

# Sector wise Analysis under Service Tax

Workshop on Service Tax  
Organised by  
ICAI

Presented by  
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# Bullets

## Sectors Covered

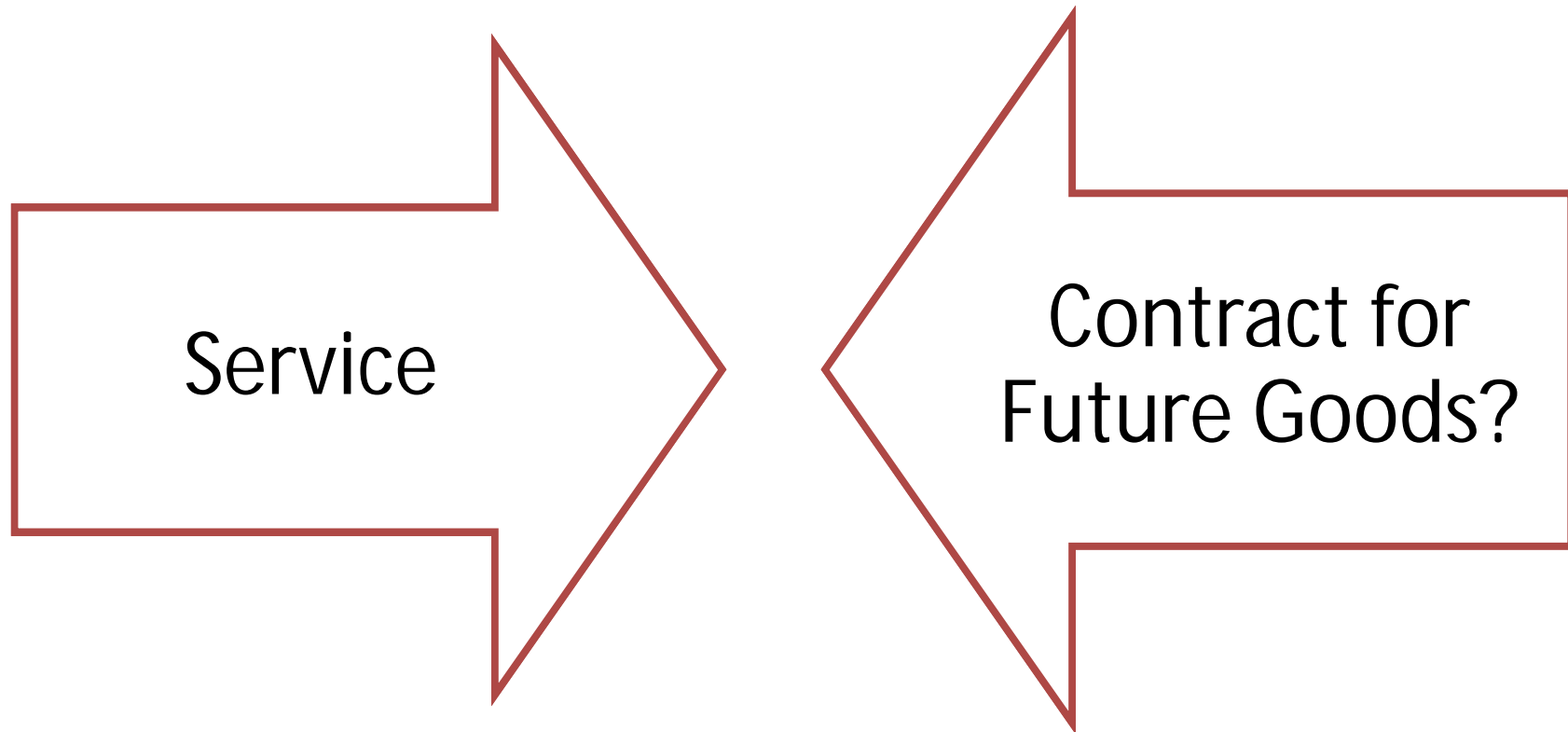
- Agriculture
- Charitable
- NPO
- Education
- Health Care
- Legal Services
- Broking
- Govt. and Local Authorities

## Topics Covered

- Basics
- Exemption
- Exclusions
- Negative List
- Valuation
- Abatements

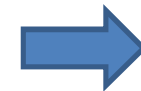
# AGRICULTURAL SECTOR

Is there any element of Service??



## Agriculture – Negative List

- 66D (d) 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



# What is Agriculture?

- Section 65B
  - “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
- EG: 4.4.2 Are activities like breeding of fish (pisciculture), rearing of silk worms (sericulture), cultivation of ornamental flowers (floriculture) and horticulture, forestry included in the definition of agriculture?



## What is Agriculture Produce?

- 65B (5) “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;



## What is Agriculture Extension Services?

- 65B (4) “agricultural extension” means
- application of
- scientific research and knowledge
- to agricultural practices through farmer education or training





## Agriculture – Exemptions...

- ME 12. 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 -
  - (d) canal, dam or other irrigation works;
- ME 14. Services by way of construction, erection, commissioning, or installation of original works pertaining to,...
  - (d) post- harvest storage infrastructure for agricultural produce including a 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

## ...Agriculture – Exemptions...

- ME 20. Services by way of transportation by rail or a vessel from one place in India to another of the following goods -
  - (h) agricultural produce;
  - (i) milk, salt and food grain including flours, pulses and rice;
  - (j) chemical fertilizer, organic manure and oil cakes;
  - (k) cotton, ginned or baled.
- ME 21. Services provided by a goods transport agency, by way of transport in a goods carriage of,-
  - (a) agricultural produce
  - (d) milk, salt and food grain including flours, pulses and rice
  - (e) chemical fertilizer, organic manure and oil cakes
  - (i) cotton, ginned or baled.

## ...Agriculture – Exemptions...

- ME 26. Services of general insurance business provided under following schemes.
  - (f) Agricultural Pumpset and Failed Well Insurance
  - (h) Weather Based Crop Insurance Scheme or the Modified National Agricultural Insurance Scheme,
    - approved by the Government of India and
    - implemented by the Ministry of Agriculture
  - (j) National Agricultural Insurance Scheme (Rashtriya Krishi Bima Yojana);
- ME 30. Carrying out an intermediate production process as job work in relation to –
  - (a) agriculture, printing or textile processing

## ...Agriculture – Exemptions

- ME 40. Services by way of loading, unloading, packing, storage or warehousing of rice, cotton, ginned or baled
- ME 44. Services by way of pre-conditioning, pre-cooling, ripening, waxing, retail packing, labelling of fruits and vegetables which do not change or alter the essential characteristics of the said fruits or vegetables

# CHARITABLE ORGANISATIONS

# Charitable Organisations – Mega Exemption

- ME 4. Services by
  - an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961)
    - 12AA registration of Trust under Income Tax Act
  - by way of charitable activities
- ME 13. Services provided by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of,
  - (c) a 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

## Charitable Organisations – Mega Exemption

- ME Clause 2 (q) “general public” means the body of people at large sufficiently defined by some common quality of public or impersonal nature;
- ME 34. Services
  - **received** from a provider of service
  - located in a **non- taxable territory** by-
  - an entity registered under section 12AA of the Income tax Act, 1961 (43 of 1961)
  - for the purposes of providing **charitable activities**

## Pre Conditions of availing Exemption

- If not registered under 12AA??
- If no exemption under IT Act but still registered?



## What are Charitable Activities?...

- ME Clause 2 (k) “charitable activities” means activities **relating to** -
- (i) public health by way of -
  - (a) care or counseling of
    - (i) terminally ill persons
      - Disease which cannot be treated or expected to result in death in some time
    - 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;

## ...What are Charitable Activities?...

- (ii) Advancement of religion or spirituality
- Religion
  - Not defined in Act
  - Not defined in Constitution
- Advancement of Religion
  - Conducting religions ceremonies
  - Preaching
  - Provision of religious material via internet
  - Conducting pilgrims
  - Providing food at concessional rate advancement of religion?
- Advancement of Spirituality
  - Yoga included?

## ...What are Charitable Activities?...

- (iii) Advancement of educational programmes or skill development relating to
  - abandoned, orphaned or homeless children
  - physically or mentally abused and traumatized persons
  - Prisoners
  - persons over the age of 65 years residing in a rural area
- (iv) Preservation of environment including watershed, forests and wildlife
- What is advancement of educational programmes?
  - Will educational services provided which are not recognised exempt?
  - Moral values taught will be covered in advancement of educational programmes?

## Definition

- ME Clause 2 (zd) “rural area” means the area comprised in a village as defined in land revenue records, excluding the area under any municipal committee, municipal corporation, town area committee, cantonment board or notified area committee; or any area that may be notified as an urban area by the Central Government or a State Government;

## Issues for Charitable Institutions

- Services provided free of cost/at concessional rate
- What if conditional donations given to charitable Institutions?
- If registered entity provides other services
  - Have separate Books as per Rule 6(3)?
- Membership Fees collected taxable?
- If these Institutions charge exorbitantly High Amount, still Exemption available?

# NON PROFIT ORGANISATIONS

# Levy of Service tax on charges collected from members by a club/society...

## Pre negative list of services scenario:

- ***Explanation to Section 65 Of the Finance Act, 1994***

***Explanation.*** — For the purposes of this section, taxable service **includes** any taxable service provided or to be provided **by any unincorporated association or body of persons to a member** thereof, for cash, deferred payment or any other valuable consideration

- ***Ranchi club Ltd. vs. Chief Commissioner of C. Ex. & S. T., Ranchi Zone 2012 (26) STR 401 (Jhar.) admitted in Supreme Court in 2013 (32) STR J34 (SC)***

- In view of mutuality, if club provides any service to its members, it is not a service by one legal entity to another, and is not liable to Service tax
- Sale and service - Nature of - Sale entails transfer of property whereas service does not -However, **both transactions requires existence of two parties** - Sale requires seller and buyer, and Service requires service provider and service receiver

- ***Sports Club of Gujarat Ltd. vs. Union of India 2013 (31) STR 645 (Guj.)***

## ...Levy of Service tax on charges collected from members by a club/society...

- ***Joint Commercial Tax Officer, ... vs Young Men's Indian Association ... on 12 February, 1970 SCC (1) 462***
  - Unlike proprietary clubs the case of a members' club is analogous to that of an agent investing his own monies for preparing things for the consumption of the principal and later recouping himself for the expenses incurred. Therefore, in the present case, **even though the clubs are distinct legal entities they were ,Only acting as agents for members in the matter of supply of various pre- parations to them and no sale would be involved as the element of transfer would be completely absent. [685 A-B, 686 H]**
  - the clubs or associations sought to be rendered liable in these appeals were not transferring property belonging to them but were **merely acting as agents for and on be-half of the members. They were not selling goods but were rendering a service to their members**
- ***Post negative list of services:***  
**Explanation 3 to Section 65B (44) Of the Finance Act, 1994**
  - For the purposes of this Chapter,—
  - (a) an unincorporated association or a body of persons, as the case may be, and a member thereof shall be treated as distinct persons.



## ...Levy of Service tax on charges collected from members by a club/society...

- ***Matunga Gymkhana vs. Commr. Of ST, Mumbai (Tri.-Mum.) 2015 38 STR 407***
  - In view of decision of Jharkhand High Court in the case of Ranchi Club Ltd., on application of principle of mutuality, **services provided by appellants to their respective members would not fall within ambit of taxable club or association service** nor the consideration whether by way of subscription/fee or otherwise received therefor be exigible to Service Tax
- ***Commr. Of S. tax, Mumbai vs. Atlanta Premises Co-op. Soc. Ltd. (Tri.-Mum.) 2015-TIOL-696***
  - Assessee, a Cooperative Society registered with Maharashtra Cooperative Societies Act, 1960 collecting amounts from their members towards maintenance charges on monthly basis which is utilised to maintain and administer buildings Findings recorded by lower appellate authority that there is **no mutuality of interest** and, therefore, no ST is payable under Club or Association Service/Renting of Immovable property service is **correct** as assessee is a Cooperative society and provisions of Maharashtra CoOperative Act will apply Amount collected by assessee from their members is undisputedly utilised for maintenance and upkeep of society **Assessee is eligible for refund of amounts paid by them “under protest”**

## ...Levy of Service tax on charges collected from members by a club/society

- ***Whether these cases are applicable post negative list scenario?***
- ***Publication by one of the very renowned News paper***
  - The decision means a flat-owner or owner of a commercial premise in a housing society registered under the Maharashtra Co-operative Societies Act will have to pay much less. The society will not be required to impose a service tax charge (currently 12.36%) against maintenance charges collected from its members.

## Non-Profit Organisations - Exemptions

- ME 28. 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

# EDUCATIONAL SECTOR

## Education Sector-Negative List...

- **66D (I) Services by way of—**
- **(i) pre-school education and education up to higher secondary school or **equivalent****
- **Equivalent?**
  - Schools getting affiliated to Universities located outside India
  - Association of Indian Universities is empowered to recognize such education and give its equivalent in Indian context
- ***EG 4.12.3 Are services provided by international schools giving certifications like IB also covered in this entry?***

## ...Education Sector-Negative List

- **66D (I) Services by way of :-**
  - (ii) education as a part of a curriculum for obtaining a qualification **recognised by any law** for the time being in force
- Recognized by Law of Foreign Country?
  - Educational Guide 4.12.9
- **EG 4.12.1 What is the meaning of 'education as a part of curriculum for obtaining a qualification recognized by law'?**

## ...Education Sector-Negative List

- **(iii) education as a part of an approved vocational education course**
  - 65B (11) “approved vocational education course” means,—
    - (i) a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training [or State Council for Vocational Training] offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or
    - (ii) a Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Employment and Training, Union Ministry of Labour and Employment;

## ...Education Sector-Negative List...

- Pre School and education up to higher secondary school or equivalent Courses need to be recognized under Law?
- Is there any requirement of Specific Premise?



## Education Guide

- 4.12.10 If a course in a college leads to **dual qualification** only one of which is recognized by law would the service provided by the college by way of such education be covered in this entry?
- 4.12.11 Are **placement services** provided to educational institutions for securing job placements for the students covered in this negative list entry?
- 4.12.12 Educational institutes such as NTs, IIMs charge a **fee from prospective employers** like corporate houses/MNCs, who come to the institutes for recruiting candidates through campus interviews. Whether services provided by such institutions are taxable?
- 4.12.4 Are services provided by boarding schools covered in this entry?

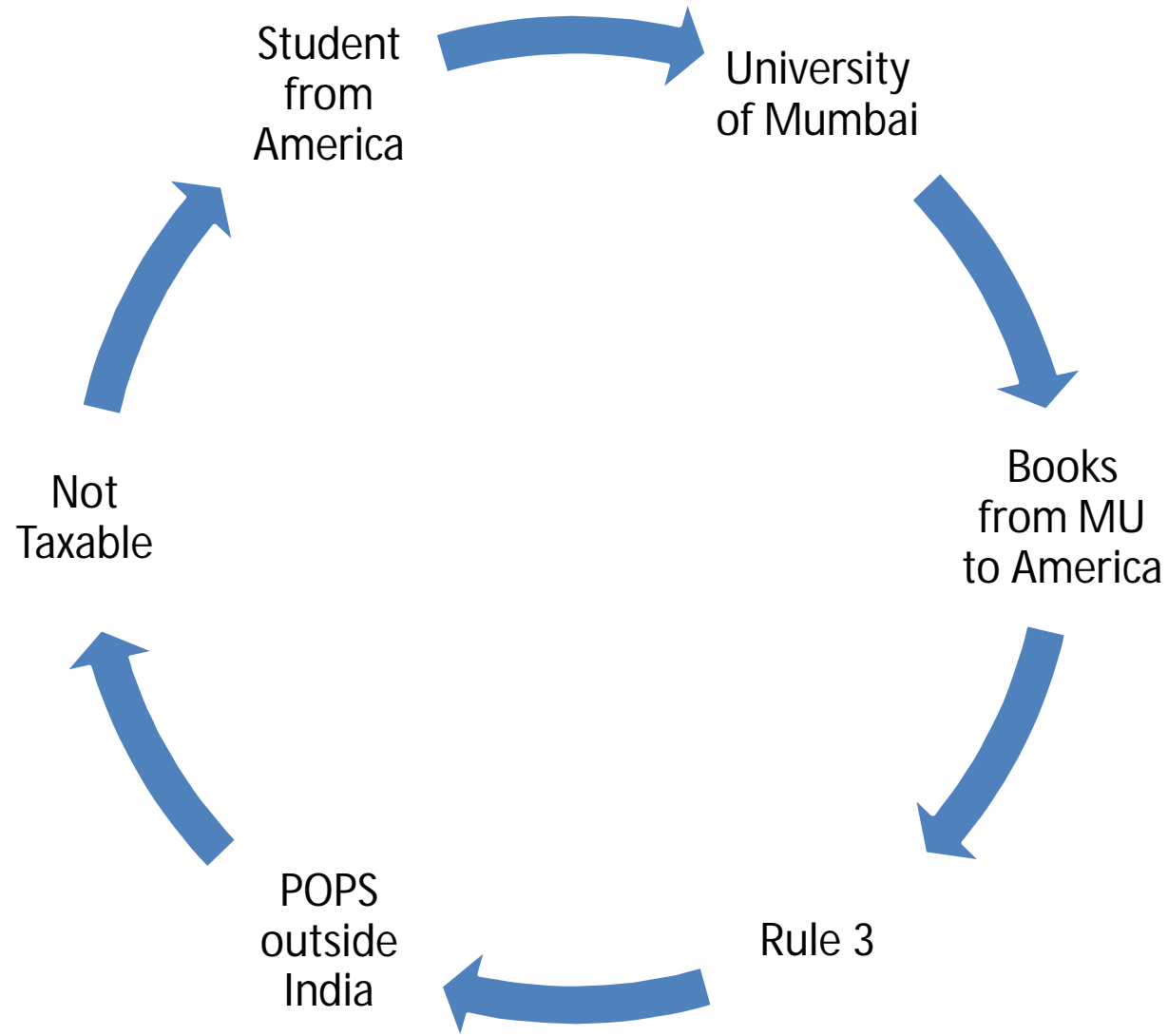
## Educational Sector – Mega Exemption...

- ME 9. 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
- ME Clause 2 (oa) “educational institution” means an institution providing services specified in clause (l) of section 66D of the Finance Act, 1994 (32 of 1994);
- **Service tax leviable on various activities such as development of course content, training faculties, etc.**

## ...Educational Sector – Mega Exemption

- ME 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.

# Postal Coaching Taxable?



# Online Coaching

- **RULE 9 of POPS Rules, 2012**
  - **Place of provision of specified services.**
  - The place of provision of following services shall be the **location of the service provider :-**
  - ...
  - (b) Online information and database access or retrieval services
- Rule 2 of POPS Rules, 2012
  - (l) "online information and database access or retrieval services" means **providing data or information**, retrievable or otherwise, to any person, **in electronic form** through a computer network

Issue

# Franchisee Schools/Colleges

# HEALTHCARE SECTOR

## Health Care – Mega Exemption...

- ME 2. (i) Health care services by a
  - clinical establishment,
  - an authorised medical practitioner or
  - para-medics
    - Persons who generally assist Doctors in treatment or care to patients
- (ii) Services provided by way of transportation of
  - a patient in an ambulance,
  - other than those specified in (i) above
    - (Notification 06/2015 w.e.f 01.04.2015)



# Health Care Services

- ME Clause 2 (t) “health care services” 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

- ME Clause 2 (j) "clinical establishment"
  - 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;

## Authorised Medical Practitioner

- ME Clause 2 (d) “authorised medical practitioner”
- 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

## Health Care - Mega Exemption

- 2A. Services provided by cord blood banks by way of preservation of stem cells or any other service in relation to such preservation;
- 2B. Services provided by operators of the Common Bio-medical Waste Treatment Facility to a clinical establishment by way of treatment or disposal of bio-medical waste or the processes incidental thereto
- 3. Services by a veterinary clinic in relation to health care of animals or birds
- 43. Services by operator of Common Effluent Treatment Plant by way of treatment of effluent

# LEGAL SERVICES

# Legal Services

- ME 25/2012-ST dated 20<sup>th</sup> June, 2012: 2. Definitions : (w)
- “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

## Legal Services – Mega Exemption

- ME 6. Services provided by-
- (a) an arbitral tribunal to -
  - (i) any person other than a **business entity**; or
  - (ii) a business entity with a turnover up to rupees ten lakh in the preceding financial year;
- (b) 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; or
- (c) a person represented on an arbitral tribunal to an arbitral tribunal;

## Definitions

- Section 66B (17) “business entity” means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession
- Sec 2(1) Advocates Act, 1966 read with Clause 2 (a) of ME
- “advocate” means an advocate entered in any roll under the provisions of this Act
- Sec 24 of Advocates Act, 1966
  - Obtained degree in Law
  - From any University in India or
  - From any University outside the territory of India which is eligible



## Reverse Charge on Legal Services

- provided or agreed to be provided by,-
  - (A) an arbitral tribunal, or
  - (B) an individual advocate or a firm of advocates by way of legal services

*(Notification 30/2012 dated 20.06.2012)*

# GOVERNMENT & LOCAL AUTHORITIES

## Can Centre levy ST on States?

- **COI 289. (1) The property and income of a State shall be exempt from Union taxation**
  - It provides for exemption of property and Income of the States and not indirect taxes
    - New Delhi Municipal Council v. State of Punjab 1997 (7) SCC 39
- 289 not applicable to levy of service tax
  - All India Fed. Of Tax Practitioners v. UOI 2007 10 STT 166 (SC)

## Government - Definition

- '65B (26A) "Government" means
  - the Departments of the Central Government,
  - a State Government and its Departments and
  - a Union territory and its Departments,
- but shall not include
  - any entity,
  - whether created by a statute or
  - otherwise,
- the accounts of which are
  - not required to be kept
  - in accordance with
  - article 150 of the Constitution or the rules made thereunder

## Article 150 of COI

- Article 150 of COI
  - The accounts of the Union and of the States shall be kept in such form as the President may, <sup>2</sup>[on the advice of] the Comptroller and Auditor-General of India, prescribe.

## Government Authority

- ME Clause 2 (s) “governmental authority”
  - means an authority or a board or any other body;
  - (i) set up by an Act of Parliament or a State Legislature; or
  - (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;

## 243 W- 12<sup>th</sup> Schedule

- 1. Urban planning including town planning.
- 2. Regulation of land-use and construction of buildings.
- 3. Planning for economic and social development.
- 4. Roads and bridges.
- 5. Water supply for domestic, industrial and commercial purposes.
- 6. Public health, sanitation conservancy and solid waste management.
- 7. Fire services.
- 8. Urban forestry, protection of the environment and promotion of ecological aspects.
- 9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
- 10. Slum improvement and upgradation.
- 11. Urban poverty alleviation.
- 12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
- 13. Promotion of cultural, educational and aesthetic aspects.
- 14. Burials and burial grounds; cremations, cremation grounds; and electric crematoriums.
- 15. Cattle pounds; prevention of cruelty to animals.
- 16. Vital statistics including registration of births and deaths.
- 17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
- 18. Regulation of slaughter houses and tanneries

## Government Services – Negative List

- 66D (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**, (any services, yet to be notified) other than services covered under clauses (i) to (iii) above, provided to business entities
- 65B (17) “business entity” means any person ordinarily carrying out any activity relating to industry, commerce or any other business or profession



## Support Services as defined

- 65B (49) “support services”
- means
  - infrastructural,
  - operational,
  - administrative,
  - logistic,
  - marketing
  - or any other support of any kind
  - comprising functions that entities carry out in ordinary course of operations themselves
  - **but** may obtain as **services by outsourcing from others**
  - for any reason whatsoever and
  - shall **include** advertisement and promotion, construction or works contract, renting of immovable property, security, testing and analysis

## Circular 96/7/2007 – ST dated 23.08.2007

- ...Whether such **activities of a sovereign/public authority**, performed under a statute, can be considered as 'provision of service' for the purpose of levy of service tax and the amount or fee collected, if any, for such purposes can be **treated as consideration for the services provided?**
  - Statutory duties.
  - Nature of a **compulsory levy**
  - Deposited into the Government account.
  - **Purely in public interest**
  - Mandatory and statutory functions.
- **These are not to be treated as services provided for a consideration.**

## Services Provided to Government - Exemption

ME 12. 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);

~~(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 65 B of the said Act;~~

## Services Provided to Government - Exemption

- ME 25. 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; or
  - (b) repair or maintenance of a vessel
- ME 34. 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;
- ME 39. Services by a governmental authority by way of any activity in relation to any function entrusted to a municipality under article 243 W of the Constitution

# BROKING SECTOR

## Brokers - Exemption

- ME 29. Services by the following persons in respective capacities -
  - (a) sub-broker or an authorised person to a stock broker;
  - (b) authorised person to a member of a commodity exchange;
  - (c) mutual fund agent to a mutual fund or asset management company;
  - (d) distributor to a mutual fund or asset management company;
  - (e) selling or marketing agent of lottery tickets to a distributor or a selling agent;
  - (f) selling agent or a distributor of SIM cards or recharge coupon vouchers;
  - (g) business facilitator or a business correspondent to a banking company or an insurance company, in a rural area; or
  - (h) sub-contractor providing services by way of works contract to another contractor providing works contract services which are exempt

## POPS – Broking Sector

- **RULE 5.**

- **Place of provision of services relating to immovable property.** — The place of provision of services provided **directly in relation to an immovable property**, including services provided in this regard by experts and **estate agents**, provision of hotel accommodation by a hotel, inn, guest house, club or campsite, by whatever, name called, grant of rights to use immovable property, services for carrying out or co-ordination of construction work, including architects or interior decorators, shall be the place where the immovable property is located or intended to be located.

# POPS for Agents

- **RULE 6**

- **Place of provision of services relating to events.**
- The place of provision of services provided **by way of admission to**, or organization of, a cultural, artistic, sporting, scientific, educational, or entertainment event, or a celebration, conference, fair, exhibition, or similar events, and of **services ancillary to such admission**, shall be the place where the event is actually held.



## POPS for Agents

- **RULE 9. Place of provision of specified services. —**
- The place of provision of following services shall be the location of the service provider :-
- **(c) Intermediary services**

# Intermediary

- Rule 2 (f)
- “intermediary” means
  - a broker,
  - an agent or
  - any other person, by whatever name called,
- who arranges or
- facilitates a provision of a **service** (hereinafter called the ‘main’ service) or
- a supply of **goods**, (w.e.f 01/10/2014)
- between two or more persons,
- but does **not include** a person who provides the main service or supplies the goods **on his account**;



Ca. Jayesh Gogri  
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*Right advice at right time...*



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