

SIRC OF ICAI
SEMINAR ON SERVICE TAX
NEGATIVE LIST AND EXEMPTION

By

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NEGATIVE LIST OF SERVICES

SEVENTEEN CLAUSES.

MEGA EXEMPTION NOTIFICATION - 25/2012

FORTY TWO ENTRY

FINANCE ACT 2014

- **AMENDMENT IN NEGATIVE LIST ONE**
- **AMENDMENT IN MEGA EXEMPTION NOTIFICATION TEN**
- **ENTRY 2B, 26A 41 AND 42 INSERTED AND ENTRY 7 OMITTED AND ENTRY 9,18,20,21,23,25AND 40 AMENDED**

- EDUCATIONAL INSTITUTIONS
- CHARITABLE AND RELEGIOUS ACTIVITY
- HOSPITALITY INDUTRIES
- ADVERTISEMENT SERVICES
- CONSTRUCTION SERVICES
- SERVICES BY TRANSPORTATION INDUSTRIES
- JOB WORK SERVICES
- SERVICES BY AN UNINCORPORATED BODY OR TRADE UNION.
- HEALTH CARE SERVICES
- SPORT SERVICES
- SERVICES PROVIDED TO GOVERNMENT.
- SERVICES PROVIDED BY GOVERNMENT
- SERVICES BY ENTERTAINMENT INDUSTRY
- SERVICES RELATING TO AGRICULTURE
- SERVICES PROVIDED BY ADVOCATES
- SERVICES RECEIVED FROM NON TAXABLE TERRITORY
- SERVICES BY BANKS AND FINANCIAL INSTITUTION
- SERVICES BY RBI

1. EDUCATIONAL INSTITUTIONS.

Services provided to or by an educational institution.

- Services provided,-
- (a) by an educational institution to its students, faculty and staff;
- (b) to an educational institution, by way of,-
 - (i) transportation of students, faculty and staff;
 - (ii) catering, including any mid-day meals scheme sponsored by the Government;
 - (iii) security or cleaning or house-keeping services performed in such educational institution;
 - (iv) services relating to admission to, or conduct of examination by, such institution.

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Contd.,

Meaning of Educational Institution.

- services by way of-
 - (i) pre-school education and education up to higher secondary school or equivalent;
 - (ii) education as a part of a curriculum for obtaining a qualification recognised by any law for the time being in force;
 - (iii) education as a part of an approved vocational education course.
- **Services by way of training or coaching in recreational activities**
- Services by way of training or coaching in recreational activities relating to arts, culture or sports;

Case Study

1. EDUCATIONAL INSTITUTION.

1) Ramachandra educational trust carrying educational services and the following fees are received from their student

1 Admission fees

2 Lab fees

3 Examination fees

Explain about taxability of the above fees.

2) X LTD construction a building worth of Rs 1 corer to an educational institution please explain about service tax liable for X LTD.

3) An educational institution takes a building for rent and building used for the purpose as accommodation as student, whether the service tax will attract for this transaction.

Contd.,

- 4) Chartered institute as management accountants (CIMA) conducts courses in India and collect fees in respect as admission and other fees. CIMA is recognized course in UK. Whether fees collected by CIMA is taxable.
- 5) An individual rendered catering services to Anna university and VIT whether service tax is payable on such services.
- 6) An educational institution received transport charges and hostel fees and mess fees from their students whether ST is payable on this fees .
- 7) A partnership rendered the following services to an educational institution
 - Security charges
 - Hostel maintenance charges
 - Plant maintenance chargesWhether service tax shall be payable on the above charges

Contd.,

- 8) An Educational Institution is arranged a tour to their final year students to Kodai hills for which EI has paid hire charges to the transporter and boarding and lodging charges for land mark hotel.
Whether EI has to pay ST on fees collected from the students
- 9) An educational institution has received book fees and sold the books to their students whether this charges is taxable.
- 10) An educational institution conduct the private training program me to their students and students finally go for state championship program me to be conducted in Chennai. An educational institutionreceives fees for this private coaching whether this fees is taxable under service tax.
- 11) An educational institution conducts dance programme to their students for which educational institution collects the amounts from the students, whether service tax is applicable (clauses mega exemption)

Contd.,

12) Mr. Sampath is the owner of the immovable property located in T Nagar Chennai. He has given that property on rent of Rs 100000- per month, with effect from 01.08.2012. Determine whether the service tax will be leviable in each of the following independent cases:

- If immovable property given on rent to balbarathi public school which provides education up to senior secondary school(class X11)?
- If the immovable property is given on rent to Akash institute which conducts coaching class for students preparing for engineering examinations.
- If the immovable property is given on rent to Rishi entertainment Pvt. Ltd. Which is engaged in conducting entertainment shows.

2. CHARITABLE AND RELEGIOUS ACTIVITY.

- Services by an entity registered under section 12AA of the Income tax Act, 1961 by way of charitable activities.

- **Charitable activities**

It means activities relating to -

– *(i) public health by way of*

- (a) care or counseling of (i) terminally ill persons or persons with severe physical or mental disability, (ii) persons afflicted with HIV or AIDS, or (iii) persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
- (b) public awareness of preventive health, family planning or prevention of HIV infection;

Contd.,

- *(ii) advancement of religion or spirituality;*
- *(iii) advancement of educational programmes or skill development relating to,-*
 - (a)abandoned, orphaned or homeless children;
 - (b) physically or mentally abused and traumatized persons;
 - (c) prisoners; or
 - (d) persons over the age of 65 years residing in a rural area;
- *(iv) Preservation of environment including watershed, forests and wildlife; or*

Contd.,

- **RELIGIOUS**
- *Services by a person by way of (a) Renting of precincts of a religious place meant for general public; or (b) Conduct of any religious ceremony*
- **General public** means the body of people at large sufficiently defined by some common quality of public or impersonal nature;
- **Religious place** means a place which is primarily meant for conduct of prayers or worship pertaining to a religion, meditation, or spirituality;

Case Study

- 1) TTD has rented out chowtry to their devotees and collects the rent from devotees whether service tax applicable
- 2) Thiruchendurdevasthanam has rented out their marriage hall for marriages and other religious purpose and collects the rent from general public whether service tax applicable under this transaction.
- 3) X a devotees of ThirumalaBalaji and made a donation to TTD construct the chowtry on the condition that the name of the father of Mr X should be inscribed in the chow try whether service tax is applicable
- 4) A assumed a donation to Palaniandavar Temple to construct wall around the temple whether service tax is applicable
- 5) A builder constructs a temple and marriage hall to a trust registered U/s 12AA of income tax Act, whether service tax is applicable.
- 6) A Christian trust printing the pamphlet and distribute the pamphlet to general public about the Christian religion whether printing charges is taxable.

3. HOSPITALITY INDUSTRIES.

- **Services by way of renting of residential dwelling for use as residence;**
- **Services by way of renting of a hotel, inn, guesthouse.**
- Services by a hotel, inn, guest house, club or campsite, by whatever name called, for residential or lodging purposes, having declared tariff of a unit of accommodation below one thousand rupees per day or equivalent.
- **Declared tariff**
- It includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air-conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.

Contd.,

- **Services provided in relation to serving of food or beverages by a restaurant**
- Services provided in relation to serving of food or beverages by a restaurant, eating joint or a mess, other than those having (i) the facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year.
- **Services provided in Factory canteen.**
- Services provided in relation to serving of food or beverages by a canteen maintained in a factory covered under the Factories Act, 1948 (63 of 1948), having the facility of air-conditioning or central air-heating at any time during the year.

Case Study

- Mr. Arun is an owner of properties gives the following particulars explain taxability.
- (all sums are exclusive tax, if any)
 - Renting of commercial properties: Rs.21 lakhs (property tax paid Rs.100000 and interest / fine of Rs. 10000 was also paid)
 - Licensing arrangement in respect of immovable properties Rs. 4 lakhs.
 - Rent earned from an inn Rs. 2 lakhs (declared tariff per day Rs.900)
 - Rent earned another inn Rs. 2 lakhs (declared tariff per day Rs. 1000 but actual rent was charged @ Rs. 900 per day)
 - Renting of residential dwelling for use as residence Rs. 4 lakhs.
 - Renting of non – residential building for use as residence Rs. 5 lakhs.

Contd.,

- Renting of residential dwelling for commercial purposes Rs. 6 lakhs.
- Renting of building located at Jammu and Kashmir Rs. 2 lakhs.
- Renting of vacant land for agricultural purpose Rs. 3 lakhs.
- Renting of school building to a higher secondary school Rs. 3 lakhs.
- Renting of land for circus Rs. 4 lakhs.
- Permitting placement of vending machines at premises Rs. 1 lakhs.
- Allowing mobile tower to be placed at rooftop Rs. 4 lakhs.
- whether Service Tax is payable on the Pop corns served in Open Food Courts in Centrally Air Conditioned Express Avenue Malls?
what if the food courts also provide meals?

Contd.,

- A Vendor prepare Tea, coffee (Milk Based Product) hot beverage within cafeteria & Snacks (Samosa, Biscuits & Muffins) at Kiosk in a Software Company and served in Air Conditioned Office Cafeteria. The Power, Electricity & water will be provided by software company and no rental will be charged. No of employees is more than 2000. Does it attract any service tax? Customers do cash and carry the items– Self Service. Sodexo coupons are accepted. Turnover more than 10 Lakhs per annum.
- Devi theater leased out the some area in theater premises in which the lessee sales the snacks, cool drinks and other food item during the interval period of cinema. The Devi theater is the license holder to run the cafeteria. The lessee has paid Rs 200000pa as licence fees and in addition to that RS 20000 to run the canteen.
Please explain the ST liability

Contd.,

- Sir, In the case of a hotel having declared tariff of both less than Rs.1000 and greater than Rs.1000 and the total receipts of tariff greater than Rs.1000 has not exceeded the basic limit of Rs.9,00,000 turnover, I feel that no service tax registration is required. The receipts of tariff less than Rs.1000 would be exempted and need not be added in total turnover for requirement of service tax registration. Kindly provide your opinion.
- SIRC of ICAI had organized a Seminar on enabling service tax in which High Tea and lunch was served by saravanabhavan hotel in the Institute premises. Should the hotel charge service tax on entire bill amount or is any abatement available?
- The SaravanaBhavan Hotel in Anna nagar runs in four floor, the first and second floor is AC restaurant and third and fourth floor is Non AC Restaurant but the kitchen is common for all. Explain the ST liability

Contd.,

- Whether Service Tax is payable on the Pop corns served in Open Food Courts in Centrally Air Conditioned Express Avenue Malls? what if the food courts also provide meals?
- The Sangam Hotel in Trichy gives the following particulars, explain about service tax liability.
 - Food served in AC restaurant= RS 200000/-
 - Food and beverages served in swimming pool RS 100000/-
 - Food served in open terrace RS 100000/
- A2B hotel served the cool drinks and ice cream in their hotel. The food served comes under MRP basis explain about ST liability.

4. ADVERTISEMENT SERVICES.

- Selling of space for advertisements in print media
- New Clause 39a was inserted under Section 65B by giving definition of print media.
- Print media means book as defined in section 1 (1) press and Registration of books Act 1867.
- As per this Act Book includes every volume, part or division of a volume, and pamphlet, in any language, and every sheet of music, map, chart or plan separately printed.
- But does not include
 - Business directories
 - Yellow pages
 - Trade catalogues which are primarily meant for commercial purposes .

Case Study

- Internet websites,
 - out-of-home media,
 - on film screen in theatres,
 - bill boards, conveyances,
 - buildings,
 - cell phones,
 - Automated Teller Machines,
 - tickets,
 - commercial publications,
 - aerial advertising, etc.would be liable to service tax?

5. CONSTRUCTION SERVICES.

- **A. Services provided to the government, a local authority or a governmental authority**
- Services provided to the Government, a local authority or a governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of -
 - (a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;
 - (b) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);

Contd.,

- (c) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment;
- (d) canal, dam or other irrigation works;
- (e) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal; or
- (f) a residential complex predominantly meant for self-use or the use of their employees or other persons specified in the Explanation 1 to clause 44 of section 65B of the said Act

Contd.,

- **Governmental authority ?**

It means a board, or an authority or any other body established with 90% or more participation by way of equity or control by Government and set up by an Act of the Parliament or a State Legislature to carry out any function entrusted to a municipality under article 243W of the Constitution;

Contd.,

B. Services provided by way of construction, erection.

Services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,-

- (a) a road, bridge, tunnel, or terminal for road transportation for use by general public;
- (b) a civil structure or any other original works pertaining to a scheme under Jawaharlal Nehru National Urban Renewal Mission or Rajiv AwaasYojana;
- (c) a building owned by an entity registered under section 12AA of the Income tax Act, 1961(43 of 1961) and meant predominantly for religious use by general public;
- (d) a pollution control or effluent treatment plant, except located as a part of a factory; or a structure meant for funeral, burial or cremation of deceased;

Contd.,

- **C. Services by way of construction, erection, commissioning, or installation**

of original works pertaining to,-

- (a) an airport, port or railways, including monorail or metro;
- (b) a single residential unit otherwise than as a part of a residential complex
- (c) low-cost houses up to a carpet area of 60 square meters per house in a housing project approved by competent authority empowered under the Scheme of Affordable Housing in Partnership' framed by the Ministry of Housing and Urban Poverty Alleviation, Government of India;
- (d) Post-harvest storage infrastructure for agricultural produce including a cold storages for such purposes; or
- (e) Mechanized food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages

Contd.,

- *Single residential unit*

It means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family

- *Residential complex*

It means any complex comprising of a building or buildings, having more than one single residential unit

- *Original works*

It means has the meaning assigned to it in Rule 2A of the Service Tax (Determination of Value) Rules, 2006

Contd.,

- **D. Sub-contractor providing services by way of works contract to another contractor providing works contract services which are exempt**
- **E. Service by way of access to a road or a bridge on payment of toll charges;**

Case study

- An builders undertakes Repair works to service tax departmentt in Chennai for which the amount was paid by the Service tax department. The cost of repairs is Rs 25 lakhs. The service tax department is functioning under rental building
- Veeras builders constructs a residential house to Girish one house each inChennai,Delhi and Kumbakonam explain about ST liability?
- ltd. Agrees to make repair work as MADRAS air port to the cost as 1 crore whether A ltd. Is liable to service tax
- A partnership firm agrees to constructs a police quarter to the police housing corporation to the tune of Rs 25 crores in vanagram Chennai. explain about ST liability?

Contd.,

- A builders undertakes a repair work for Rs 3 crore to the SBI 7th floor explain about ST liability?
- X ltd. a building developer situated in jammu and Kashmir ask a Anand builders in Tiruchi to constructs a shopping complex in kumbakonam. explain about ST liability to x ltd?
- ABC ltd has entered into a contract for construction of road meant for general public. ABC ltd sub contracts the aforesaid work to three contractors namely:
 - Aruna Ltd , the work of site formation for construction of road
 - Anand Builders Ltd , laying the surface of road
 - Varun Ltd , other physical activities in respect of such roads.

Contd.,

- What will be the Service tax implication on the aforesaid transactions?
- Our client has received composite contract for construction of toll plaza alongwith road from Subcontractor of L & T (L & T received contract from government) in FY 2011-12 & FY 2012-13. Whether the same is liable for ST? Please provide clarificatory circular or judgement if any as SCN has already been issued by the department constructing toll plaza as commercial construction and not considering road portion included on composite contract.

Contd.,

- Determine whether service tax will be leviable in each of the following independent cases:
- Archaeological survey of India awarded a contract for repair and maintenance of Rs 48 lakhs to Ashok Ltd. For repair and maintenance of Red fort in January, 2014.
- Reliance Ltd. Awarded a contract for completion of its irrigation works to Modern Construction Ltd. For Rs 65 lakhs in November, 2013
- Pushkar Ltd Awarded a contract for repairs of its sewerage treatment plant to Kirti Ltd. For Rs 83 Lakhs in October, 2013.
- Municipal Corporation of Delhi a contract for Rs 45 lakhs in August, 2013 to M/s Sail & Sons, (partnership firm) for construction of a garbage collection centre.

Contd.,

- kirti ltd. For Rs 83 Lakhs in october, 2013.
- Municipal corporation of Delhi a contract for Rs 45 lakhs in August, 2013 to M/s Sail & Sons, (partnership firm) for construction of a garbage collection centre.
- Kailash ltd. Provided services by way of renovation of an old bridge over river Yamuna to Delhi Government in October , 2013 for Rs 110 lakh.
- Rajindar ltd is having a factory in Delhi. It has awarded a contract for commissioning of a effluent treatment plant (located with in the factory premises) to X ltd. For Rs 80 lakh in July, 2013.
- A, builders constructs a building to Indian maritime university in Neelangaraichennai The university comes under Ministry of surface transport, explain about ST liability.

6. SERVICES BY TRANSPORTATION INDUSTRIES.

- **Services by way of transportation of goods-**
- (i) by road except the services of-
 - (A) a goods transportation agency; or
 - (B) a courier agency;
- (ii) by an aircraft or a vessel from a place outside India to the customs station of clearance in India; or
- (iii) by inland waterways;

Contd.,

- **Services provided by a goods transport agency.**
- Services provided by a goods transport agency by way of transportation of
- Services provided by a goods transport agency, by way of transport in a goods carriage of,-
 - (a) agricultural produce;
 - (b) goods, where gross amount charged for the transportation of goods on a consignment transported in a single carriage does not exceed one thousand five hundred rupees;
 - (c) goods, where gross amount charged for transportation of all such goods for a single consignee does not exceed rupees seven hundred fifty;
 - (d) foodstuff including flours, tea, coffee, jaggery, sugar, **milk products**, salt and edible oil, excluding alcoholic beverages;

Contd.,

- (e) chemical fertilizer, organic manure and oil cakes
- (f) newspaper or magazines registered with the Registrar of Newspapers;
- (g) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap; or
- (h) defence or military equipments.
- (i) cotton, ginned or baled.

Contd.,

- Services by way of transportation by rail or a vessel
- Services by way of transportation by rail or a vessel from one place in India to another of the following goods -
 - (a) relief materials meant for victims of natural or man-made disasters, calamities, accidents or mishap;
 - (b) defence or military equipments;
 - (c) newspaper or magazines registered with the Registrar of Newspapers;
 - (d) railway equipments or materials;
 - (e) agricultural produce;
 - (f) foodstuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages; or
 - (g) chemical fertilizer, organic manure and oil cakes
 - (h) cotton, ginned or baled

Contd.,

- **Transport of passengers**
- Transport of passengers, with or without accompanied belongings, by -
 - (b) non-airconditioned contract carriage other than radio taxi, for transportation of passengers, excluding tourism, conducted tour, charter or hire or
 - (c) ropeway, cable car or aerial tramway.
- Contract carriage has the meaning assigned to it in clause (7) of section 2 of the Motor Vehicles Act, 1988

Contd.,

- **Service of transportation of passengers, with or without accompanied belongings, by-**
 - (i) a stage carriage;
 - (ii) railways in a class other than-
 - (A) first class; or
 - (B) an airconditioned coach;
 - (iii) metro, monorail or tramway;
 - (iv) inland waterways;
 - (v) public transport, other than predominantly for tourism purpose, in a vessel between places located in India; and
 - (vi) metered cabs, or auto rickshaws;

Contd.,

- **Radio Taxi**

Radio taxi" means a taxi including a radio cab, by whatever name called, which is in two-way radio communication with a central control office and is enabled for tracking using Global Positioning System (GPS) or General Packet Radio Service (GPRS)

- **Renting of Motor vehicle**

- Services by way of giving on hire -

- (a) to a state transport undertaking, a motor vehicle meant to carry more than twelve passengers; or
- (b) to a goods transport agency, a means of transportation of goods

- State transport undertaking has the meaning assigned to it in clause (42) of section 2 of the Motor Vehicles Act, 1988

- Services by way of loading, unloading, packing, storage or warehousing of rice, cotton, ginned or baled;

Case study

- KPN LTD operates number of AC bus explain about ST liability.
- Tamilnadu Tourism Development operates AC and non-AC buses explain the ST liability.
- The Tamilnadu Transport Corporation operates number of AC buses throughout Tamilnadu Explain ST liability
- The Tamilnadu Transport Corporation operates number of AC buses on contract basis to MNC Companies Explain ST liability

7. JOB WORK SERVICES

- **A. Any process amounting to manufacture or production of goods;**
- **B. Carrying out an intermediate production process as job work in relation to**
 - (a) Agriculture, printing or textile processing
 - (b) cut and polished diamonds and gemstones; or plain and studded jewellery of gold and other precious metals, falling under Chapter 71 of the Central Excise Tariff Act, 1985 (5 of 1986);
 - (c) Any goods on which appropriate duty is payable by the principal manufacturer; or
 - (d) processes of electroplating, zinc plating, anodizing, heat treatment, powder coating, painting including spray painting or auto black, during the course of manufacture of parts of cycles or sewing machines upto an aggregate value of taxable service of the specified processes of one hundred and fifty lakh rupees in a financial year subject to the condition that such aggregate value had not exceeded one hundred and fifty lakh rupees during the preceding financial year
- **C. Trading of goods**

Contd.,

- **Appropriate duty**

It means duty payable on manufacture or production under a Central Act or a State Act, but shall not include 'Nil' rate of duty or duty wholly exempt

- **Principal manufacturer**

Principal manufacturer means any person who gets goods manufactured or processed on his account from another person.

8.SERVICES BY AN UNINCORPORATED BODY OR TRADE UNION.

- Service by an unincorporated body or a non-profit entity registered under any law for the time being in force, to its own members by way of reimbursement of charges or share of contribution -
 - (a) as a trade union;
 - (b) for the provision of carrying out any activity which is exempt from the levy of service tax; or
 - (c) up to an amount of five thousand rupees per month per member for sourcing of goods or services from a third person for the common use of its members in a housing society or a residential complex
- Trade union has the meaning assigned to it in clause (h) of section 2 of the Trade Unions Act, 1926.

9. HEALTH CARE SERVICES

- **Health care services by a clinical establishment, an authorised medical practitioner or para-medics;**
- **Health care services.**
It means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma;
- **Clinical establishment**
It means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases

Contd.,

- **Authorized medical practitioner.**
- It means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognized by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force.
- **Recognised system of Medicine.**
- The following systems of medicine are recognized systems of medicine:
 - Allopathy
 - Yoga
 - Naturopathy
 - Ayurveda
 - Homeopathy
 - Siddha
 - Unani
 - Any other system of medicine that may be recognized by central government.

10. SPORT SERVICES

- **Services provided to a recognised sports body by**
 - (a) An individual as a player, referee, umpire, coach or team manager for participation in a sporting event organized by a recognized sports body;
 - (b) Another recognised sports body
- **Recognized sports body**

It means - (i) the Indian Olympic Association, (ii) Sports Authority of India, (iii) a national sports federation recognised by the Ministry of Sports and Youth Affairs of the Central Government, and its affiliated federations, (iv) national sports promotion organisations recognised by the Ministry of Sports and Youth Affairs of the Central Government, (v) the International Olympic Association or a federation recognised by the International Olympic Association or (vi) a federation or a body which regulates a sport at international level and its affiliated federations or bodies regulating a sport in India;'

Contd.,

- **Services by way of sponsorship of sporting events organized**
 - (a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, state or zone;
 - (b) by Association of Indian Universities, Inter-University Sports Board, School Games Federation of India, All India Sports Council for the Deaf, Paralympic Committee of India or Special Olympics Bharat;
 - (c) by Central Civil Services Cultural and Sports Board;
 - (d) as part of national games, by Indian Olympic Association; or
 - (e) under Panchayat Yuva Kreedha Aur Khel Abhiyaan (PYKKA) Scheme;

11. SERVICES PROVIDED TO GOVERNMENT.

- **Services provided to Government, a local authority**
- Services provided to Government, a local authority or a governmental authority by way of -
 - (a) water supply, public health, sanitation conservancy, solid waste management or slum improvement and up-gradation
 - (b) repair or maintenance of a vessel or an aircraft;
- **NOTE PRIVATE AIRCRAFT CASE STUDY**

12. SERVICES PROVIDED BY GOVERNMENT.

- (a) services by Government or a local authority excluding the following services to the extent they are not covered elsewhere-
 - (i) services by the Department of Posts by way of speed post, express parcel post, life insurance and agency services provided to a person other than Government;
 - (ii) services in relation to an aircraft or a vessel, inside or outside the precincts of a port or an airport;
 - (iii) transport of goods or passengers; or
 - (iv) support services, other than services covered under clauses (i) to (iii) above, provided to business entities;

13. SERVICES BY ENTERTAINMENT INDUSTRY.

- Admission to entertainment events or access to amusement facilities;
- **Amusement facility"** means a facility where fun or recreation is provided by means of rides, gaming devices or bowling alleys in amusement parks, **amusement arcades, water parks, theme parks or such other places but does not** include a place within such facility where other services are provided.
- **Entertainment event"** means an event or a performance which is intended to provide; recreation, pastime, fun or enjoyment, by way of exhibition of cinematographic film, circus, concerts, sporting event, pageants, award functions, dance, musical or theatrical performances including drama, ballets or any such event or programme;
- **Services by a performing artist**
- Services by a performing artist in folk or classical art forms of (i) music, or (ii) dance, or (iii) theatre, excluding services provided by such artist as a brand ambassador

Contd.,

- **Brand ambassador**
- It means a person engaged for promotion or marketing of a brand of goods service, property or actionable claim, event or endorsement of name including a trade name, logo or house mark of any person;
- **Temporary transfer or permitting the use or enjoyment of a copyright.**
 - (a) Covered under clause (a) of sub-section (1) of section 13 of the Indian Copyright Act, 1957 relating to original literary, dramatic, musical, artistic works.
 - (b) of cinematograph films for exhibition in a cinema hall or cinema theatre.

14. SERVICES RELATING TO AGRICULTURE

- services relating to agriculture or agricultural produce by way of-
 - (i) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or seed testing;
 - (ii) supply of farm labour;
 - (iii) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;
 - (iv) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;

Contd.,

- (v) loading, unloading, packing, storage or warehousing of agricultural produce;
 - (vi) agricultural extension services;
 - (vii) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce
-
- **Agriculture** means the cultivation of plants and rearing of all life-forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products;
 - **Agricultural extension** means application of scientific research and knowledge to agricultural practices through farmer education or training;
 - **Agricultural produce** means any produce of agriculture on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market;

15. Services provided by Advocates.

- An individual as an advocate or a partnership firm of advocates by way of legal services to,
 - (i) An advocate or partnership firm of advocates providing legal services
 - (ii) Any person other than a business entity; or
 - (iii) a business entity with a turnover up to rupees ten lakh in the preceding financial year;
- Legal service means any service provided in relation to advice, consultancy or assistance in any branch of law, in any manner and includes representational services before any court, tribunal or authority.

16. Service received from Non Taxable Territory.

- **Services received from a provider of service located in a non- taxable territory by -**
 - (a) Government, a local authority, a governmental authority or an individual in relation to any purpose other than commerce, industry or any other business or profession;
 - (b) an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961) for the purposes of providing charitable activities; or
 - (c) a person located in a non-taxable territory;

17. Services by bank and financial institution.

- Services by way of-
 - (i) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount;
 - (ii) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers;

18. SERVICES BY RBI.

- Services **by** the Reserve Bank of India.
- Services received by the Reserve Bank of India, from outside India in relation to management of foreign exchange reserves;

THANK YOU



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