

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE
NO.1 WILLIAMS ROAD, CANTONMENT, TRICHIRAPPALLI-620 001.

Trade Notice No.3/2004 S Tax

Dated : 19 -1-2004.

Subject: - Levy of Service Tax under category of Clearing & Forwarding Agents in respect of Adhatiyas.

Board 's Service Tax Circular No.73/3/2004-ST dtd 5-1-04 issued under F.No.159/3/2003 -CX.4 is communicated herewith for information, guidance and necessary action.

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

(Issued from the C.No.IV/16/902/2004 S.Tax)

Attested

SD/-
(V. JAYARAMAN)
JOINT COMMISSIONER (T).

SUPERINTENDENT,
SERVICE TAX CELL (HQ).

To
The mailing list -I / II /III.

Copy of the Board's Circular No. 73/3/2004-ST dtd 5-1-2004 issued under F.No.159/3/2003-CX.4.

I am directed to say that under Section 65 of Finance Act, 1944 and as brought out by Board's letter no. F.B.43/7/97-TRU dated 11.7.97 there must exist a relationship of principal and an agent for bringing grain agent in the ambit of C & F agent of the farmer and in CBEC Circular no. 48/10/2002-ST dated 13.9.2002, it has been clarified that Adhatiya's (Food grain agents) activity do not fall under the scope of Clearing and Forwarding Agents services and hence would not be liable for Service Tax under this category. The circular issued is a general circular and is not with reference to any state or class of Adhatiyas. Even though a bunch of representations received from various trade associations in Maharashtra specifically have misinterpreted the circular to apply only to the state of Rajasthan. In fact reference to Rajasthan and section 75 of the Rajasthan Agricultural Marketing Products Act, 1954 is only to explain the situation.

2. Incidentally the activity of grain agent is covered under the 'Commission Agent' falling under the purview of 'Business Auxiliary Services', which has come into force from 1st July, 2003. Commission Agents as per the definition are covered under the Notification No 13/2003- ST dated 20th June 2003 and are exempt from Service Tax.

Yours faithfully,

(Manish Mohan)
Under Secretary to the Govt. of India

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Forwarding Agents in respect of Adhatiyas.

Refer to Board ' s Service Tax Circular No.73/3/2004-ST dtd 5-1-04 issued under F.No.159/3/2003 –CX.4 regarding Levy of Service Tax under category of Clearing & Forwarding Agents in respect of Adhatiyas, is downloaded and placed RHS for perusal please (Flag 'A').

The contents of this Circular No.73/2004 may be brought to the knowledge of all constituent members of the Trade Associations and Chamber of Commerce.

Accordingly, Trade Notice No.3/2004 S.Tax is prepared and placed opposite for approval and signature please.