

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3878
ANSWERED ON:17.05.2006
RELAXATION TO BUSINESS PROCESSING ORGANISATIONS
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether the Government proposes to refund the central sale tax paid by the Business Processing Organisations for purchase of computers and its related equipments in the country;
- (b) if so, the details thereof; and
- (c) the reasons for extending such relaxation to BPOs in the country?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY(DR. SHAKEEL AHMAD)

(a),(b) and (c): In terms of para 6.11 (c) of Foreign Trade Policy, goods supplied to an Export Oriented Unit (EOU) from Domestic Tariff area (DTA) are eligible for refund of Central Sales Tax (CST). However, such refund is available against a `C` form issued by the Sales Tax Authorities. Business Process Outsourcing (BPO) Sector EOUs were not getting refund of CST as they were not issued `C` form. Therefore, the relevant provision in Appendix 14-1-1 of Handbook of Procedure - Volume 1 (Updated as on 7th April, 2006) has been amended suitably.