnest Money So
paid by you will be forfeited to Government.
- (3) Please give the name of Your Civil Engineer who will look after the above work to this
Office as well as to the Deputy Executive Engineer (R&B) Sub Division, Nadiad.
- (4) You are requested to produce current Solvency Certificate.
- (5) Budget Head : 4225 S.C., S.T. & Other B. Class
- (6) You letter dated -
Will from the part of an agreement.

Executive Engineer,
Kheda (R&B) Division,
Nadiad.

Copy forwarded to the Deputy Executive Engineer (R&B) Sub Division, Nadiad for
information & necessary action.

Copy to Auditor AB - Kapadwanj.

Copy E6.PB/Bldg./ Road information.

Since the tender rates are - 11.0204 % Below / immediate action for approval of Revised/

Reduced Estimate should be taken.

Copy to Budget Clerk Dn. Office, Nadiad

to pay Service Tax on the income received from Hemchandraacharya North Gujarat University and Gujarat Water Supply & Severage Board 084.

21.9 From scrutiny of the documents viz. Work Orders and RA Bills, submitted by the Assessee w.r.t. Hemchandraacharya North Gujarat University and Gujarat Water Supply & Severage Board 084, it is apparent that the service provided to these two entities are evidently classifiable under Works Contract Service. Accordingly, I also find that the value of service portion in execution of works contract has to be determined as per Service Tax (Determination of Value) Rules, 2006 (Valuation Rules). Further, I find that as per the provisions of Service Tax (Determination of Value) Rules, 2006 (Valuation Rules), in case of works contracts entered into for execution of "Original Works", service tax shall be payable on Forty Percent of the total amount charged for the works contract. In other case of works contract (i.e. other than Original Work, including repair, maintenance, finishing services), the service tax shall be payable on Seventy Percent of the total amount charged for the works contract. As per the Work Order issued by Hemchandraacharya North Gujarat University and Gujarat Water Supply & Severage Board 084, the assessee was to carry out the following works -

Table - L

Gujarat Water Supply & Severage Board 084	Civil, Renovation, Electrification and Landscaping work at the Gujarat Jalseva Talim Sanstha office enclave situated at Sector 15, Gandhinagar
Hemchandraacharya North Gujarat University	Construction of compound wall at Khedbrahma Campus

21.10 On perusal of the nature of work allotted to the Assessee by Hemchandraacharya North Gujarat University, it is apparent that the work allotted is pertaining to Construction of compound wall at their Khedbrahma Campus and therefore the nature of work appears to be "Original Works". Accordingly, the value of service portion in case of works contract service provided to Hemchandraacharya North Gujarat University will be 40% of the amount charged by the assessee for the said work.

21.11 On perusal of the nature of work allotted to the Assessee by Gujarat Water Supply & Severage Board 084, it appears that the nature of work is pertaining to repair, maintenance and finishing and therefore the nature of work cannot be considered as "Original Works". Accordingly, the value of service portion in case of works contract service provided to Gujarat

Water Supply & Sewerage Board 084, will be 70% of the amount charged by the assessee for the said work.

21.12 Having considered the above legal and factual position, the Service Tax payable on amount received for providing taxable service by the assessee from Hemchandraacharya North Gujarat University and Gujarat Water Supply & Sewerage Board 084 as per Form 26AS, the applicable service tax liability has been worked out herein as under –

TABLE – M

Sl. No.	Name of the Recipient of Service	Total Value as per 26AS (Rs.)	Abatement under valuation Rules (Rate)	Taxable Value after abatement (Rs.)	Service Taxable Payable (Rs.)
1	Gujarat Water Supply & Sewerage Board 084	2,58,31,342/-	30%	1,80,81,939/-	27,12,291/-
2	Hemchandraacharya North Gujarat University	63,63,562/-	60%	25,45,425/-	3,81,814/-
TOTAL				2,06,27,364	30,94,105/-

22. Thus in view of the discussion and findings narrated above and the liability of Service Tax worked out in Table J and M above, I hold that the Assessee is liable to pay a total Service Tax of Rs. **1,65,99,948/-** (Rs. 1,35,05,843/- plus Rs. 30,94,105/-). I also find that during the period of 2015-16 and 2016-17, the Assessee has made payment of Service Tax of Rs. 23,16,396/- and Rs. 12,72,924/- respectively. Further, I also hold that since the tax liability arising is for the period 2016-17, the amount of Rs. 12,72,924/- paid by the Assessee during the year 2016-17 as per their ST-3 returns, is required to be appropriated against the total liability of Rs. **1,65,99,948/-**. Therefore, on the basis of documents submitted by the Assessee and the facts on records discussed herein above, I hold that out of the total demand of **Rs. 4,01,56,208/-** for the period 2015-16 and 2016-17 the Assessee is liable to pay Service Tax of Rs. **1,53,27,024/-** and the demand of Service Tax to the tune of Rs. **2,48,29,184/-** (Rs. **4,01,56,208/-** minus Rs. **1,53,27,024/-**) is liable to be dropped. The computation of the S.T. liability is summarized as below –

TABLE – N

Sl. No.	Particulars	2015-16	2016-17	Total
1	Taxable Value as per SCN (Rs.)	14,40,66,497/-	12,84,43,771/-	27,25,10,268/-
2	Amount Not liable to Service Tax (Rs.)	14,40,66,497/-	62,09,913/-	15,02,76,410/-
3	Amount liable to Service Tax (Rs.)		NIL	12,22,33,858/-
4	Service Tax demanded as per SCN	2,08,89,642/-	1,92,66,566/-	4,01,56,208/-

5	Service Tax Payable (Rs.)	NIL	1,65,99,948/-	1,65,99,948/-
6	Appropriation Service Tax Paid as per ST-3 returns	Not applicable as there is no Tax Liability for 2015-16	12,72,924/-	12,72,924/-
7	Net Service Tax Payable	NIL	1,53,27,024/-	1,53,27,024/-

24. I also find that the Assessee has not complied with the provisions of the Finance Act, 1994 and the Service Tax Rules, 1994 in as much as they have neither declared the provision of taxable service, nor assessed the value of taxable service provided by them and had not paid the applicable service tax. The basis of the Show Cause Notice is the data shared by the CBDT and not on any data provided by the Assessee. Therefore, I hold that the Assessee is guilty of suppression of facts, wilful mis-statement and contravention of provisions of the Finance Act, 1994 and Service Tax Rules, 1994 with intent to evade the payment of Service Tax. Accordingly, I also hold that Service Tax has been correctly demanded vide the SCN dated 23.04.2021 under the provisions of Section 73(1) of the Finance Act, 1994 by invoking extended period of time.

25. I also hold that the assessee has failed to pay service tax amounting to Rs. 1,53,27,024/-, which was required to be paid under Section 68 of the Finance Act, 1994 read with Rule 6 of Service Tax Rules 1994 for taxable services provided during F.Y. 2015-16 and 2016-17 by them and the same is required to be recovered from them under the provisions of Section 73(1) of the Finance Act, 1994.

26. Based on above facts and discussion, I find that the assessee has contravened the provisions of (i) Section 68 and 66B of the Finance Act, 1994 read with Rules 2 and 6 of the Service Tax Rules 1994, in as much as they have not paid service tax to the tune of Rs. 1,53,27,024/- though they were liable to pay the same for provision of taxable services and (ii) Section 70 of Finance Act, 1994 read with Rule 6 & 7 of the Service Tax Rules, 1994 in as much as they have failed to assess their correct service tax liability for the FY 2015 and 2016-17.

27. I also find that Section 75 of Finance Act, 1994 mandates that any person who is liable to pay service tax, shall, in addition to the tax, be liable to pay interest at the appropriate rate for the period by which crediting of tax or part thereof is delayed. I thus hold that the assessee is also liable to pay the interest on the demand of service Tax of Rs. 1,53,27,024/-.

28. From the facts and discussion aforementioned, I find that in the instant case the assessee had failed to pay legitimate service tax due to the government, despite the fact that they were engaged in providing taxable services and had wrongly availed the benefit of exemption from service tax. Thus, the assessee had suppressed the material facts from the Department by not showing their actual taxable income in the ST-3 Returns and also by not paying the Service Tax due to the government by them. Various Courts including the Apex Court have clearly laid down the principle that tax liability is a civil obligation and therefore, the intent to evade payment of tax cannot be established by peering into the minds of the tax payer, but has to be established through evaluation of tax payers' behaviour. The responsibility on the tax payer to voluntarily make information disclosures is much greater in the system of self-assessment. The omission or commission on the part of the assessee has clearly demonstrated their intention to evade payment of due service tax, as they were very much aware of the unambiguous provisions of Finance Act, 1994 and Rules made there under. They have failed to disclose to the department at any point of time, the fact regarding claiming of exemption without being eligible under Notification No. 25/2012-ST as discussed in forgoing paras during F.Y. 2015-16 and 2016-17. These facts would not have come to light if the department had not initiated inquiry on the basis of data shared by the Income Tax Department. Moreover, the government has from the very beginning placed full trust on the Assessee and accordingly measures like self assessment etc. based on mutual trust and confidence have been put in place. Further, the assessee are not required to maintain any statutory or separate records under the Excise / service tax law as considerable amount of trust is placed on the assessee and private records maintained by them for normal business purposes are accepted for purpose of excise & Service tax laws. Moreover, returns are also to be filed online without any supporting documents. All this operates on the basic and fundamental premise of honesty of the assessee; therefore, the governing statutory provisions create an absolute liability on the assessee when any provision is contravened or there is breach of trust placed on them. Such contraventions on the part of the Assessee tantamount to wilful mis-statement and suppression of facts, with intent to evade the payment of the duty/tax. It is also evident that such fact of contravention and non payment of the service tax by not declaring taxable value of the service provided, as discussed earlier, on the part of the Assessee came to the notice of the department only when the inquiry was initiated by the department. In the case of *Mahavir Plastics versus CCE Mumbai, 2010 (255) ELT 241*, it has been held that if facts are gathered by department in subsequent investigation extended period can be invoked. In *2009 (23) STT*

275, in case of *Lalit Enterprises vs. CST Chennai*, it is held that extended period can be invoked when department comes to know of service charges received by appellant on verification of his accounts. Therefore, I find that all essential ingredients exist in this case to invoke the extended period under proviso to Section 73(1) of the Finance Act, 1994. By invoking the extended period of time of 5 years, service tax totally amounting to Rs. 1,53,27,024/- (including cess) is required to be recovered along with applicable interest under Section 75 of the Finance Act, 1994 from the assessee. For the same reasons, all ingredients for imposing penalty on the assessee under Section 78 exists, therefore, the assessee is also liable for penal action under the provisions of Section 78 of the Finance Act, 1994.

29. As far as, the proposal for imposition of penalty under Section 77(2) of the Finance Act, 1994, is concerned, as discussed herein above, I find that the assessee had failed to assess their Service Tax liability and has failed to file correct service tax returns as required under Section 70 of the Finance Act, 1994 read with Rule 7 of Service Tax Rules, 1994, as discussed at length hereinabove, thus, they have rendered themselves liable to penal action under Section 77(2) of the Finance Act, 1994.

30. In view of the above discussion and findings, I pass the following order:

ORDER

- (i) I hereby confirm the demand of service tax of Rs. 1,53,27,024/- (Rs. **One Crore Fifty Three Lakh Twenty Seven Thousand and Twenty Four Only**) for FY 2015-16 and 2016-17 not paid by the assessee and order to recover the same from the assessee under proviso to Sub-section (1) of Section 73 of Finance Act, 1994. I further drop the demand of Service Tax of Rs. 2,48,29,184/- accordingly.
- (ii) I order to charge Interest at the appropriate rate on the demand of Service tax of Rs. 1,53,27,024/- and to recover the same from the assessee under Section 75 of the Finance Act, 1994;
- (iii) I impose penalty of Rs. 1,53,27,024/- on the assessee under the provision of Section 78 of the Finance Act, 1994.
- (iv) I impose penalty of Rs. **10,000/-** on the assessee under the provision of Section 77(2) of the Finance Act, 1994, for failure to assess their service tax liability and also for failure to file ST-3 Returns.

31. However, in view of clause (ii) of the second proviso to Section 78 (1), if the amount of Service Tax confirmed and interest thereon is paid within period of thirty days from the date of receipt of this Order, the penalty shall be twenty five percent of the said amount, subject to the condition that the amount of such reduced penalty is also paid within the period of thirty days.



(Upendra Singh Yadav)
Commissioner
Central Excise & CGST,
Ahmedabad North.

F. No. STC/15-78/OA/2021

Date: __/02/2023

BY REGD. POST A.D./SPEED POST/Hand Delivery

To,

M/s. Patel Sanjaykumar M.,
B. No. 45, Suramya Bungalows,
Opp. Ratnam Bungalows,
Science City Road,
AHMEDABAD - 380060 (Gujarat)

Copy for information to:

1. The Principal Chief Commissioner of CGST & Central Excise, Ahmedabad Zone.
2. The Assistant Commissioner, Division-VII, CGST & C.Ex., Ahmedabad North.
3. The Superintendent, Range-III, Division-VII, CGST & C.Ex., Ahmedabad North.
4. The Superintendent (Systems), Hq., CGST & C.Ex., Ahmedabad North.
5. Guard File.