

CA. M. Devaraja Reddy
President

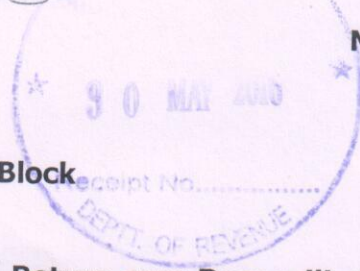


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THE INSTITUTE OF CHARTERED
ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)
ICAI Bhawan, Indraprastha Marg,
New Delhi - 110 002. INDIA

ICAI/IDTC/2016-17/05

May 24, 2016

Ms. Neerja Shah
Member (Central Excise)
Central Board of Excise & Customs North Block
New Delhi - 110001



**Sub: Preliminary Draft format of Annual Return cum Reconciliation Statements
of Central Excise & Service Tax**

Member,

The Institute of Chartered Accountants of India (ICAI) is a statutory body established under the Chartered Accountants Act, 1949 for regulating the profession of Chartered Accountancy in India. ICAI is the second largest accounting body in the world with a strong tradition of service to the public interest and to the Indian economy.

In Union Budget 2016-17, the Central Government has provided for filing of annual returns under Central Excise vide Rule 12 of Central Excise Rules, 2002 & Service Tax vide Rule 7(3A) of Service Tax Rules, 1994 commencing from current financial year. As you may be aware, returns under Central Excise are filed factory wise but the financial statements for a particular group of companies are prepared on a consolidated basis. This makes the situation difficult for the assessing officer to match the information provided in the return with the financial statements so provided. Similar is the case under Service Tax.

In order to enable smooth verification of returns with financial statements, the Indirect Taxes Committee of ICAI has prepared a preliminary draft format of annual return cum reconciliation Statement between Excise Return and Financial Statement viz-a-viz Service Tax, which are enclosed herewith for your kind perusal and consideration. Once finalized and duly vetted by Auditing & Assurance Standards Board of ICAI, we would submit the final report.

The ICAI had been nominated on the Advisory Committee constituted by Goods and Services Tax Network (GSTN) for advising the Board of GSTN on strategic matters. On the similar lines, we would be delighted to contribute and be part of any Group formed by Government, if any in this regard.

We hope that the above proposals will be considered favourably for any further clarifications or inputs in this matter. CA. Madhukar N Hiregange, Chairman, Indirect Taxes Committee may be reached at 0120-3045954 or idtc@icai.in.

Thanking you.

Yours faithfully,

CA. M Devaraja Reddy

Copy to:

- 1) Alok Shukla JS(TRU-I)
- 2) Amitabha Kumar JS (TRU-II)