
WORKSHOP ON SERVICE TAX FOR BEGINNERS

**Sector-wise Exemption, Exclusions,
Valuation and Abatements**

By

CA Manish Gadia

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Mumbai – 400 051

Organised By:



WIRC of ICAI

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CONSTRUCTION & WORKS CONTRACT

1. EXEMPTIONS (Notification 25/2012-ST)

1.1. Services in relation to erection, construction, commissioning, installation, completion, fitting out, maintenance, repair, alteration or renovation provided to government / Local authority/ governmental authority [Sr. No. 12].

1.1.1. Services provided to the Government or local authority/ governmental authority by way of erection, construction, commissioning, installation, completion, fitting out, maintenance, repair, alteration or renovation of –

- A. [a civil structure or any other original work meant predominantly for a non-industrial or non-commercial use or any other business or profession;]¹
- B. a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958);
- C. [a structure meant predominantly for use as (i) an educational, (ii) a clinical, or (iii) an art or cultural establishment;]²
- 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 65 B of the said Finance Act.]³

Governmental authority⁴ means an authority or a board or any other body;

(i) Set up by an Act of Parliament or a State Legislature; or

¹ Proposed to be omitted w.e.f. 1st April, 2015

² Proposed to be omitted *ibid*

³ Proposed to be omitted *ibid*

⁴ Amended vide Notification 2/2014-ST dated 30-1-2014. Prior to that defined as “governmental authority” 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.

(ii) Established by Government,

with 90% or more participation by way of equity or control, to carry out any function entrusted to a municipality under article 243W of the Constitution.

1.2. Services in relation to construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration w.r.t. certain services used by public at large [Sr. No. 13].

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

- 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 Awaas Yojana
- C. building owned by an entity registered under section 12 AA of the Income tax Act, 1961(43 of 1961) and meant predominantly for religious use by general public;
- D. pollution control or effluent treatment plant, except located as a part of a factory; or
- E. a structure meant for funeral, burial or cremation of deceased

1.3. Services in relation to erection, commissioning, installation, construction, w.r.t. certain specified purposes [Sr. No. 14].

1.3.1. Services by way of erection, construction, commissioning and installation of original works pertaining to,-

- A. [airport, port or]⁵ railways including monorail or metro;
- B. single residential unit otherwise than as a part of a residential complex;
- C. low- cost houses up to a carpet area of 60 square metres 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;

⁵ Proposed to be omitted w.e.f. 1st April, 2015

- D. post- harvest storage infrastructure for agricultural produce including cold storages for such purposes; or
- E. mechanised food grain handling system, machinery or equipment for units processing agricultural produce as food stuff excluding alcoholic beverages;

The term “single residential unit” means a self-contained residential unit which is designed for use, wholly or principally, for residential purposes for one family.

1.4. Service provided by specified persons [Sr. No. 29(h)].

- 1.4.1. Services by Sub-contractor providing services by way of works contract to another contractor providing works contract services which are exempt.

2. VALUATION

2.1. Value of service portion in the execution of a works contract shall be

- equivalent to gross amount charged for works contract
- less value of transfer of property in goods involved in execution of said works contract and
- less VAT/Sales Tax.

2.2. Value of works contract service shall include, -

- labour charges for execution of the works;
- amount paid to a sub-contractor for labour and services;
- charges for planning, designing and architect’s fees;
- charges for obtaining on hire or otherwise, machinery and tools used for the execution of the works contract;
- cost of consumables such as water, electricity, fuel used in the execution of the works contract;
- cost of establishment of the contractor relating to supply of labour and services;
- other similar expenses relating to supply of labour and services; and
- profit earned by the service provider relating to supply of labour and **services**



2.3. In case VAT or Sales Tax is paid on actual value of transfer of property in goods involved in execution of works contract, then such value adopted for

payment of VAT to be taken as value of transfer of property for determining the value of works contract service as referred above.

- 2.4. If the value of service portion in the execution of a work contract has not been determined as above, then the person liable to pay service tax shall determine the service tax payable as under:

Works Contract	Service tax payable on
Execution of original works [#]	40% of the total amount * charged for the works contract
Maintenance or repair or reconditioning or restoration or servicing of any goods	70% of the total amount * charged for the works contract
Works contract, not covered above, including maintenance, repair, completion and finishing services such as glazing, plastering, floor and wall tiling, installation of electrical fittings of an immovable property	70% ⁶ of the total amount * charged for the works contract

“**original works**” means

- all new constructions;
- all types of additions and alterations to abandoned or damaged structures on land that are required to make them workable;
- erection, commissioning or installation of plant, machinery or equipment

* “**total amount**” means

- the sum total of the gross amount charged for the works contract **and**
- the fair market value of all goods and services supplied in or in relation to the execution of the works contract,
- whether or not supplied under the same contract or any other contract,
- after deducting-
 - the amount charged for such goods or services, if any; and
 - the value added tax or sales tax, if any, levied thereon:
- The service provider has to discharge service tax liability on fair market value for the works contract. If the amount of works contract is not at fair market

⁶ Substituted for 60% w.e.f. 1st October 2014 by Notification No. 11/2014-ST dated 11th July, 2014.

value, then such fair market value has to be arrived at by generally accepted accounting principles.

- However, there are no accounting standards/ principle prescribed by ICAI to derive such fair market value.

2.5. CENVAT credit of duties or cess paid on any inputs shall not be taken, which are used in or in relation to the said works contract. However, CENVAT credit of duties or cess paid on Capital Goods and Input Service shall be available.

3. ABATEMENT

3.1. As the above value of Construction Service includes value of goods, value of land and value of service, abatement to Builder's and Developer's has been provided vide Notification No. 26/2012-ST dated 20th June, 2012 to bring parity for taxing the transaction.

3.2. Vide entry no. 12 of the said notification, abatement of 75% was provided in respect Construction of complex, building, civil structure or part thereof intended for a sale to a buyer subject to the condition;

- Cenvat credit of Inputs has not been taken
- Value of land is included in the amount charged from service receiver.

3.3. W.e.f. 1st March, 2013 the rate of abatement was reduced from 75% to 70% in respect to high-end residential construction where carpet area exceeds 2000 sq.ft. **and** value charged exceeds Rs. 1 crore and in respect of Civil Construction.

3.4. Now w.e.f. 8th May, 2013 rate of abatement of 70% has been set high-end residential construction where carper area is equal to or greater than 2000 sq.ft **or** value charged is equal to or greater than Rs.1 Crore.

3.5. The summary of the above is provided below;

Description	% of Abatement
Construction of Residential units having carpet area of less than 2000 square feet and where the amount charged is less than Rs. 1 Crore	75%
Construction of Residential units having carpet area of 2000 or more than 2000 square feet or where the amount charged is Rs. 1 Crore or above	70%

Description	% of Abatement
Any other construction including commercial and industrial	70%

- 3.6. The amount charged shall be the sum total of the amount charged for the service **including** the fair market value of all goods and services supplied by the recipient(s) in or in relation to the service, whether or not supplied under the same contract or any other contract, after deducting-
- (i) the amount charged for such goods or services supplied to the service provider, if any; and
 - (ii) the value added tax or sales tax, if any, levied thereon:
- 3.7. Provided that the fair market value of goods and services so supplied may be determined in accordance with the generally accepted accounting principles.

RENTING

1. EXCLUSIONS

1.1. **Renting of residential dwelling for use as residence** – Renting has been defined in Section 65B as “allowing, permitting or granting access, entry, occupation, usage or any such facility, wholly or partly, in an immovable property, with or without the transfer of possession or control of the said immovable property and includes letting, leasing, licensing or other similar arrangements in respect of immovable property”. Further, residential dwelling has not been defined in the Act and it has to be interpreted in terms of the normal trade parlance.

Remarks:

- Educational Guide clarifies that residential dwelling shall not include hotel, motel, inn, guest-house, camp-sit, lodge, houseboat, or like places meant for temporary stay.
- If the residential dwelling is been used partly as residence and partly for non residential use then such dwelling shall be considered as a case of bundled services

Further furnished flats given on rent for temporary stay shall not be treated as residential dwelling as they are in the nature of lodges or guest houses, as per the Educational Guide.

2. EXEMPTION

2.1. **Services in relation to temporary renting of ground or place. [Sr. No. 5(a)]**

Services by a person by way of Renting of precincts (building or surrounding land) of a religious place meant for general public.

JOB WORK

1. EXCLUSIONS

1.1. Process amounting to manufacture or production of goods

1.1.1. The phrase 'processes amounting to manufacture or production of goods' has been defined in section 65B of the Act as a process on which duties of excise are leviable under section 3 of the Central Excise Act, 1944 (1 of 1944) or the Medicinal and Toilet Preparation (Excise Duties) Act, 1955 or any process amounting to manufacture of [alcoholic liquors for human consumption]⁷, opium, Indian hemp and other narcotic drugs and narcotics on which duties of excise are leviable under any State Act. This entry, therefore, covers manufacturing activity carried out on contract or job work basis provided duties of excise are leviable on such processes under the Central Excise Act, 1944 or any of the State Acts.

1.1.2. Remarks:

- The Educational Guide provides that only those processes amounting to manufacture or production of goods under the Central Excise Act, 1944 or any State Excise Act on which duties of excise are leviable would be covered.

No service tax would be leviable on processes which otherwise amount to manufacture under the Central Excise Act, 1944 but are specifically exempted.

2. EXEMPTIONS (Notification 25/2012-ST)

2.1. Carrying out an intermediate production process as job work [Sr. No. 30]

2.1.1. 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
- C. any goods on which appropriate duty is payable by the principal manufacturer; or

⁷ Proposed to be omitted with effect from date to be notified after enactment of Finance Bill, 2015

- 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.

2.1.2. Carrying out an intermediate production process as job work [Sr. No. 30(c)]

Presently, services of exemption carrying out an intermediate production process as job work in relation to any goods (including alcoholic liquor for human consumption) on which appropriate duty is payable by principal manufacturer is exempt from the levy of service tax.

However, it is proposed to tax the 'process amounting to manufacture or production of alcoholic liquor for human consumption'. Correspondingly, the exemption to service of 'carrying out an intermediate production process in respect of alcoholic liquor for human consumption' is also proposed to be withdrawn with effect from date to be notified after enactment of Finance Bill, 2015.

ENTERTAINMENT

1. EXCLUSIONS

1.1. **Betting, gambling or lottery** – The same, being covered under List II, is a subject matter of the State and hence, covered under the negative list.

Remarks:

- Services used for organizing or promoting betting or gambling events are not covered.
- Lottery distributor : Government here intends to tax such services. However High Court in the case of Tashi De Lek Gaming Solutions (P.) Ltd [[2014] 51 taxmann.com 9 (SIKKIM)] has held that Lottery distributors are not providing any services and are not liable to service tax. To nullify the effect of said judgment in future it has now been proposed to add explanation to the definition of service to provide that lottery distributor are liable to service tax. Definition of lottery distributors and selling agents has also been added

1.2. **Admission to entertainment events or access to amusement facilities** – The terms entertainment events and amusement facilities are specifically defined in Section 65B of the Act.

1.2.1. **Entertainment Events** has been defined ‘as an event or a performance which is intended to provide recreation, pastime, fun or enjoyment, such as exhibition of cinematographic films, circus, concerts, sporting events, fairs, pageants, award functions, dance performances, musical performances, theatrical performances including cultural programs, drama, ballets or any such event or programme’

1.2.2. **Amusement facilities** has been defined as ‘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 place but does not include a place within such facility where other services are provided’

Remarks:

- The negative list covers services such as exhibition of cinematographic films, circus, concerts, theatrical performances, facilities for fun and recreation by means of rides, gaming devices, water parks, theme parks

etc. Basically, covered by List II, subject matter of the State being open to entertainment tax.

- Membership of a club would not fall under the purview of amusement facility. Hence, shall not be covered under the negative list.
- Services provided by an event manager for organizing an entertainment event or by entertainer to an entertainment event organizer are not covered in the negative list.

2. EXEMPTION

2.1. Services in relation of Copy rights. [Sr. No. 15]

2.1.1. Services provided by way of 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 Copyright Act, 1957 (14 of 1957), relating to original literary, dramatic, musical or artistic works; or

(b) of cinematograph films for exhibition in a cinema hall or cinema theatre;”

2.2. Services provided by way of exhibition of movie by the exhibitor (theatre owner) to the distributor or an association of persons consisting of such exhibitor as one of it’s members. [New Sr. No. 46]

With the proposed amendment, the clarification issued by CBEC vide its Circular No. 148/17/2011-ST dated 13th December, 2011 is now practically redundant.

2.3. Services provided by an artist [Sr. No. 16]

2.3.1. 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 ambassador⁸

2.4. Services by way of admission to certain places [New Sr. No. 47]

Presently, admission to an entertainment event or amusement facility is covered under Negative List of services. However, it is proposed to remove such entry from negative list and include the same in Mega Exemption to provide exemption to the following extent;

⁸ Exemption proposed to be restricted for such service ‘if the consideration charged for such performance is not more than one lakh rupees’ w.e.f. 1st April, 2015. Thus if the consideration charged exceeds Rs. 1 Lac, then the exemption shall not be available

- Exhibition of cinematographic film, circus, dance, or theatrical performance including drama or ballet;
- Recognised sporting event;
- Award function, concert, pageant, musical performance or any sporting event other than a recognised sporting event, where the consideration for admission is not more than Rs 500 per person

In a nutshell, service tax is proposed to be levied for following;

- Amusement facilities such as Amusement Park, Water Parks, Theme Parks etc.
- Award function, concert, pageant, musical performance or any non recognized sporting event, where the consideration for admission is more than Rs 500 per person,
- Any other such event or programme.

The above amendments are proposed to be effective from a date to be notified after enactment of Finance Bill, 2015

3. VALUATION

- 3.1. Services provided by distributor or selling agent providing services of promoting, marketing or organizing or assisting in organizing lottery [Rule 6(7C)]

Condition	Present Rate	Proposed rate
If guaranteed prize payout is more than 80%	Rs. 7000 on every 10 Lac (or part thereof) of aggregate face value of lottery tickets printed by the organizing state for a draw	Rs. 8200 on every 10 Lac (or part thereof) of aggregate face value of lottery tickets printed by the organizing state for a draw
If guaranteed prize payout is less than 80%	Rs. 11000 on every 10 Lac (or part thereof) of aggregate face value of lottery tickets printed by the organizing state for a draw	Rs. 12800 on every 10 Lac (or part thereof) of aggregate face value of lottery tickets printed by the organizing state for a draw

SPORTS

1. EXEMPTION

1.1. Services in relation to Training and Coaching. [Sr. No. 8]

1.1.1. Services by way of training or coaching in recreational activities relating to arts, culture or **sports.**

1.2. Services in relation to recognized sports body. [Sr. No. 10]

1.2.1. Services provided to a recognised sports body by,

- a) an individual as a player, referee, umpire, coach or manager for participation in a tournament or championship organized by a recognized sports body.
- b) another recognised sports body

1.2.2. The term “recognized sports body” 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 affiliate 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,

1.2.3. Remark

Services provided by individuals such as selectors, commentators, curators, technical experts, etc to recognised sports body are taxable.

1.3. Services in relation to Sponsorship Services. [Sr. No. 11]

1.3.1. Exemption w.e.f. 1st July, 2012

Services by way of sponsorship of tournaments or championships organised,-

- a) by a national sports federation, or its affiliated federations, where the participating teams or individuals represent any district, state, zone or country;

- 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, 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;

1.3.2. Scenario prior to 1st July, 2012 in respect of above said services

Previously Sponsorship services are taxable under the category Sponsorship Services. The similar exemptions were already there.

1.3.3. Remark

- 1.3.3.1. Services provided by individuals such as selectors, commentators, curators, technical experts etc to recognised sports body are taxable.
- 1.3.3.2. In case, the participating teams or individuals do not represent any district, state or zone then service tax shall be applicable such as in the case of IPL, WSH, etc. wherein the teams do not represent any district, state or zone thus service tax shall be leviable on sponsorship received.

TOURISM

1. EXEMPTION

1.1. Services in respect of a religious pilgrimage. [Sr. No. 5A]

1.1.1. The exemption is available for services provided by

- Kumaon Mandal Vikas Nigam Limited, a Government of Uttarakhand Undertaking for Kailash Mansarovar Yatra, or
- The Haj Committee or State Haj Committee for Haj Yatra.

1.1.2. The aforesaid exemption is available only in respect of a religious pilgrimage facilitated by the Ministry of External Affairs of the Government of India, under bilateral arrangement.

1.2. **Services provided by a tour operator to a foreign tourist in relation to a tour conducted wholly outside India** are now exempted from service tax effective from 11th July, 2014. **[Sr. No. 42]**

1.3. **Services by way of admission to a museum, zoo, national park, wild life sanctuary and a tiger reserve** is proposed to be exempted w.e.f. 1st April, 2015. **[New Sr. No. 45]**

2. VALUATION

2.1. Services by an Air Travel Agent in respect of booking of passage by air [Rule 6(7)]

Type of Passage	Present Rate of Tax on Basic Fare	Proposed rate of Tax on Basic Fare
Domestic bookings	0.6%	0.7%
International Bookings	1.2%	1.4%

Basic fare means that part of the air fare on which commission is normally paid to the air travel agent by the airline

3. ABATEMENT

S.No.	Description of taxable service	%	Conditions
3	Transport of passengers, with or without accompanied belongings by rail	30	[CENVAT credit on inputs, capital goods and input services, used for providing the taxable service, has not been taken.] ⁹

⁹ Proposes to be inserted w.e.f. 1st April, 2015

5	<p>Transport of passengers by air, with or without accompanied belongings;</p> <p>(i) Economy Class</p> <p>(ii) Other Than Economy Class</p>	<p>40</p> <p>60¹⁰</p>	<p>CENVAT credit on inputs and capital goods, used for providing the taxable service, has not been taken.</p>
11	<p>(i) Services provided or to be provided to any person, by a tour operator in relation to a package tour</p>	25	<p>(i) CENVAT credit on inputs, capital goods and input services [other than the input service of a tour operator]¹¹, used for providing the taxable service, has not been taken.</p> <p>(ii) The bill issued for this purpose indicates that it is inclusive of charges for such a tour.</p>
	<p>(ii) Services provided or to be provided to any person, by a tour operator in relation to a tour, if the tour operator is providing services solely of arranging or booking accommodation for any person in relation to a tour</p>	10	<p>(i) CENVAT credit on inputs, capital goods and input services [other than the input service of a tour operator]¹², used for providing the taxable service, has not been taken.</p> <p>(ii) The invoice, bill or challan issued indicates that it is towards the charges for such accommodation.</p> <p>(iii) This exemption shall not apply in such cases where the invoice, bill or challan issued by the tour operator, in relation to a tour, only includes the service charges for arranging or booking accommodation for any person and does not include the cost of such accommodation.</p>
	<p>(iii) Services, other than services specified in (i) and (ii) above, provided or to be provided to any person, by a tour operator in relation to a tour</p>	40	<p>(i) CENVAT credit on inputs, capital goods and input services [other than the input service of a tour operator]¹³, used for providing the taxable service, has not been taken.</p> <p>(ii) The bill issued indicates that the amount charged in the bill is the gross amount charged for such a tour.</p>

¹⁰ Proposed to be substituted w.e.f. 1st April, 2015. Prior to substitution, service tax was leviable on 40% of value.

¹¹ Inserted w.e.f 1st October, 2014

¹² Inserted *ibid*

¹³ Inserted *ibid*

AGRICULTURE

1. EXCLUSION (Negative List: Section 66D)

1.1. **Services in relation 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 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.
- (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.
 - "Agricultural Produce Marketing Committee or Board" means any committee or board constituted under a State law for the time being in force for the purpose of regulating the marketing of agricultural produce.

Remarks:

- The Education Guide provides that activities such as pisciculture, sericulture, floriculture, horticulture, forestry are covered under the definition of agriculture.

- Plantation crops like rubber, tea or coffee are covered under the term agricultural produce.
- Potato chips, tomato ketchup which are manufactured through processes which alter the essential characteristics of farm produce are not covered.

2. EXEMPTIONS (Notification 25/2012-ST)

2.1. Services provided by way of transportation by Rail or a vessel or by a goods transport agency [Sr. No. 20 & 21]

2.1.1. Services by way of transportation by rail or a vessel from one port in India to another or by a goods transport agency of the following goods -

- (i) agricultural produce;
- (ii) [foodstuff including flours, tea, coffee, jaggery, sugar, milk products, salt and edible oil, excluding alcoholic beverages;or]¹⁴
- (iii) chemical fertilizer, organic manure and oilcakes;
- (iv) cotton, ginned or baled

2.2. Loading, unloading, packing, storage or warehousing services [Sr. No. 40]

This exemption entry has been introduced w.e.f. 11th July, 2014 exempting services by way of loading, unloading, packing, storage or warehousing of rice, cotton, ginned or baled.

2.3. Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits and vegetables [New Sr. No. 44]

New exemption entry has been proposed to be introduced w.e.f. 1st April, 2015 exempting services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labeling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits and vegetables.

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¹⁴ Proposed to be Substituted with 'milk, salt and food grain including flours, pulses and rice;' w.e.f. 1st April, 2015