

Notification No. 08/ 2013 - Service Tax

New Delhi, dated the 18th April, 2013

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) (hereinafter referred to as the said Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable services provided or agreed to be provided against a scrip by a person located in the taxable territory, from the whole of the service tax leviable thereon under section 66B of the said Act.

2. Application. - This notification shall be applicable to the Vishesh Krishi and Gram Udyog Yojana (Special Agriculture and Village Industry Scheme) duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.13.2 of the Foreign Trade Policy.

3. The exemption shall be subject to the following conditions, namely:-

(a) that the scrip is issued against exports of the products listed in Appendix 37A of the Handbook of Procedures, Volume I:

Provided that the following categories of exports (specified in paragraph 3.17.2 of the Foreign Trade Policy) shall not be counted for calculation of export performance or for computation of entitlement under the Vishesh Krishi and Gram Udyog Yojana, namely:-

(i) the Export Oriented Units or Electronic Hardware Technology Parks or Biotechnology Parks which are availing direct tax benefits or exemption;

(ii) the export of imported goods covered under Para 2.35 of the Foreign Trade Policy;

(iii) the exports through transshipment, meaning thereby that exports originating in third country but transhipped through India;

(iv) deemed exports;

(v) the exports made by Special Economic Zone units or Special Economic Zone products exported through Domestic Tariff Area units;

(vi) the items, which are restricted or prohibited for export under Schedule-2 of Export Policy in ITC (HS);

(b) that the scrip is registered with the Customs Authority at the port of registration (hereinafter referred to as the said Customs Authority);

(c) that the holder of the scrip, to whom taxable services are provided or agreed to be provided shall be located in the taxable territory;

(d) that the holder of the scrip who may either be the person to whom the scrip was originally issued or a transferee-holder, presents the scrip to the said Customs Authority along with a letter and an invoice or challan or bill, as the case may be, issued under rule 4A of the Service Tax Rules, 1994 by the service provider indicating details of his jurisdictional Central Excise Officer (hereinafter referred to as the said Officer) and the description, value of the taxable service provided or agreed to be provided and service tax leviable thereon;

(e) that the said Customs Authority, taking into account the debits already made under notification number 95/2009-Customs, dated the 11th September, 2009, notification No.32/2012-Central Excise, dated the 9th July, 2012 and this exemption, shall debit the service tax leviable, but for this exemption in or on the reverse of the scrip and also mention the necessary details thereon, updates its own records and sends written advice of these actions to the said Officer;

(f) that the date of debit of service tax leviable, in the scrip, by the said Customs Authority shall be taken as the date of payment of service tax;

(g) that in case the service tax leviable as per the point of taxation determined in terms of the Point of Taxation Rules, 2011 is prior to date of debit or that the rate of tax determined in terms of rule 4 of the Point of Taxation of Rules, 2011, is in excess of the rate of service tax mentioned in the invoice, bill or challan, as the case may be, the holder of the scrip shall pay such interest or short-paid service tax along with interest, as the case may be;

(h) that the holder of the scrip presents the scrip debited by the said Customs Authority within thirty days to the said Officer, along with an undertaking addressed to the said Officer, that in case of any service tax short debited in the scrip, shall pay such service tax along with applicable interest;

(i) that based on the said written advice and undertaking, the said Officer shall verify and validate, on the reverse of the scrip, the details of the service tax leviable, which were debited by the said Customs Authority, and keep a record of payment of such service tax and interest, if any;

(j) that the service provider retains a copy of the scrip, debited by the said Customs Authority and verified by the said Officer and duly attested by the holder of the scrip, in support of the provision of taxable services under this notification; and

(k) that the said holder of the scrip, to whom the taxable services were provided or agreed to be provided shall be entitled to avail the drawback or CENVAT credit of the service tax leviable under section 66B of the said Act, against the service tax debited in the scrip and validated by the said Officer.

4. Any amount due to the Central Government under this notification shall be recoverable under the provisions of the said Act and the rules made there under.

Explanation - For the purposes of this notification,-

(A) "Foreign Trade Policy" means the Foreign Trade Policy, 2009-14, published by the Government of India in the Ministry of Commerce and Industry, vide notification No.01 (RE 2012)/2009-2014, dated the 5th June, 2012, as amended from time to time.

(B) "Handbook of Procedures Volume 1" means the Handbook of Procedures Volume 1, 2009-14, published by the Government of India in the Ministry of Commerce and Industry, vide Public Notice No.01 (RE 2012)/2009-2014, dated the 5th June, 2012, as amended from time to time.

(C) "Point of taxation" shall have the same meaning assigned to it in clause (e) of rule 2 of the Point of Taxation Rules, 2011.

(D) "Regional Authority" means the authority competent to grant a duty credit scrip under the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992).

(E) "Scrip" means Vishesh Krishi and Gram Udyog Yojana (Special Agriculture and Village Industry Scheme) duty credit scrip issued to an exporter by the Regional Authority in accordance with paragraph 3.13.2 of the Foreign Trade Policy.

[F.No. 354 /55/2013-TRU]

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