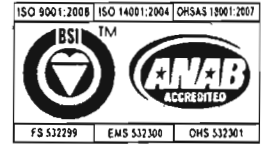




CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD-Taxation/STC/12-13

18th September 2012

Service Tax Circular # 62

Subject = Frequently Asked Questions with regards to Changes in Service Tax.

Certain questions raised by Field Units and the Participants in the recently held "Workshop on Service Tax & TDS" have been examined at Corporate Office and the following Clarifications are furnished against the relevant Questions with the approval of the Competent Authority:

S. No.	Question	Clarification
1	Whether the Manpower or Home Guards hired from the Directorate of Home Guards (A Govt. Agency) or any DGR Sponsored Agency for Security of the Warehouses would be liable to Service Tax under the Reverse Charge Mechanism even if the Agency raises the Wage Bill based on the Attendance Sheet without any Service Tax levied thereon and if yes, how much portion will CWC be liable to pay under the Reverse Charge Mechanism i.e. whether 100% or 75%?	Yes! This Service is covered under Point (6) of CO Circular # 58 and the same would be liable to payment of Service Tax on 100% of the Bill/Invoice Value under the Reverse Charge Mechanism.
2	Whether CWC would be entitled to avail the CENVAT Credit in respect of Service Tax thus paid under the Reverse Charge Mechanism and how?	Yes! CENVAT Credit in respect of the Service Tax paid to the Govt. under the Reverse Charge Mechanism has to be availed on the basis of Challan evidencing payment of Service Tax.
3	Whether AMC Services for Computers, Lorry Weigh Bridges and Upkeep & Maintenance of Building, are covered within the definition of Works Contract Service?	Yes! Every contract, where both the Material & Service Component are there, will be covered under the Works Contract Service. The new definition of Works Contract has been circulated vide CO Circular # 60.
4	Whether Service Tax on the AMC and Upkeep & Maintenance Services is to be paid under the Reverse Charge Mechanism?	Yes! Service Recipient has to pay 50% of the Service Tax due on such Services under the Reverse Charge Mechanism as mentioned in CO Circular # 58.

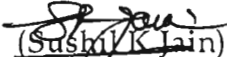
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S. No.	Question	Clarification
5	Whether the condition of not availing CENVAT Credit on Inputs & Input Services for availing 70% Abatement in case of Transportation of Containers by Rail has been relaxed in the New Service Tax Law?	Yes! According to the Service Tax Notification No. 26/2012 dated 20.06.2012, the Service Tax is payable only on 30% Abated Value of Service Charges in respect of the Transportation of Containers by Rail, despite the Service Provider having availed CENVAT Credit in respect of Inputs & Input Services. The same was informed vide CO Circular # 58.
6	Whether the payment of Service Tax for the Bus and other Vehicles hired by CWC and charged @ 100% and 40% respectively by the Service Provider in the Bills has to be made under the Reverse Charge Mechanism, and if yes, whether Registration under "Rent a Cab Services" is required for payment of Service Tax ?	Under the New Service Tax Regime effective 01.07.2012, Service Tax under the Reverse Charge Mechanism would have to be deposited on certain Taxable Services by the Service Recipient as detailed in ST Circular # 58, for which the Service Recipient would have to register himself as a Service Recipient. Please note that from 01.07.2012 onwards, the Service Tax Registration is not for any particular Taxable Service, but only under the following categories, viz. (i) Service Provider for all Taxable Services other than those in the Negative or Mega Exemption List; (ii) Service Recipient for depositing Service Tax under the Reverse Charge Mechanism; and (iii) as an Input Service Distributor.
7	Whether the Annual Maintenance Contract (AMC) Service is covered under the Reverse Charge Mechanism, and if yes, whether CWC has to get itself registered under the Works Contract Service?	
8	Whether the Handling of Export Cargo is now Taxable and the Service Tax has to be charged for handling Export Cargo, since the same does not find a mention either in the Mega Exemption List notified vide ST Notification No. 25/2012 dated 17.03.2012 nor in the Negative List of Services.	Yes! Handling of Export Cargo is neither covered under the Negative List nor Mega Exemption List as detailed in ST Circular # 55 dated 04.06.2012 and # 57 dated 13.06.2012, and thus, the same would be a Taxable Service w.e.f. 01.07.2012 and liable to the levy of Service Tax.
9	Whether the transportation service for export cargo to be transported from SEZ to any place outside SEZ will be a taxable service?	In accordance with Rule 4 and Rule 10 of the Place of Provision of Service Rules, 2012, the transport service provided outside SEZ will be a taxable service.

S. No.	Question	Clarification
10	Whether there is any Delay in the deposit of Service Tax in case the Service Tax collected on Bill for the Services rendered to a Customer during April 2012 and raised during May 2012 is deposited on 5 th June 2012?	In case the Bill for the Services rendered during April 2012 was raised on or before 14 th May 2012, there would be NO DELAY if the Service Tax collected therein has been deposited on or before 5 th June 2012 according to the Point of Taxation Rules, 2011, since the Bill had been raised within 14 Days (which has now been increased to 30 Days) of the completion of Rendition of Service. However, in case the Bill had been raised on any Day after 14 th June 2012, the Payment of Service Tax would have become Due on or before 5 th May 2012, based on the Point of Rendition of Service. Refer CO's ST Circular # 44 dated 11.07.2011, 45 dated 06.09.2011 and 47 dated 21.09.2011.

Receipt of this Circular may be acknowledged and its Contents be brought to the Notice of all concerned for Scrupulous Compliance.

This issues with the Approval of the General Manager (F&A).


(Sushil Jain)
AGM (Finance)
18/09/12

Distribution to:

1. All Regional Managers of CWC.
2. All Executive Engineers in-charge of all the Construction Cells of CWC.
3. All AGMs/Managers/ (Sr.) Asstt. Managers in-charge of the Finance, Accounts & Internal Audit Wings of all ROs & CCs of CWC.

Copies for information to:

1. All HODs at CWC, Corporate Office, New Delhi.
2. All DGM/AGMs/Managers/ (Sr.) Asstt. Managers/Accountants in Finance, Accounts & Internal Audit Cadre at CWC, Corporate Office, New Delhi.
3. PS to Managing Director, CWC, CO, New Delhi.
4. PS to Director (Pers)/Director (MCP)/Director (Fin), CWC, CO, New Delhi.
5. PS to CVO/ OSD (Recovery)/GM (F&A)s, CWC, Corp. Office, New Delhi.
6. PS to GM (Systems), CWC, CO, New Delhi with a request to place this Circular on CWC's Website.
7. Manager (Rajbhasha), CWC, CO, New Delhi with a request to arrange Hindi Version of this Circular.

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