

SERVICE TAX

Amendment to Mega Exemption Notification - Course run by an institute affiliated to NSDC exempt from service tax

Services by way of education as a part of an “approved vocational education course” are not liable to service tax as they are included in the negative list of services [Clause (I) of section 66D].

The definition of “approved vocational education course” under section 65B(11) had been amended vide the Finance Act, 2013 to inter alia exclude therefrom the course run by an institute affiliated to the National Skill Development Corporation (NSDC) set up by the Government of India. Consequently, a course run by an institute affiliated to the NSDC was no more exempt from service tax.

However, the exemption to the courses run by an institute affiliated to NSDC has now been reinstated as also the scope of the exemption has been widened by inserting entry no. 9A in the Mega Exemption List. The entry provides as under :

"9A. Any services provided by, _

- (i) the National Skill Development Corporation set up by the Government of India;
- (ii) a Sector Skill Council approved by the National Skill Development Corporation;
- (iii) an assessment agency approved by the Sector Skill Council or the National Skill Development Corporation;
- (iv) a training partner approved by the National Skill Development Corporation or the Sector Skill Council

in relation to (a) the National Skill Development Programme implemented by the National Skill Development Corporation; or (b) a vocational skill development course under the National Skill Certification and Monetary Reward Scheme; or (c) any other Scheme implemented by the National Skill Development Corporation."

[Notification No. 13/2013 ST dated 10.09.2013]

EXCISE

Rule 6(3) of CENVAT Credit Rules not to apply in case of clearances of goods against specified duty credit scrips

Notifications no 29/2012-CE, 30/2012-CE, 31/2012-CE, 32/2012-CE and 33/2012-CE all dated 9th July, 2012 provide exemption to certain manufactured goods when cleared against the specified duty credit scrips issued to an exporter. The specified duty credit scrips are:

- ❖ Focus Product Scheme (FPS) duty credit scrip,
- ❖ Focus Market Scheme (FMS) duty credit scrip
- ❖ VKGUY (Special Agriculture and Village Industry Scheme) duty credit scrip
- ❖ Agri Infrastructure Incentive Scrip duty credit scrip
- ❖ Status Holder Incentive Scheme duty credit scrip

As per one of the conditions of the notification, the holder of the said scrip, to whom the goods are cleared, is entitled to avail CENVAT credit of duties of excise, against the amount debited in the said scrip.

In view of these provisions it has been clarified by the Board that such debit of duty in these scrips shall be treated as payment of duty for the purpose of determining the applicability of Rule 6 of the CENVAT Credit Rules, 2004. The clearance of excisable goods against such specified duty credit scrips cannot be considered as clearances of exempted goods and therefore, the provisions regarding payment of amount under rule 6(3) of the CENVAT Credit Rules, 2004 will not be applicable.

(Circular No. 973/07/2013-CX dated 04.09.2013)

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