

## INDIRECT TAXES UPDATE -20

### SERVICE TAX

#### **Fumigation of export cargo whether loaded into containers or otherwise not liable to service tax**

The activity of fumigation of export cargo including agricultural/horticultural produce, whether loaded into containers or otherwise is not a taxable service under 'cleaning services'. The reason for the same is that as per section 65(24b) of the Finance Act, 1994, cleaning activity means cleaning of 'objects or premises' of (i) commercial or industrial buildings and premises thereof; or (ii) factory, plant or machinery, tank or reservoir of such commercial or industrial building and premises thereof. Fumigation of export cargo including agricultural/horticultural produce, whether loaded into containers or otherwise, therefore does not satisfy the statutory definition of 'cleaning activity' under Section 65(24b) of the Finance Act, 1994 and hence is not liable to service tax.

*[Circular No. 132/1/2011-ST dated 12.01.2011]*

### RAJASTHAN VALUE ADDED TAX

#### **Dealers who have furnished audit report under section 73 without being required to do so absolved from the requirement of filing annual return in Form VAT-10A**

As per the provisions of Rule 19 (1A) and Rule 19A (1A) of Rajasthan Value added Tax Rules, 2006, a dealer who has filed an audit report under Sub-section (1) of Section 73 of Rajasthan Value added Tax Act, 2003 need not file a return in form VAT-10A.

Section 73(1) makes it mandatory for specified dealers to furnish an audit report within the prescribed period in the prescribed form duly signed and verified by a Chartered Accountant/Cost Accountant. However, certain dealers of the State, who are not required to furnish audit report under the provisions of the said Section, have furnished audit report as specified by the Commissioner, under sub rule (6) of Rule 36 of Rajasthan Value Added Tax Rules, 2006. As per the provisions of rule 19 (1A) and Rule 19A (1A) of Rajasthan Value Added Tax Rules, 2006, such class of dealers have to submit the annual return in Form VAT-10A as they are not statutorily required to furnish the audit report.

The Commissioner Commercial Taxes, Rajasthan has dispensed with the requirement of filing of annual return in Form VAT-10A, for the dealers who have furnished audit report, though not being obliged to do so under the provisions of the Act, as audit report being verified by an accountant, within the meaning of section 73 of the said Act, fulfills the requirement of annual return in Form VAT-10A.

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### **Feedback**

The Indirect Taxes Update is an endeavour of the Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant notifications, circulars etc. We welcome your feedback on the Update and its contents.

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