

MOST URGENT

CORPORATE OFFICE TAXATION SECTION 1 ST FLOOR, BHARAT SANCHAR BHAWAN JANPATH, NEW DELHI-1	 BHARAT SANCHAR NIGAM LTD.	BHARAT SANCHAR NIGAM LIMITED [A Government of India Enterprise]
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No: 1002-15/2011-12/Taxation/ BSNL/ 139

Dated: 03-04-2012

To,

CGMs of Telecom circles/ Metro Districts/ Maintenance Regions/ Project Circles/ Task Force/Data Network / NCES/ ALTTC/ BRBRAITT/ NATFM/ Q&A/ T&D / Telecom Factories/ Telecom stores/CPAO (ITI Bills)/ IT Circle Pune/ AGM (R&P) Corporate Office.

Sub: - Amendment in Service Tax Rules, 1994 with effect from 01.04.2012-reg.

Kindly find enclosed herewith Notification No. 3/2012-Service Tax Dated 17th March, 2012 issued by CBEC, MOF, Govt. of India whereby Service Tax Rules, 1994 has been amended vide Service Tax (Amendment) Rules, 1994. The brief of the some of the amended provisions pertaining to BSNL (being a service provider) is as follows.

Rule 4A(1):- The period of issue of invoice/bill/challan has been increased from 14 days to 30 days from the date of completion of taxable service or receipt of any payment towards the value of such taxable service, whichever is earlier. Other provisions remain same.

Rule 6(4B):- The Rule 6(4B) has been substituted as follows.

"The adjustment of excess amount paid , under sub-rule (4A), shall be subject to the condition that the excess amount paid is on account of reasons not involving interpretation of law, taxability, classification, valuation or applicability of any exemption notification."

As per amended provisions of Rule 6(4B), the existing conditions [i.e. clause (ii),(iii) &(iv) of Rule 6(4B) were in force till 31.03.2012)] have been withdrawn by substituting the above provision for adjustment of excess Service tax paid in the previous months against the subsequent month's tax liability (as per rule 4A). Accordingly adjustment can be made without any monetary limit whether service provider is registered as centralized registration under Rule 4(2) of the Service Tax Rules, 1994 or not and also there is no need to intimate the details and reasons for such adjustment to the jurisdictional Superintendent of Central Excise within a period of fifteen days from the date of such adjustment.

This should be treated as most urgent and brought to the notice of all concerned and also go through the other amendments made in the notification for taking necessary action.

This issues with the approval of competent authority.

Encl:-As above.



(K. Jothi)

DGM (Taxation)

Copy for information & necessary action to :-

1. IFAs of All BSNL circle stated above.
2. All PGM/ Sr. GM /GM of Finance wing Corporate office New Delhi-1.

[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)

New Delhi, the 17th March, 2012

Notification No.3/2012 - Service Tax

G.S.R. (E)- In exercise of the powers conferred by sub-section (1) read with sub-section (2) of section 94 of the Finance Act, 1994 (32 of 1994), the Central Government hereby makes the following rules further to amend the Service Tax Rules, 1994, namely:—

1. (1) These rules may be called the Service Tax (Amendment) Rules, 2012.
(2) They shall come into force on the 1st day of April, 2012.
2. In the Service Tax Rules, 1994 (hereinafter referred to as the principal rules), in rule 2, —
 - (i) sub-clauses (cc) to (cccc) shall be renumbered as sub-clauses (ca), (cb) and (cc) respectively;
 - (ii) after sub-clause (cc) as so renumbered, the following sub-clause shall be inserted, namely:—

“(cd) “partnership firm” includes a limited liability partnership;”.
3. In rule 4A of the principal rules, in sub-rule (1),-
 - (i) for the words “fourteen days”, at both the places where they occur, the words “thirty days” shall be substituted;
 - (ii) after the third proviso, the following provisos shall be inserted, namely:-

“Provided also that in case the provider of taxable service is a banking company or a financial institution including a non-banking financial company, or any other body corporate or any other person, providing service to any person, in relation to banking and other financial services, the period within which the invoice, bill or challan, as the case may be is to be issued, shall be forty five days;”;
 - (iii) after the fifth proviso, the following proviso shall be inserted, namely:-

“Provided also that wherever the provider of taxable service receives an amount upto rupees one thousand in excess of the amount indicated in the invoice and the provider of taxable service has opted to determine the point of taxation based on the option as given in Point of Taxation Rules, 2011, no invoice is required to be issued to such extent.”.

4. In rule 6 of the principal rules,-

(1) in sub-rule (1),-

(i) in the second proviso, in the opening portion, for the words “ Provided also that” the words “ Provided further that” shall be substituted;

(ii) after the second proviso as so amended, the following provisos shall be inserted, namely :—

“Provided also that in case of taxable services covered under sub-rule (1) of rule 3 of the Export of Services Rules, 2005, this sub-rule shall not apply subject to the condition that the payment is received within the period specified by the Reserve Bank of India, including such extended period as may be allowed from time to time:

Provided also that in case of individuals and partnership firms whose aggregate value of taxable services provided from one or more premises is fifty lakh rupees or less in the previous financial year, the service provider shall have the option to pay tax on taxable services provided or to be provided by him up to a total of rupees fifty lakhs in the current financial year, by the dates specified in this sub-rule with respect to the month or quarter, as the case may be, in which payment is received.”,

(2) for sub-rule (4B), the following sub-rule shall be substituted, namely:-

“(4B) The adjustment of excess amount paid, under sub-rule (4A), shall be subject to the condition that the excess amount paid is on account of reasons not involving interpretation of law, taxability, classification, valuation or applicability of any exemption notification.”;

(3) in sub-rule (7A), for clause (ii), the following clause shall be substituted, namely:-

“(ii) in all other cases, 3 per cent. of the premium charged from policy holder in the first year and 1.5 per cent. of the premium charged from policy holder in the subsequent years;”;

(4) in sub-rule (7B),—

(a) in clause (a),—

(i) for the figures and words “0.1 per cent.”, the figures and words “0.12 per cent.” shall be substituted;

(ii) for the word and figures “rupees 25” the word and figures “ rupees 30” shall be substituted;

(b) in clause (b), for the figures and words “100 and 0.05 per cent.”, the figures and words “120 and 0.06 per cent.” shall be substituted;

(c) in clause (c), —

(i) for the figures and words “550 and 0.01 per cent.”, the figures and words “660 and 0.12 per cent.” shall be substituted;

(ii) for the figures “5000”, the figures “6000” shall be substituted;

(5) in sub rule (7C), —

(a) in the TABLE, in column (2), —

(i) against serial number 1, for the figures “6000”, the figures “7000” shall be substituted;

(ii) against serial number 2, for the figures “9000”, the figures “11000” shall be substituted.

[F.No. 334 /01/2012- TRU]



(Samar Nanda)

Under Secretary to the Government of India

Note: The principal notification was published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) *vide* notification No. 2/94-ST, dated the 28th June, 1994 *vide* number G.S.R. 546(E), dated the 28th June, 1994 and was last amended by notification No. 48/2011-Service Tax, dated the 19th October, 2011 *vide* number G.S.R. 771 (E), dated the 19th October, 2011.

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

Government of India
Ministry of Finance
(Department of Revenue)

CORRIGENDUM

New Delhi, the 21st March, 2012

G.S.R. (E).- In the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 3/2012-Service Tax, dated the 17th March, 2012 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 201 (E), dated the 17th March, 2012, at page 527, in line 22,

for " 0.12 per cent.", read " 0.012 per cent.".

[F. No. 334/1/2012-TRU]

(SAMAR NANDA)
Under Secretary to the Government of India

Rule 6(4B) of Service Tax Rules, 1994 (Applicable up to 31.03.2012)

The adjustment of excess amount paid, under sub-rule (4A), shall be subject to the following conditions, namely:-

- (i) excess amount paid is on account of reasons not involving interpretation of law, taxability, classification, valuation or applicability of any exemption notification,
- (ii) excess amount paid by an assessee registered under sub-rule (2) of rule 4, on account of delayed receipt of details of payments towards taxable services may be adjusted without monetary limit,
- (iii) in cases other than specified in clause (ii) above, the excess amount paid may be adjusted with a monetary limit of [Two lakh rupees] for a relevant month or quarter, as the case may be,
- (iv) the details and reasons for such adjustment shall be intimated to the jurisdictional Superintendent of Central Excise within a period of fifteen days from the date of such adjustment.