

Note on Mandatory e-filing of service tax returns

Recently **Notification No. 43/2011-ST** dated **25th August, 2011** has been issued by the Service Tax Department which amends the Rule 7 of the Service Tax Rules, 1994 relating to filing of the service tax returns, the effect of which is that now every assessee shall submit the half-yearly return (including Nil return) electronically w.e.f. 1st October, 2011 by 25th of the month following the particular half-year. Earlier only the assesseees who paid service tax along with CENVAT utilization of Rs.10Lakhs or more in preceding financial year was only mandatory to file the online returns and others were recommendatory.

Procedure for obtaining the online user ID and password

The following procedure has to be followed, for obtaining the online user ID and password for the existing service tax assessee:

1. Require to fill the declaration form for ACES, which consists of the details like name, Service tax registration number, E-mail ID, Commissionerate, Range, etc.
2. Submit the declaration form along with the covering letter to the concerned Jurisdictional Superintendent and get it acknowledged.
3. The concerned Jurisdictional officer sends temporary/onetime online user ID and password to the e-mail ID given in the declaration. It is important that the assessee has to give the official email ID and not the personal ID of the accountant/manager etc.
4. On receiving the online user id and password to the e-mail. Assessee requires to do the following:
 - a. Assessee has to click on the hyper link sent in the e-mail or assessee can alternatively login on to the ACES website manually;
 - b. Assessee has to login with the one-time user ID and password sent on mail
 - c. After logging in assessee shall change the user name and password after giving necessary details for online access;

Procedure for filing ST-3 returns electronically

In aces the ST-3 can be filed in the two methods as under

- a. Offline filling and uploading: Suitable where the information has been filled in parts and also requires review before filing.
- b. Online filling and submission: Suitable whether the complete details are available at the time of filling of the returns and does not required further review.

Procedure for offline filling and uploading

1. Assessee has to browse into website “www.aces.gov.in” click on the ‘downloads’ tab, then click on the hyperlink “Download ST3 Return Excel Utility”, which download a zip folder which after extraction leads to excel file containing the ST-3 returns which can be saved on the system.
2. In such work book, one could see the two work sheets as under:
 - a. Instructions: One is instructions for filling the ST-3 Returns and
 - b. Return: The other one is ST-3 Returns.
3. The assessee can read the instructions for the reference. Then the assessee has to go to the Return sheet and fill the necessary details in that sheet such as year, name of assessee, period of return filing, taxable services (as provider or receiver), etc. after entering such details, the sheet has to be validated by clicking on the option provided below as “Validate Sheet”.
4. On validation of the sheet, automatically the other sheets are generated such as the taxable services mentioned in the first sheet, service tax payment mode, service tax paid challan details, Cenvat Credit details, etc. (Note in case the next sheet does not generate automatically then the macros has to enabled)
5. In the other sheets the assessee has to fill the appropriate information wherever applicable and then validate the sheet. Similar procedure to be followed for the remaining sheets.

For example: If the assessee has paid service tax by cash and utilizing credit. In such case the assessee has to fill the payment made by cash

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and by utilizing Cenvat credit. On filling such details then click on the next and enter the details of bank code, date of payment, challan number, etc. and then validate the sheet.

6. On filling all the sheets, at last one would find the sheet “Distributor”. In such sheet
 - i. In the Point No. 7(a) – declaration- the assessee has to click on the small box provided there.
 - ii. In the same sheet at the end, after the Point No. 8(a) & 8(b), one can find name, place and date which are starred/marked red in colour. The assessee is required to fill those details and validate the sheet.
7. On filling of all such details in the said work book i.e. offline ST-3 returns. The review has to be made by the assessee to confirm whether all the details have been provided accurately or anything missed out as per the company.
8. After reviewing all the required fields and confirming have been filled properly and validated in the said offline ST-3 returns, then click on the “validate return and submit” it validates all the entries in the return. On clicking the “validate return and submit” the filled ST-3 return will be generated in XML format and it will be saved in the location where the Original ST-3 folder was located. Assessee could find the path where it has been saved immediately after validating the offline ST-3 return; the path has to be noted for reference.
9. On successful generation of such return in XML form, the assessee has to login to ACES with their user id and password.
 - a. The menu will be displayed in the top, from such menu select “RET”.
 - b. In the “RET” the drop down list select “e-filing” and then select “Upload File”.
 - c. On selecting the “Upload File” this would lead to Upload ST-3 Return window.
 - d. In such window one has to select the period of return & financial year from the drop down menu/list

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- e. Then hit on choose the file and upload the XML file which was earlier generated. Then Save the same and submit.
 - f. Logoff from the aces
 - g. On successful submission of the ST-3 returns one could see the status after one business day.
10. In case any of the information has not been filled properly the returns would be rejected with the description of the error with 24hrs, which can be checked in “view statuses” under “e-filing” under RET menu on the homepage. The error has to be rectified and a new XML file has to be uploaded in the same manner specified above.
11. If no errors are found then acknowledgment for the submission would be generated with next working day.

Procedure for online filling and submission

1. Assessee has to keep all the data required for filling of the returns
2. Then has to logon to aces website with the used id and password under service tax menu from the home page
3. Then in the logon page select “RET” menu, under that select “fill ST-3” and further select “fill”
4. The same would lead to list of premises window, click on the hyperlink of the premises code to which the returns has to be submitted.
5. Which would lead to ST-3 format on the screen and all the details can be filled by page by page and clicking on the “next” button at the end of every page and at the end the same can be saved
6. After the same has been saved that would lead to the confirmation window which would throw the errors that need to be rectified.
7. Assessee can select the “modify” button rectify the errors, then can be saved and then finally click on “submit”
8. The returns would be validated and acknowledgment would be generated immediately.

(For any queries or feedback on this subject mails to sudhir@hiregange.com)

Specimen format of Covering letter

TO BE PRINTED ON LETTER HEAD OF THE ASSESSEE

Date:
To
The Superintendent of Customs,
Central Excise and Service Tax,
Range _____,
Division _____
Commissionerate _____

Dear Sir/Madam,

Sub: Requisition for ACES - online user ID and password.

Ref: Service Tax Registration No._____.

With the above reference, we would like to bring to your kind notice that we have registered under the Service Tax as provider/receiver for payment of service tax vide our registration number referred to above.

We understand that w.e.f. 01.10.2011 every assessee is required to submit half yearly service tax return electronically mandatorily, however we do not have the user id and password to login for the ACES system and hence we are enclosing the declaration form for obtaining ACES online user id and password.

Kindly, provide the said used id and password at the earliest and acknowledge the receipt of this letter.

Thanking you,
Yours truly,
For _____

Format of the declaration

DECLARATION FORM FOR ACES

NAME of Registered Assessee: _____

STC (Service Tax Code/ Registration Code):

1. Division:

2. Range: (Please mention Range Number) _____

3. Email id: _____

4. Repeat Email id: _____

5. Constitution of your Firm: _____

(Proprietorship / Partnership / Registered Public Limited Company / Registered Private Limited Company / Registered Trust / Society / Co-operative Society / Others)

6. Contact Person Name: _____

7. Contact Number: _____

I, _____ hereby declare the I am duly authorized by M/s - _____ to sign this declaration and the contents of this declaration are true and correct.

(Signature)

Name: _____

Designation: _____

Date: _____