

कार्यालय आयुक्त केन्द्रीय उत्पाद शुल्क, सीमा शुल्क एवं सेवाकर, भोपाल
48, प्रशासनिक क्षेत्र, अरेरा हिल्स, होशंगाबाद रोड, भोपाल
OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX,
48, ADMINISTRATIVE AREA, ARERA HILLS, HOSHANGABAD ROAD, BHOPAL

F.No. IV(16)30/TN/ST/BPL/2013

Bhopal, Dated .03.2014

TRADE NOTICE NO. 02/2014/SERVICE TAX

Subject: Rice– exemptions from service tax -- regarding.

Attention of the field formations, service providers, trade & industries, the public in general and all concerned is invited that doubts have been raised regarding the scope and applicability of various exemptions available to various activities in relation to rice, under the negative list approach. These doubts have been examined and clarifications are given below:

2. These doubts have arisen in the context of definition of 'agricultural produce' available in section 65B(5) of the Finance Act, 1994. The said definition covers 'paddy'; but excludes 'rice'. However, many benefits available to agricultural produce in the negative list [section 66D(d)] have been extended to rice, by way of appropriate entries in the exemption notification.

3. Transportation of rice:

3.1 by a rail or a vessel: Services by way of transportation of food stuff by rail or a vessel from one place in India to another is exempt from service tax vide exemption notification 25/2012-ST dated 20th June, 2012 [entry sl.no.20(i)]; food stuff includes rice.

3.2 by a goods transport agency: Transportation of food stuff by a goods transport agency is exempt from levy of service tax [exemption notification 25/2012-ST dated 20th June, 2012 [entry sl.no.21(d)]; amending notification 3/2013-ST dated 1st March 2013]. Food stuff includes rice.

4. Loading, unloading, packing, storage and warehousing of rice: Exemption has been inserted in the exemption notification 25/2012-ST dated 20th June, 2012 [entry sl.no.40]; amending notification 4/2014-ST dated 17th February 2014 may be referred.

5. Milling of paddy into rice: When paddy is milled into rice, on job work basis, service tax is exempt under sl.no.30 (a) of exemption notification 25/2012-ST dated 20th June, 2012, since such milling of paddy is an intermediate production process in relation to agriculture.

All the Members of Regional Advisory Committee, the Trade Associations and the chamber of Commerce & Industry and field formations are requested to bring the contents of this Trade Notice to the notice of the member, trade and industries, public and all other concerned.

Authority – Board's Circular no. 177/03/2014-ST dtd. 17.02.2014


(Dr. D.K. Verma)

Commissioner