

CIRCULAR NO.ST/1/2012

Date : 01.07.2012

STRICTLY CONFIDENTIAL
ONLY FOR CIRCULATION AMONGST THE CLIENTS

NEGATIVE LIST OF SERVICES

W.e.f.1st July, 2012 the basis of taxation of services have been completely changed. The following 17 services have been specifically included in the negative list therefore, those will not be taxed under any circumstances irrespective of the nature of provider of services, receiver of services or place of provisions of services. The list of such services are as under:-

1. Most of the services provided by the Central or State Government or Local Authority. Few services like Speed Post, Life Insurance and Agency services will be taxed. Services relating to Vessel or Aircraft, Transport of goods and passengers and support services relating to Speed Post etc. and transportation of goods and passengers given to business entity will be taxed. However, services provided by Autonomous Institutions, Government Companies and Corporation will be taxed.
2. All services provided by Reserve Bank of India will not attract any tax. However, services provided to Reserve Bank of India will be taxable unless specifically exempt.
3. Services by a Foreign Diplomatic Mission located in India will be outside the purview of Service Tax.
4. Services relating to production of agricultural produce, supply of agricultural labour, processing carried out in the agricultural farm, Renting of agricultural machinery or vacant land, loading, unloading, packing etc. The service provided by APMC or by a commission agent for sale or purchase of agricultural produce will be outside tax net. The activities of breeding of fish, rearing of silk worm, forestry etc. will also not be taxed.
5. Trading of goods.
6. Process amounting to manufacture of production of goods on which duties of excise is leviable either under the Central Excise Act or State Act. Therefore, if any process does not amount to manufacture or production of goods then it will be subjected to Service Tax.
7. **Selling of space or time for advertisement not other than those broadcast by radio or television** :- The sale of space or time for advertisement to be broadcasted on radio or television will be taxable. However sale of space for advertisement in print media etc. will not be taxed.
8. **Services relating to access to road or bridge on payment of toll charges**:- The receipt by way of toll charges for allowing the use of national highway or a bridge will not be taxed. However, the services of toll collection on behalf of agency authorised to levy toll will be taxed.
9. Betting, Gambling or Lottery will not be taxed. However, related services used for organizing or promoting Betting or gambling will be taxable.

10. **Admission to entertainment event or access to amusement facilities:-** Any entry to an event or performance which provides recreation, enjoyment etc. will not be taxed therefore, entry fees collected for showing films, circus, concerts, sport events, dance and music performance will not be liable for Service Tax. However, the auxiliary services provided for organizing amusement or entertainment will be taxable.
11. Transmission or distribution of electricity by an Central Electricity Authority, State Electricity Board, Central Transmission Utility, State Transmission Utility or a person to whom a license for distribution or transmission of electricity has been issued under Electricity Act, 2003 or other entity to whom functions of transmission or distribution has been given by the State or Central Government will not be taxed.
12. **Services relating to education:-** Services relating to pre-school education and upto higher secondary school (HSC) will not be taxed. Education which is a part of prescribed course for obtaining a degree/diploma/recognized by law or education as a part of approved vocational course will not be taxed. The private tutors will however be taxed.
13. Services of renting of immovable property for residential purpose will be outside the purview of Service Tax. However, renting of immovable property for commercial purposes will continue to be taxed.
14. Services of giving loans, deposits etc. for which interest or discount is received and the sale or purchase of foreign currency amongst two bank or two authorized dealer of foreign exchange or amongst bank and such authorized dealer will not be liable to Service Tax.
15. **Services of transportation of Passengers:-** Services of transportation by a stage carriage, metro, memorial or tramway or inland waterways or public transport (except dominantly for tourism) in a vessel other than 15 tons and metred taxi or auto rikshaw taxi will be exempt. The services by railways for carrying passengers in first class or AC coaches will however be taxed (presently exempt till 30.09.2012).
16. Services of transportation of goods by road will be exempt from tax in general. However, if road transportation is done by a goods transport agency or a Courier Agency then it will be taxed. Services of transporting of goods by Aircraft or Vessel from out of India to first custom station of India will be outside the tax. So also the transportation of goods by inland waterways will not be covered in the tax net.
17. Funeral, Burial, Crematorium, or mortuary services: - Services relating to last rites or the services of horse-van used for transporting the deceased and also the mortuary services for carrying out post-mortem are outside the tax net.

Changes explained above are not exhaustive and are only for the purpose of providing guidance. The statutory provisions and the relevant notifications have to be read carefully for interpreting the law.

Please take note of the same. In case of any clarification please get in touch with the undersigned.

Thanking you,

Yours faithfully,
For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS


(ASHOK CHANDAK)
PARTNER

CIRCULAR NO.ST/2/2012

Date : 01.07.2012

STRICTLY CONFIDENTIAL
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EXEMPTED SERVICE

The following services have been exempted from whole of Service Tax w.e.f.01.07.2012.

1. Services provided to United Nations or specified International Organisation like World Health Organisation, International Monetary Fund, Asian Development Bank, International Bank for Reconstruction and Development etc. are exempt.
2. Health Services provided by a hospital, nursing home, clinic etc. offering services or facilities of diagnosis or treatment/care for illness, injury or pregnancy in any recognized system of medicine in India are exempt from tax. The recognized systems of medicines are allopathy, yoga, naturopathy, ayurveda, homeopathy, siddha, unani etc. Even the services provided by nursing staff, physiotherapist, technicians will be exempt from tax.
3. Services by a Veterinary clinic in relation to health care of animals or birds will not be taxable.
4. Services by way of Charitable activities including activities of public health i.e. care or counseling of persons with severe physical or mental disability/ person afflicted with HIV or Aids or person addicted to narcotic drugs or alcohol or public awareness of preventive health, family planning or prevention of HIV, advancement of religion or spirituality, advancement of educational program and skill development etc. given by Charitable Institution registered U/s 12AA of the Income Tax Act will be exempt.
5. Services by way of renting of premises of a religious place i.e. temple, mosque, gurudwara etc. meant for general public or for conducting of any religious ceremony. Such property if given for marriage reception, birthday party etc. will be taxable will be exempt.
6. Following services in relation to legal consultancy will be exempt:
 - a) Given by an Arbitral Tribunal to persons other than business entity or to a business entity whose annual turnover in previous financial year is upto Rs.10 Lakhs.
 - b) Services provided by an individual Advocate or Firm of Advocates to
 - (i) Another advocate or a firm of advocate giving legal services, or
 - (ii) Person other than business entity, or
 - (iii) A business entity whose turnover is upto Rs.10 Lakhs in last financial year, or
 - (iv) To a person representing Person before arbitral Tribunal.
7. Services by way of technical testing or analysis of newly developed drugs, vaccines and herbal remedy on human participants by an approved Clinical Research Organisation is exempt.

8. Services by way of training or coaching in recreational activities relating to arts, culture and sports are exempt. Thus, the services provided for coaching or training relating to dances, music, painting, sculpture making, sports will not be taxable.
9. Services provided to or by an Educational Institution relating to imparting any skill, knowledge, education or development of course contents or any other knowledge enhancement activity for the student or the faculty or any other services which is outsourced by education institutions like admission, examination, transportation of student etc. and renting of immovable property will be exempt from tax.
10. Services provided to a recognized sports body (i.e. the Indian Olympic Association, Sport Authority of India or a Federation or a body which regulates a sport at International level and its affiliated body regulating a sport in India) by individuals like Umpire, coach, player or team manager for participation in a sport event organized by such body is exempt. The services provided to a recognized sports body by another recognized sports body will also be exempt.
11. Services of sponsorship of sporting event organized by National Sport Federation or its affiliated Federation provided in which the team or individual represents a district, State or a Zone. Similarly sponsorship of sport event organised by an association of Indian Universities etc. are exempt.
12. Services provided to a Government, Local Authority, or a Government Authority by way of construction, erection, repairs, maintenance etc. of a civil structure prominently used for non-commercial purposes is exempt. Such services provided in relation to historical monuments or a structure which is used as an educational, clinical or art or cultural establishment will be exempt. Similar services in relation to canal, dam or other irrigational work or pipeline or plant for water supply, water treatment or sewage treatment or disposal is exempt. Even the services relating to residential complex meant for self use or use of the employees of Government etc. will be is exempt.
13. Services by way of construction, erection repairs etc. of a road, bridge, terminal for road transportation or a building owned by an entity registered U/s 12AA of the Income Tax Act, civil work of JNNURM or Rajiv Avas Yojna, Air pollution control or a affluent treatment plant is exempt. Such services relating to commissioning of structures meant for funeral, burial, cremation of disease will also be is exempt.
14. Services of construction, erection or installation of original work pertaining to airport, railways, single residential unit, low cost houses, storage infrastructure for agriculture produce and mechanized food grain handling system, machines etc. for unit processing, agricultural produce as food stuff (excluding liquor) will be is exempt.
15. Temporary transfer of copyright relating to original literary, dramatic, musical artistic work or films is is exempt.
16. Services by artist of a folk or classical music or theatre, dance etc. will be is exempt. However, services provided by an artist as a brand ambassador will be taxable.
17. Services of collecting or providing news by independent journalist, PTI or United News of India are exempt.
18. Services of renting a room by a hotel, inn or guest house etc. having a declared room tariff of less than Rs.1,000/- per day are exempt.

19. Services relating to serving of food or beverages in restaurants without having air conditioning or centralized air heating which do not possess liquor license will be exempt.
20. Services of transporting of petrol and petroleum products, relief material to be used in accident, military equipments, household goods, agricultural produce, foodstuffs excluding liquor etc. will be exempt from tax if those are transported by rail or a vessel in India.
21. Services by a Goods Transport Agency for transporting foods, vegetables, eggs, foodgrain or pulses are exempt. In other cases if gross amount charged for transportation of goods in a single truck etc. does not exceed Rs.1500/- or where the amount charged from a single person does not exceed Rs.750/- will also be is exempt.
22. Services of hiring of a motor vehicle meant to carry more than 12 passengers to a State Transport Undertaking i.e. MSRTC etc. are exempt from tax. Similarly, hiring of a Goods Transport i.e. vehicle, vessel etc. meant to transport the goods when it is hire to a Goods Transport Agency will be exempt.
23. Transport of passenger with or without luggage by air where such journey start or terminate in a Airport located in North East or by a contract carriage for the transportation of passengers (excluding tourism, conducted tour etc.) or by cable-car, or by aerial tramway is exempt from tax.
24. Services by way of vehicle parking to general public is exempt from tax. However, when such space is leased to an agency which provide parking facility it will be taxable.
25. Services provided to a Government, Local Authority or Governmental Authority by way of carrying out any activity in relation to any function like water supply, public health, sanitation etc. or by way of repair or maintenance of a vessel or an aircraft is exempt. However, repair or maintenance of a vehicle of a Government or Local Authority will be taxable.
26. Services of general insurance business provided under Hut Insurance Scheme, Scheme for Insurance of Tribals, Janta personal accident policy, Jan Arogya Bima Policy, Rastriya Swasthya Bima Yojna etc. are exempt.
27. Services by a Incubatee upto a turnover of Rs.50 Lakhs in first three financial year will be exempt if the total turnover had not exceeded Rs. 50 Lakhs during the previous year.
28. Services by un incorporated body or a registered non-profit entity to its members as a trade union or for carrying out any activity which is exempt from tax. Similarly, for sourcing goods or services from a third person for common use of its members in a housing society will also be exempt upto Rs.5,000/- per month per member.
29. Services by sub-broker or an authorized person to a stock broker, services by authorized person to a member of commodity exchange, selling or marketing agent of lottery tickets to a distributor/selling agent, services by selling agent or a distributor of SIM Card or recharge coupon voucher, services by sub-contractors providing services by way of Works Contract to another contractors providing exempt Works Contract services etc. will be exempt.
30. Carrying out an intermediate production process as job work in relation to agriculture, printing or textile processing, cut and polished diamond and gem stones are exempt. Processes of electroplating, zinc plating, heat treatment, powder coating, painting during the course of manufacture of parts of cycle or sewing machines subject to conditions. Job

- work relating to any other goods on which tax is paid by principal will also be exempt from tax.
31. Services by an organiser of a business exhibition held outside India are exempt.
 32. Services by way of telephone calls from departmentally run public telephone, guaranteed public telephone operating only for local calls or free telephone at airport and hospital where no bills are being issued will be exempt.
 33. Slaughtering of bovine animals is exempt.
 34. Services received from a Services provider located in a non-taxable territory by a Government, Local Authority, or a Government Authority or an individual for non-commercial purpose, or by an entity registered U/s 12AA of the Income Tax Act for the purpose of providing charitable activities or services received by a person located in a non-taxable territory are exempt from tax.
 35. Services of public libraries by way of lending of books, publications or any other knowledge enhancing content or material are exempt.
 36. Services by Employees State Insurance Corporations to persons governed by the Employees Insurance Act are exempt.
 37. Services by way of transfer of a going concern either wholly or as in independent part are exempt.
 38. Services by way of public conveniences such as facility of bathroom, wash room, lavatories, urinal or toilets are exempt.
 39. Services by Government Authority by way of activity relating to any function entrusted to Municipality are exempt.

First you will have to check whether the services rendered by you are covered in the Negative List. If not, then see the above list of exempt services. If it is not covered in the exempt services then you will have to pay tax on your services @ 12.36%. In case taxable value of services exceeds Rs. 9 lakhs in a year, you should get registered as a service provider. However, in case you are liable to pay tax as a service recipient (refer Circular No. 4) then you have to pay register immediately if not already registered.

Changes explained above are not exhaustive and are only for the purpose of providing guidance. The statutory provisions and the relevant notifications have to be read carefully for interpreting the law.

Please take note of the same. In case of any clarification please get in touch with the undersigned.

Thanking you,

Yours faithfully,
For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS


(ASHOK CHANDAK)
PARTNER

CIRCULAR NO.ST/3/2012

Date: 01.07.2012

STRICTLY CONFIDENTIAL
ONLY FOR CIRCULATION AMONGST THE CLIENTS

PLACE OF PROVISION OF SERVICE

Services are now taxable only if the place of provision of services falls in the taxable territory. The place of provision of Services Rules 2012 will determine the place where the service is deemed to be provided. These Rules came into effect from 01.07.2012.

RULE 3:- PLACE OF PROVISIONS IN GENERAL:- In general the place of provision of service will be the location of the receiver of service. However, if location of the receiver is not available then it will be location of the provider of service.

RULE 4:- PERFORMANCE BASED SERVICES:- In case of performance based services to place of provision will be the location where the services are rendered.

- a. Where the service provider requires certain goods to be made physically available by the customer or the client then the place of performance of service will be the place of provision of service.

For example→ courier services requires articles to be delivered, dry cleaning services requires cloths of , repair etc.

However, if the services are provided from a distant place through electronic means then the place of provisions of such service will be the place where the goods are situated at the time of provision of services.

- b. Where the service are provided to an individual which requires the physical availability of the receiver of services, the place of provision will be the place where the services are actually rendered.

For example→Cosmetic or plastic surgery, beauty treatment services, health and fitness services, class room teaching.

RULE 5:- SERVICES RELATING TO IMMOVABLE PROPERTY:- In case of services provided directly in relation to an immovable property the place of provision of will be the place where the immovable property is situated or will be situated .Example of such services are Architect services, Real Estate Agency Services.

However, where the services are not directly related to immovable property this rule will not apply and the location of service receiver will be the place of provision and in it's absence the location of the service provider.

RULE 6:- PLACE OF PROVISION RELATING TO EVENTS:- The place of provision of services by way of admission to or organization of Cultural , artistic, sports, scientific or entertainment event will be the place where the event is actually held.

RULE 7:- PLACE OF PROVISION PROVIDED AT MORE THAN ONE LOCATION:- Where the services governed by any of the above rules is provided at more than one place which includes atleast one location in the taxable territory, the place of provisions of entire services (including given in taxfree territory) will be the location in the taxable territory where the major portion of the service is provided.

RULE 8:- PLACE OF PROVISION WHERE PROVIDER AND RECEIVER ARE IN THE TAXABLE TERRITORY:- In such cases the location of the recipient of service will be the place of provisions of services.

RULE 9:- PLACE OF PROVISION OF SPECIFIED SERVICES : The place of provision of the following services shall be the location of the service provider.

- (a) Service provided by a banking company, or a financial institution or a non-banking financial company to account holders.
- (b) Online information and database access or retrieval services.
- (c) Intermediary Services.
- (d) Services consisting of hiring of means of transport up to a period of one month.

RULE 10:- PLACE OF PROVISION OF GOODS TRANSPORTATION SERVICES:-The place of provision of transportation of goods (except mail or courier) shall be the destination of goods(place to which goods are sent). However, the place of provision of goods transportation agency (by road) is the location of person liable to pay tax (person who is liable to pay freight).

RULE 11:- PLACE OF PROVISION OF PASSENGER TRANSPORTATION SERVICES:-In such case the place of provision is the place where the passenger boards (enters) in the vehicle/vessels/aircraft for a continuous journey.

RULE 12:- PLACE OF PROVISIONS OF SERVICES GIVEN ON BOARD CONVEYANCE:-The services provided to a passenger during journey while on board (travel in a aircraft, vessel, vessels) will be the starting place from where conveyance started it's journey.

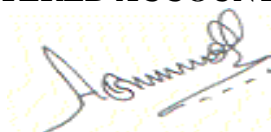
The Central Government has reserved the powers to notify the services or circumstances in which the place of provision will be effective use and enjoyment of service. Till date no such notification is there.

Changes explained above are not exhaustive and are only for the purpose of providing guidance. The statutory provisions and the relevant notifications have to be read carefully for interpreting the law.

Please take note of the same. In case of any clarification please get in touch with the undersigned.

Thanking you,

Yours faithfully,
For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS


(ASHOK CHANDAK)
PARTNER

CIRCULAR NO.ST/4/2012

Date : 01.07.2012

STRICTLY CONFIDENTIAL
ONLY FOR CIRCULATION AMONGST THE CLIENTS

Under the provisions of the Service Tax Laws in general it is the service provider who is liable to pay tax. However in some cases it is the receiver of service who has to pay the tax. There are certain cases in which the tax is partly payable by the receiver and partly by the provider of services.

The following is the summary of such services where the receipt of service is also made liable to pay tax:-

- A.
1. Services provided by an insurance agent to an insurance company.
 2. Services provided by a goods transport agency by road, where the person liable to pay freight is a company, factory, society registered under Societies Registration Act, co-operative society, dealer of excisable goods, body corporate, partnership firm.
 3. Services provided by way of sponsorship to any body corporate or partnership firm located in taxable territory.
 4. Services provided by (i) An Arbitral Tribunal, (ii) by an individual advocate or a firm of advocates by way of support service (iii) Government or Local Authority by way of support services except renting of immovable property and specified services on which tax is payable by Government etc. when such services are provided to any business entity located in taxable territory.
 5. Services provided by way of
 - (i) Renting of passenger motor vehicle to any person (who is not in the similar business); or
 - (ii) Supply of manpower for any purpose; or,
 - (iii) Services in execution of Works Contract;by an individual, HUF, Firm, association of person located in the taxable territory to a business entity which is registered as a body corporate and is located in the taxable territory.
- B. Services provided by any person which is located in a non-taxable territory and received by any person located in the taxable territory.

The Service Tax payable by the service provider and the receiver of services is given as below:-

S. No.	Description of Service	Service Tax payable by the person providing service	Service Tax payable by the person receiving service	Effective rate
1.	Services provided by an	NIL	100%	SR-12.36%

	insurance agent to any person carrying on insurance business.			
2.	Services provided by a goods transport agency in respect of transportation of goods by road.	NIL	100%	SR- 3.09%
3.	Services provided by way of sponsorship.	NIL	100%	SR-12.36%
4.	Services provided by an Arbitral Tribunal.	NIL	100%	SR-12.36%
5.	Services provided by individual advocate or a firm of advocates by way of legal services.	NIL	100%	SR-12.36%
6.	Services provided by Government, or local authority by way of support services.	NIL	100%	SR-12.36%
7.	Services provided by way of renting of a motor vehicle designed to carry passengers			
	(a) on abated value.	NIL	100%	SR-4.944%
	(b) on non-abated value.	60%	40%	SP-7.416% SR-4.944%
8.	Services provided by way of supply of manpower for any purpose.	25%	75%	SP-3.09% SR-9.27%
9.	Services provided in service portion in execution of works contract	50%	50%	Various Rates
10.	Services provided by a person who is located in a non-taxable territory to any person located in the taxable territory.	NIL	100%	SR-12.36%

Note: SR represents Tax payable by ‘Service Receipt’ and SP represents Tax payable by ‘Service Provider’.

Please note that the recipient of service who is liable to pay tax is required get himself registered immediately if not already registered.

Changes explained above are not exhaustive and are only for the purpose of providing guidance. The statutory provisions and the relevant notifications have to be read carefully for interpreting the law.

Please take note of the same. In case of any clarification please get in touch with the undersigned.

Thanking you,

Yours faithfully,
For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS


(ASHOK CHANDAK)
PARTNER

CIRCULAR NO.ST/5/2012

Date : 18.08.2012

STRICTLY CONFIDENTIAL
ONLY FOR CIRCULATION AMONGST THE CLIENTS

Please refer to our Circular No.ST/4/2012 dtd.01.07.2012 whereby a summary of services where the recipient of service was made liable to pay tax was given. The list of services on which the recipient of service has to pay tax has now been amended vide Notification No.45/2012 dtd.7th August, 2012.

After amendment the summary of services where the recipient of service is made liable to pay tax is as follows:-

- A.
1. Services provided by an insurance agent to an insurance company.
 2. Services provided by a goods transport agency by road, where the person liable to pay freight is a company, factory, society registered under Societies Registration Act, co-operative society, dealer of excisable goods, body corporate or partnership firm.
 3. Services provided by way of sponsorship to any body corporate or partnership firm located in taxable territory.
 4. Services provided by (i) An Arbitral Tribunal, (ii) by an individual advocate or a firm of advocates by way of support service (iii) Government or Local Authority by way of support services except renting of immovable property and specified services on which tax is payable by Government etc. when such services are provided to any business entity located in taxable territory.
 5. **Services provided or agreed to be provided by a Director of a company to the said company.**
 6. Services provided by way of
 - (i) Renting of passenger motor vehicle to any person (who is not in the similar business), or
 - (ii) Supply of manpower for any purpose, or security services or
 - (iii) Services in execution of Works Contract by an individual, HUF, Firm, Association of Person located in the taxable territory to a business entity which is registered as a body corporate and is located in the taxable territory.
- B. Services provided by any person which is located in a non-taxable territory and received by any person located in the taxable territory.

The Service Tax payable by the service provider and the receiver of services is given as below:-

S. No.	Description of Service	Service Tax payable by the person providing service	Service Tax payable by the person receiving service	Effective rate
1.	Services provided by an insurance	NIL	100%	SR-12.36%

	agent to any person carrying on insurance business.			
2.	Services provided by a goods transport agency in respect of transportation of goods by road.	NIL	100%	SR- 3.09%
3.	Services provided by way of sponsorship.	NIL	100%	SR-12.36%
4.	Services provided by an Arbitral Tribunal.	NIL	100%	SR-12.36%
5.	Services provided by individual advocate or a firm of advocates by way of legal services.	NIL	100%	SR-12.36%
5A	Services in respect of services provided or agreed to be provided by a director of a company to the said company	NIL	100%	SR-12.36%
6.	Services provided by Government, or local authority by way of support services.	NIL	100%	SR-12.36%
7.	Services provided by way of renting of a motor vehicle designed to carry passengers			
	(a) on abated value.	NIL	100%	SR-4.944%
	(b) on non-abated value.	60%	40%	SP-7.416% SR-4.944%
8.	Services provided by way of supply of manpower for any purpose or security services.	25%	75%	SP-3.09% SR-9.27%
9.	Services provided in service portion in execution of works contract	50%	50%	Various Rates
10.	Services provided by a person who is located in a non-taxable territory to any person located in the taxable territory.	NIL	100%	SR-12.36%

Note: SR represents 'Service Recipient' and SP represents 'Service Provider'.

Thus, from 7th August, 2012 on the payments made to a director by a company for the services rendered to the company, the company will have to pay tax. However, if the director happens to be an employee of the company getting salary etc. then the provision of service by the director will amount to service by an employee to the employer in the course of employment and therefore will be outside the purview of service and no service tax is required to be paid by the company on the payments made to the director as an employee of the company. However, on other payments like sitting fees etc. service tax will have to be paid by the company.

Similarly, a body corporate will have to pay Service Tax on the security services received as a recipient of services. The security services means services relating to the security of any movable or immovable property, or of any person and includes the services of investigation, detection or verification, of any fact or activity. Thus body guards will also get covered in this.

However, the recipient can claim the Cenvat Credit on the amounts paid as Service Tax to the extent such services are used in provision of taxable output services. If it is used partly for taxable service and partly for taxfree service then the Cenvat can be availed proportionately in proportion to the taxable services rendered.

Please note that the recipient of service who is liable to pay tax is required to get himself registered immediately, if not already registered.

Changes explained above are not exhaustive and are only for the purpose of providing guidance. The statutory provisions and the relevant notifications have to be read carefully for interpreting the law.

Please take note of the same. In case of any clarification please get in touch with the undersigned.

Thanking you,

Yours faithfully,
For SHAH BAHETI CHANDAK & CO.,
CHARTERED ACCOUNTANTS



(ASHOK CHANDAK)
PARTNER