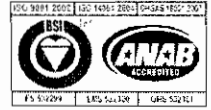




**CENTRAL WAREHOUSING CORPORATION**  
(A GOVT. OF INDIA UNDERTAKING)



No. CWC/FD-Taxation/ST (Gen.)/12-13

Date: 17.02.2014

**Service Tax Circular # 78**

**Sub: Chargeability of Service Tax on Storage and  
Cargo Handling of Rice**

This is to inform you that Government of India, Ministry of Finance, Deptt. of Revenue have exempted the services by way of loading, unloading, packing, storage or warehousing of 'Rice' vide its Notification No.4/2014-Service Tax dated 17.2.2014. Further, vide Circular No.177/03/2014-TRU dated 17.02.2014 (at para 4) Ministry of Finance has clarified that 'exemption has been inserted in the exemption notification 25/2012-ST dated 20<sup>th</sup> June, 2012 (entry sl.no.40). The copy of the said Notification and Circular is enclosed for reference.

In view of the above, the service tax is not to be levied on storage and cargo handling charges (i.e. H&T charges) of Rice. These provisions are effective from 17.02.2014 (i.e. from the date of issue of notification) and may be followed from this date. The instruction issued earlier vide CO ST Circular # 76 dated 17.12.2013 will remain effective upto 16.02.2014.

**(A.S.GOPALAN)**

**Dy. Gen. Manager (F&A)**

**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.
4. DGM (Fin.), CWC, CO, New Delhi.

**Copies for information to:**

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

**Circular No.177/03/2014 – ST**

F. No.334/03/2014-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Excise & Customs  
Tax Research Unit

North Block, New Delhi  
17<sup>th</sup> February, 2014

To,  
Chief Commissioners of Central Excise and Service Tax (All),  
Director General (Service Tax), Director General (Central Excise  
Intelligence), Director General (Audit),  
Commissioners of Service Tax (All),  
Commissioners of Central Excise and Service Tax (All).

Madam/Sir,

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

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 20<sup>th</sup> 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 20<sup>th</sup> June, 2012 [entry sl.no.21(d)]; amending notification 3/2013-ST dated 1<sup>st</sup> 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 20<sup>th</sup> June, 2012 [entry sl.no.40]; amending notification 4/2014-ST dated 17<sup>th</sup> 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 20<sup>th</sup> June, 2012, since such milling of paddy is an intermediate production process in relation to agriculture.

6. Reference may be made to JS, TRU in case of any further doubt. Trade Notice/ Public Notice may be issued. Hindi version to follow.

[S.Jayaprahasam]  
Technical Officer, TRU

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,  
PART II, SECTION 3. SUB-SECTION (i)]

Government of India  
Ministry of Finance  
(Department of Revenue)

**Notification No. 04/2014 - Service Tax**

New Delhi, the 17<sup>th</sup> February, 2014

G.S.R....(E).- In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994), the Central Government, being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No.25/2012-Service Tax, dated the 20th June, 2012, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide G.S.R. 467 (E), dated the 20th June, 2012, namely:-

In the said notification, in the opening paragraph,-

(i) after entry 2, the following entry shall be inserted, namely:-

"2A. Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation;"

(ii) after entry 39, the following entry shall be inserted, namely:-

"40. Services by way of loading, unloading, packing, storage or warehousing of rice."

[F.No. 334 /3/ 2014-TRU]

(Akshay Joshi)

Under Secretary to the Government of India

*Note.- The principal notification was published in the Gazette of India, Extraordinary, vide notification No. 25/2012 - Service Tax, dated the 20th June, 2012, number G.S.R. 467 (E), dated the 20th June, 2012 and was last amended by notification No.02/2014 - Service Tax, dated the 30<sup>th</sup> January, 2014 vide number G.S.R. 71(E), dated the 30<sup>th</sup> January, 2014.*