



केन्द्रीय उत्पाद शुल्क एवं सेवा कर आयुक्त का कार्यालय  
नं.1, विलियम्स रोड, कन्टोनमेंट, तिरुचिचिरापल्लि - 620 001-  
**OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX**  
**NO.1 WILLIAMS ROAD, CANTONMENT, TIRUCHCHIRAPPALLI - 620 001.**

**Trade Notice No.1/2014**

**Date: 17.02.2014**

Sub: Service Tax - Exemption from Service Tax for rice. Regarding.

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Copy of letter F.No.334/03/2014 (Circular No.177/03/2014-ST) received from Central Board of Excise & Customs, New Delhi is enclosed herewith for information.

The contents of the Trade Notice may be brought to the knowledge of the constituent members of the Trade Associations and Chamber of Commerce.

(Issued in File C.No.IV/16/4/2014-STC)

Encl.As above

*K.B. Raju*  
17.2.2014.  
( K.B. RAJU )  
JOINT COMMISSIONER

To

As per Mailing List I /II /III

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प्रेषित DESPATCHED  
दिनांक DATED.....17/2.....

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