

**F.No 137/08/2013-Service Tax**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Excise & Customs**  
**Service Tax Wing**  
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New Delhi the 22<sup>nd</sup> July 2016

To  
All Principal Chief Commissioners of Central Excise  
All Chief Commissioners of Central Excise/Service Tax  
Principal Directors General of Goods & Services Tax/Systems/Central Excise  
Intelligence  
Director General of Audit/Tax Payer Services  
All Principal Commissioners/Commissioners of Central Excise/Service Tax  
All Commissioners of Central Excise/Service Tax (Audit)/ Principal  
Commissioners/Commissioners LTU, Joint Secretary TRU-I/TRU-II/Review, Commissioner  
Central Excise/Legal/PAC/Taxpayer Services

Madam/Sir,

**Instruction**

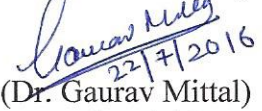
Subject: Permission to pay service tax through non electronic modes

Rule 6(2) of the Service Tax Rules, 1994 stipulate that while every assessee shall pay service tax electronically through internet banking, the jurisdictional Deputy/Assistant Commissioner, may, for reasons to be recorded in writing, allow the assessee to deposit service tax by any other mode.

2. In spite of these provisions, the Department of Posts have informed that in certain jurisdictions, officers are not allowing them permission to pay by cheque. I am directed to inform you that the Board has taken a serious view of such refusals to exercise discretion, even in deserving cases. The Department of Posts has been refused permission by the Controller General of Accounts to open a current account, which would have enabled electronic payment. Under the circumstances they can make a payment by cheque only. The assessee in question is a Government department and the question of jeopardy to revenue cannot exist. Refusing to give them permission amounts to expecting them to comply with the law while simultaneously preventing them from doing so. The purpose of giving discretion in the law gets defeated.

3. Accordingly whether it is the Department of Posts or any other assessee, it is directed that the discretion vested in the jurisdictional Deputy/Assistant Commissioner under rule 6(2) of the Service Tax Rules, 1994, should be exercised judiciously and rationally. The supervisory officers should, from time to time, check such exercises of discretion so that there are no unwarranted refusals.

Yours faithfully

  
22/7/2016

(Dr. Gaurav Mittal)  
Officer on Special Duty  
Service Tax Wing, CBEC