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A Comprehensive Example on Service-tax

A COMPREHENSIVE EXAMPLE ON SERVICE-TAX

This Comprehensive Example covers various points included in the Practical Manual of ICAI for IPC. Although extreme care has been taken in preparation, yet if you notice any error / mistake, please bring the same to our notice through email:biyanisir@rediffmail.com / cell # 9414130248. Though the Example is prepared for IPC students, yet it is very much relevant for CA Final students too.

Exit Gate No. 1 – Is it covered in “Service”?
Exit Gate No. 2 – Is it included in “Negative List”?
Exit Gate No. 3 – Is it exempted under “Mega Exemption” or “Any other exemption”?
Exit Gate No. 4 – Is it excluded under “Valuation Rules”?

Final answer – “T” means “Taxable” and “NT” means “Not taxable”.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
	Exit Gate No. 1	**N**				**NT**	
	Exit Gate No. 2	**Y**	**Y**			**NT**	
	Exit Gate No. 3	**Y**	**N**	**Y**		**NT**	
	Exit Gate No. 4	**Y**	**N**	**N**	**Y**	**NT**	
	If not covered under any Exit Gate	**Y**	**N**	**N**	**N**	**T**	
1	BIE Academy provides online coaching classes and it provided free online access for coaching to a batch of 100 students.	N				NT	Any activity without consideration is not taxable. Hence the provision of free online access to students is not taxable.
2	Services by way of hiring of tempos along with transfer of right to use such tempos	N				NT	The definition of “service” prescribed u/s 65B(44) excludes an activity which merely constitutes a “deemed sale” within the meaning of Article 366(29A) of the Constitution of India. Services by way of hiring of tempos along with transfer of right to use such tempos is a “deemed sale”. Thus, it is not taxable.
3	Mr. A sold his residential house to Mr. B	N				NT	It is a “transfer of title in immovable property”. It is excluded from the definition of “service” u/s 65B(44). Hence not taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
4	Mr. A is a trader. He sold goods to Mr. B.	N				NT	It is a “transfer of title in goods”. It is excluded from the definition of “service” u/s 65B(44). Hence not taxable.
5	Mr. A, a Chartered Accountant, joins B Ltd. as an employee. He is “Manager - Audit’ and looks after entire audit work of company.	N				NT	Mr. A is an employee. He is providing service under a *contract of service*. This is a “service provided by an employee to his employer in the course of employment”. Hence it is excluded from the definition of service u/s 65B(44). Therefore, not taxable.
6	Fine imposed by Traffic Police for violation of a law	N				NT	Fines and penalties are mere legal consequences of a person’s wrong actions. They are not in the nature of “consideration for activity”. Hence there is no service u/s 65B(44). Hence not taxable.
7	Services provided by a branch to its head office (both located in India)	N				NT	If both of the branch and head office are situated in taxable territory, they are not treated as separate and distinct persons. They remain one and same person. Hence there is no service by one person to another. Therefore not taxable
8	B received a sum of Rs. 5 lakh from his employer on premature termination of his contract of employment.	N				NT	B has received amount from his employer. The receipt is in the course of employment. Hence it is excluded from the definition of “service”. Hence not taxable.
9	Donations given to political parties.	N				NT	The donation is not given for any activity. There is no reciprocity of activity and consideration. Hence it not a “service”. Therefore not taxable.
10	Gifts received from friends at the time of wedding	N				NT	The gifts are not given for any activity. There is no reciprocity of activity and consideration. Hence it not a “service”. Therefore not taxable.
11	Investment made by a partner in a partnership firm	N				NT	It is a “transaction in money” and therefore excluded from the definition of service u/s 65B(44). Hence not taxable.
12	Service provided by a casual worker to his employer. The employer gives daily wages to the worker.	N				NT	There can be a casual employee and his wages can be on daily / weekly / monthly basis. Even in such a case, there is a relationship of employee-employer. It is excluded from the definition of service u/s 65B(44). Hence not taxable.
13	Duties performed by M.P. / M.L.A. / Member of Panchayat / Member of Municipality / Member of Local Authority in their official capacity as such	N				NT	This is specifically excluded from the definition of service u/s 65B(44). Hence not taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
14	• Free access to TV channels • Providing tourism information free of charge • An artist performing in a street free of charge • Governmental activities for the benefit of citizens free of charge	N				NT	Under section 65B(44), an "activity for consideration" is a "service". Thus, "consideration" is necessary for a "service". In the present case, there is an "activity without consideration". Hence there is no service u/s 65B(44). Hence not taxable.
15	• Pocket money paid by father to son • Gifts • Donations	N				NT	Under section 65B(44), an "activity for consideration" is a "service". Thus, "activity" is necessary for a "service". In the present case, there is a "consideration without activity". Hence there is no service u/s 65B(44). Hence not taxable.
16	Mr. A deposited Rs. 1,00,000 in his Savings Bank A/c	N				NT	This is a "transaction in money". Hence not taxable.
17	Exchange of foreign currency into Indian currency by SBI to another Bank.	Y	Y			NT	The transaction of "*inter se* sale or purchase of foreign exchange amongst banks, or amongst authorized dealers of foreign exchange, or amongst banks and authorized dealers of foreign exchange", is covered under Negative List u/s 66D. Hence not taxable.
18	Exchange of foreign currency into Indian currency by SBI to general public.	Y	N	N	N	T	It is a service u/s 65B(44). Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
19	Commission received for canvassing / soliciting / promoting advertisements	Y	N	N	N	T	It is a service u/s 65B(44). Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
20	Coaching and tutorial service	Y	N	N	N	T	It is a service u/s 65B(44). Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
21	Service provided by a branch-office(outside India) of a company to the head-office of the same company located in India	Y	N	N	N	T	It is specifically provided in service-tax law that an establishment/branch of a person located in a taxable territory and another establishment / branch of the same person located in a non-taxable territory shall be deemed to be distinct persons. In this case, the branch is located outside India (i.e. non-taxable territory) and head office is located in India (i.e. taxable territory). Hence the branch and head-office shall be deemed to be distinct persons. Therefore, any service provided by branch-office to head office shall be taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
22	A bank issues demand-draft / pay-order of Rs. 1000 and charges commission of Rs. 10. Total amount received by bank from customer is Rs. 1010. What is treatment of Rs. 1000/-.	N				NT	Rs. 1000/- is a “transaction in money” and therefore excluded from the definition of service u/s 65B(44). Hence not taxable.
23	A bank issues demand-draft / pay-order of Rs. 1000 and charges commission of Rs. 10. Total amount received by bank from customer is Rs. 1010. What is treatment of Rs. 10/-.	Y	N	N	N	T	Rs. 10/- is a “consideration for activity”. Hence it is taxable.
24	Investment activity (Subsequently, the investor may receive yield in the form of dividend, interest, or even maturity proceed or sale proceed)	N				NT	Investment of funds by a person with another for which return of investment is given to the investor [without retaining any portion of return], is a “money-transaction” and hence excluded from the definition of service u/s 65B(44). Therefore, not taxable.
25	Investment activity for which commission is charged or a portion of return on investment is retained by the service provider	Y	N	N	N	T	The commission amount or the portion of return on investment retained by the service provider is a consideration for his activity. Hence it is a service. Therefore taxable.
26	Following services provided by post-office to Govt.: Speed post, express parcel post, life insurance, agency service (for example – collection of electricity bills / water bills / passport forms)	Y	Y			NT	Although it is a service, it is covered under Negative List u/s 66D. Hence not taxable.
27	*Following services provided by post-office to any person other than Govt.:* Speed post, express parcel post, life insurance, agency service (for example – collection of electricity bills / water bills / passport forms)	Y	N	N	N	T	It is a service. Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
28	*Following services provided by post-office:* Basic mail services (post-card, inland letter, book-post, registered-post), Transfer of money through money orders, issue of postal orders, pension payments	Y	Y			NT	Although it is a service, it is covered under Negative List u/s 66D. Hence not taxable.
29	Service provided by RBI to any person	Y	Y			NT	Although it is a service, it is covered under Negative List u/s 66D. Hence not taxable.
30	Services provided to RBI from outside India for management of foreign exchange reserves	Y	N	Y		NT	This is exempted under Mega Exemption. Hence not taxable.
31	Service provided by any person to RBI except management of foreign exchange reserves from outside India	Y	N	N	N	T	It is a service. Further, it is neither covered under Negative List u/s 66D nor entitled to any exemption. Hence taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
32	Service provided by Foreign Diplomatic Mission located in India to any person	Y	Y			NT	This service is covered under Negative List of Services u/s 66D. Hence not taxable.
33	Service provided by any person to Foreign Diplomatic Mission or consular posted in India for their office use or personal use	Y	N	Y		NT	This service is exempted under a notification. Hence not taxable.
34	Services in relation to pisciculture	Y	Y			NT	Pisciculture is included in the definition of agriculture and services relating to agriculture are included in Negative List. Hence not taxable.
35	Services provided by way of supply of farm labour relating to agriculture.	Y	Y			NT	This is covered in Negative List. Hence not taxable.
36	Renting of agro machinery for agricultural purposes.	Y	Y			NT	It is an activity carried out for agricultural purposes which is covered under Negative List. Hence not taxable.
37	Mr. A enters into transactions of forward contract of commodities and commodity futures	Y	Y			NT	It is an activity of “trading of goods”. It is included in Negative List u/s 66D. Hence not taxable.
38	AB Ltd. Manufactures alcoholic liquor for human consumption on job work basis.	Y	N	N	N	T	It is not covered in negative list. Further Mega exemption provides exemption for carrying out an intermediate production process as job work in relation to any goods excluding alcoholic liquor for human consumption. Hence it is taxable.
39	M/s A. carried out job work on behalf of M/s B and converted product X into product Y and the job work done by M/s A amounts to “the process of manufacture.	Y	Y			NT	If the job work done by M/s A amounts to “the process of manufacture” as defined in Negative List u/s 66D, his service shall not be taxable.
40	M/s A. carried out job work on behalf of M/s B and converted product X into product Y and the job work done by M/s A is in the nature of “intermediate production process” covered within Mega Exemption.	Y	N	Y		NT	If the job work done by M/s A is in the nature of “intermediate production process” covered within Mega Exemption, it shall not be taxable.
41	M/s A. carried out job work on behalf of M/s B and converted product X into product Y and the job work done by M/s A is covered neither in the “process amounting to manufacture” under Negative List nor in the “intermediate production process” under Mega Exemption.	Y	N	N	N	T	The service shall be taxable.
42	Sale of space for advertisement on internet websites.	Y	N	N	N	T	Advertisement in all media other than print media is taxable. Hence taxable.
43	Sale of time for advertisement to be broadcast on TV Channel	Y	N	N	N	T	Advertisement in all media other than print media is liable to service tax. Hence taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
44	Advertising in business directories	Y	N	N	N	T	Advertisement in all media other than print media is liable to service tax and print media excludes business directories. Hence taxable.
45	Advertising on film screen in theatres.	Y	N	N	N	T	Advertisement in all media other than print media is liable to service tax. Hence taxable.
46	Selling of space or time slots for advertisement on radio or television.	Y	N	N	N	T	"Selling of space for advertisement in print media" is covered under Negative List u/s 66D. In this case, the activity is on radio or television. Hence it is not covered by Negative List. Therefore taxable.
47	Sale of space for advertisement in print media	Y	Y			NT	"Selling of space for advertisement in print media" is covered under Negative List u/s 66D. Hence not taxable.
48	Sale of space for advertisement in bill boards, advertisement in public places like stadium, advertisement through banners, aerial advertising	Y	N	N	N	T	It is a service u/s 65B(44). Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
49	Service relating to preparation of advertisement	Y	N	N	N	T	It is a service u/s 65B(44). Further, it is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
50	Services by way of renting of residential dwelling for use as residence.	Y	Y			NT	This is covered in Negative List. Hence not taxable.
51	Interest on overdraft	Y	Y			NT	This is covered under Negative List. Hence not taxable.
52	Interest on corporate deposits	Y	Y			NT	This is covered under a specific entry in Negative List. Hence not taxable.
53	Repo Rates and Reverse Repo Rates	Y	N			NT	Repos and Reverse Repos are financial instruments of short term normally used by banks to borrow from or lend to RBI. The margins, called Repo Rate and Reverse Repo Rate in such transactions, are in the nature of interest charged for lending or borrowing money. "Interest" is covered in Negative List. Hence not taxable.
54	State Bank of India gives housing loan of Rs. 50 lakh to Mr. A.	N				NT	Disbursement of loan of Rs 50.00 Lacs by SBI to Mr. A is a "transaction in money". It is excluded from the definition of service u/s 65B(44). Hence not taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
55	Mr. A paid Rs 50,000/- as processing fee and administrative charges to SBI for housing loan	Y	N	N	N	T	Payment of Rs. 50,000/- as processing fee and administrative charges is a "consideration for service". It is neither covered under Negative List u/s 66D not entitled to any exemption. Hence taxable.
56	Mr. A paid Rs 6.00 Lacs to SBI as interest on housing loan.	Y	Y			NT	"Interest" is covered under Negative List u/s 66D. Hence not taxable.
57	Advance received from a client for which no service has been rendered	Y	N	N	N	T	According to charging section 66B and POT Rules, 2011, tax is to be paid on the value of service provided or agreed to be provided. Hence, even if the service has not been provided but the consideration has been received for service to be provided, it is taxable. *[However, if the service provider refunds money back to the service receiver, there would be no taxability].*
58	Demurrage charges recovered for use of services beyond agreed period.	Y	N	N	N	T	The demurrage charges have been recovered for use of service. Under Rule 6 of Service-tax (Determination of Value) Rules, 2006, such demurrage charges shall be included in the value of taxable service. Hence taxable.
59	Security deposits forfeited by service-provider due to damage done by the service-receiver during the course of receiving service	Y	N	N	N	T	The security deposit has been forfeited due to damage relatable to the service. Under Rule 6 of Service-tax (Determination of Value) Rules, 2006, such forfeited amount shall be included in the value of taxable service. Hence taxable.
60	Excess payment received by service-provider from service-receiver by mistake	Y	N	N	N	T	Such excess amount (even if received by mistake) is in the course of providing service. Hence it is taxable. *[However, if the service provider refunds money back to the service receiver, there would be no taxability].*
61	Transportation of goods by air from a place outside India upto the place of customs clearance in India	Y	N	Y		NT	Although it is a service, yet it is covered under Mega Exemption. Hence not taxable.
62	Service of betting, lottery or gambling	Y	Y			NT	It is covered under Negative List of Services u/s 66D. Hence not taxable.
63	Services provided by one department of Central Government to another department of Central Government.	N				NT	An activity done by a person for another person is a "service". In this case, the service is not provided by one person to another. This is a case of self-

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
							consumption of service. Hence it is not a “service”. Hence not taxable.
64	Services provided by one department of State Government to another department of State Government.	N				NT	An activity done by a person for another person is a “service”. In this case, the service is not provided by one person to another. This is a case of self-consumption of service. Hence it is not a “service”. Hence not taxable.
65	• Services provided by Central Government to State Govt. / local authority • Service provided by State Govt. to Central Govt. / local authority • Service provided by local authority to Central Govt. / State Govt.	Y	N	Y		NT	This service is exempted under Mega Exemption. Hence not taxable. *[It is assumed that the service is not covered under Sub-Entry No. (i), (ii) or (iii) of Entry No. (a) of the Negative List.]*
66	Service provided by Central Govt . / State Govt. to public	Y	N	N	N	T	“Government” is included in the definition of “Person”. Hence the service provided by “Govt.” is also taxable. *[It is assumed that the service is neither covered under Negative List u/s 66D not entitled to any exemption]*
67	Services provided by Police Department to PSUs, corporate entities or other business entities	Y	N	N	N	T	It is a service. Further, it is not included in Negative List u/s 66D. Hence taxable.
68	M/s A is a registered club. It provides banquet hall to one of its members for celebration of birthday and receives rent of Rs. 3,000/-.	Y	N	N	N	T	M/s A is receiving rent, which is a receipt for service. Further, M/s A is not receiving Rs. 3000/- as reimburshment or share of contribution from member. Hence the benefit of Mega Exemption is not available. Therefore taxable.
69	M/s X, a resident welfare association, organizes medical camp for its members. Health care facility is provided in such medical camp. M/s X recovers contributions from its members for holding camp.	Y	N	Y		NT	Health care service is an exempted service. M/s X is receiving contributions from its own members for provision of health care service which is exempt from levy of service-tax. Hence, the contribution received by M/s X is exempt under Mega Exemption.
70	Services provided in a vessel stationed at a distance of 10 NM from the Indian land mass.	Y	N	N	N	T	The definition of “India” includes “Indian Territorial Waters”. Indian Territorial Waters extend upto 12 NM. Hence the service provided in a vessel stationed at a distance of 10 NM is a service provided in “India”. Hence taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
71	Services provided in a vessel stationed at a distance of 54 NM from the Indian land mass in EEZ for prospecting, extraction, or production of mineral oil and natural gas and supply thereof.	Y	N	N	N	T	The definition of "India" includes vessels located in EEZ for the purpose of prospecting, extraction, or production of mineral oil and natural gas and supply thereof only. Hence it is a case of service provided in India. Hence taxable.
72	Services provided in a vessel stationed at a distance of 54 NM from the Indian land mass in EEZ for carrying out fishing operations.		N	N	N	NT	The definition of "India" includes vessels located in EEZ for the limited purpose of prospecting, extraction, or production of mineral oil and natural gas and supply thereof only. But here the vessel is for carrying out fishing operations. Hence it does not fall within the definition of "India". Hence not taxable.
73	Grant given to a researcher to carry out a research in a particular field.	Y	N	N	N	T	The grant is given with a direction / condition / counter obligation for carrying out research in a particular field. Hence it is a case of activity for consideration. Hence taxable.
74	Grant given to a researcher to carry out any research of his choice. But researcher has to provide IPR rights of the outcome of such research activity.	Y	N	N	N	T	Although the grant is given for carrying out any research of his choice, there is a direction / condition / counter obligation for providing IPR rights of the outcome of research. Hence it is a case of activity for consideration. Hence taxable.
75	Donation to charitable trust with a condition to display the name of the donor in a fair organized by the trust.	Y	N	N	N	T	The donation is given with a condition / direction / counter obligation for display of donor's name in a fair organized by the trust. This is a case of activity for consideration. Hence taxable.
76	Travel in a car rented for the whole day on a lump sum consideration.	Y	N	N	N	T	Travel in "metered cabs" is covered in Negative List, But the travel in a "rented car" is not included in Negative List. Hence taxable.
77	Air-conditioned travel in Railway	Y	N	N	N	T	It is not covered in Negative List. Hence taxable.
78	Rail travel in sleeper class	Y	Y			NT	It is covered in Negative List. Hence not taxable.
79	Travel in Metro Train	Y	Y			NT	It is covered in Negative List. Hence not taxable.
80	Air travel	Y	N	N	N	T	It is not covered in Negative List. Hence taxable. *[It is assumed that it is not entitled for Mega Exemption]*

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
81	Radio taxi travel	Y	N	N	N	T	It is neither covered in Negative List nor entitled to Mega Exemption. Hence taxable.
82	Services provided by an unincorporated Body of Individuals.	Y	N	N	N	T	"Person" includes "Body of Individuals" whether incorporated or not. Hence the service provided by an unincorporated BOI is taxable.
83	Services of funeral, burial, crematorium or mortuary and transportation of the deceased.	Y	Y			NT	This is covered in Negative List. Hence not taxable.
84	Reiki healing treatment	Y	N	N	N	T	Reiki healing treatment is not a recognized system of medicine. Hence the benefit of Mega Exemption is not allowed. Hence taxable.
85	A cable car company runs a cable car to transport pilgrims uphill to a mountain top where a holy shrine is situated.	Y	N	N	N	T	Transportation of passengers by cable car is not exempt under Mega exemption. Hence taxable.
86	External asset management services received by RBI from overseas financial institutions.	Y	N	Y		NT	Services received by RBI from outside India in relation to "management of foreign exchange reserve" are exempt under Mega exemption. "External asset management" is a service in the course of "management of foreign exchange reserves". Hence not taxable.
87	Services provided by an Indian tour operator to Mr. B, a Japanese National, for a tour conducted in Europe	Y	N	Y		NT	Services provided by an Indian tour operator to a foreign tourist in relation to a tour conducted outside India are exempt under Mega exemption. Hence not taxable.
88	Services provided to a Higher Secondary School affiliated to CBSE Board by an IT company in relation to development of a software to be used for enhancing the quality of classroom teaching.	Y	N	N	N	T	This service is not covered under Mega Exemption. Hence taxable.
89	Hair transplant services	Y	N	N	N	T	It is specifically excluded from "health care service". Hence it not eligible for Mega Exemption. Hence taxable.
90	Consultancy services provided to Govt. in relation to slum improvement and upgradation.	Y	N	N	N	T	Services provided to Govt. by way of water supply, public health, sanitation conservancy, solid waste management or slum improvement and upgradation are exempt under Mega Exemption. However, this exemption is not extendable to other services such as consultancy, designing etc. provided to Govt. for slum improvement. Hence taxable.
91	Paddy milled into rice on job work	Y	N	Y		NT	Carrying out an "intermediate

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
	basis.						production process as job work in relation to agriculture" is exempt from service tax. The activity of "milling of paddy into rice" is treated as "intermediate production process as job work in relation to agriculture". Hence this activity is exempt under Mega Exemption.
92	"Splash" is a water park. It charges 500/- per person as entry fee.	Y	N	N	N	T	Admission to award function, concert, pageant etc. is exempted under Mega Exemption. But fee for entry to a water park is not exempted (because it is simply an entry to amusement facility). Hence taxable.
93	Rohit, an advocate, rendered professional advice to its client and as a consideration client gave a souvenier to Rohit.	Y	N	N	N	T	The souvenier given by a client constitutes a valid consideration, Hence Rohit is liable to service-tax. Rohit is advised to refer Valuation Rules and determine taxable value of service and pay tax thereon.
94	For provision of a taxable service payment has been received in cash as well as by credit card	Y	N	N	N	T	As per valuation rules, Gross Amount Charged (GAC) includes payment by cheque and credit card. Therefore, receipt in cash or by credit card is also a consideration and taxable.
95	For provision of a taxable service payment has been received by a pay order.	Y	N	N	Y	T	As per valuation rules, Gross Amount Charged (GAC) includes payment by cheque and credit card. Therefore the receipt by cheque or credit card is also a consideration and taxable.
96	Mr. Ram has entered into a roll over contract. He approached NDBC Bank for selling US$ 35000 at the rate of Rs. 60 per US$. RBI reference rate for US$ is Rs. 61 per US$.	Y	N	N	N	T	It is a service pertaining to purchase or sale of foreign currency, including money changing. This service is taxable. The taxable value shall be determined according to Valuation Rules which state that the value of such service shall be equal to the difference in buying rate or selling rate, (as the case may be) and the RBI reference rate for that currency at that time, multiplied by the total units of currency. Hence the value of taxable service = (61 - 60)*35000 = 35000
97	Service charges relating to issuance of Certificate of Deposit (CDs)	Y	N	N	N	T	Certificate of Deposits are "transaction in money" but service charges relating to issuance of CDs are not in the nature of "transaction in money". Hence taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
98	Mr. A availed services of a mobile network operator.	Y	N	N	N	T	It is a service. It is neither covered under Negative List nor Mega Exemption. Hence taxable.
99	Mr. A availed beauty treatment services from a saloon.	Y	N	N	N	T	It is a service. It is neither covered under Negative List nor under Mega Exemption. Hence taxable.
100	Ms. B visited an Orthopaedician (MBBS, MS) as she had severe backache and paid consultancy fee.	Y	N	Y	N	NT	Consultancy service by an Orthopaedician is covered under "health care service" and therefore eligible for Mega Exemption. Hence not taxable.
101	BIE Academy received an advance from ABC school for conducting online classes specially designed for their students. However later on due to some internal disagreement, ABC school cancelled the agreement. The advance received was forfeited by BIE Academy.	Y	N	N	N	T	Any sum received for service provided or agreed to be provided is taxable. In this case, the BIE Academy has received advance under an agreement to provide service. Further, it has also forfeited the advance. Hence BIE Academy is liable to pay service-tax.
102	A company invites public at large to contribute to development of a web application and thereafter, pays reward to the best selected contribution.	Y	N	N	N	T	This is a service. Hence taxable.
103	The processes of grinding, sterilizing, extraction, packaging in retail packs of agricultural produce, which make the agricultural products marketable in retail market.	Y	N	N	N	T	This is not included in Negative List or Exemption. Hence taxable.
104	Portfolio management charges, cash management charges, account charges, online access charges, credit card charges, locker rent charged by bank from customers	Y	N	N	N	Y	These are taxable.
105	Processing fee, legal fee, documentation fee charged by a bank for grant of loan.	Y	N	N	N	Y	These are taxable.
106	Plastic surgery to repair cleft lip of a new born baby.	Y	N	Y		NT	Although, the definition of "Health care service" exclude hair transplant, cosmetic or plastic surgery, yet if the hair transplant, cosmetic or plastic surgery is undertaken to restore anatomy or functions of body affected due to congenital defects, injury, trauma etc., it falls within "health care service" and entitled to Mega Exemption. Therefore plastic surgery to repair cleft lip of a new born baby is a "health care service" entitled to mega exemption. Hence not taxable.
107	Air ambulance service to transport critically ill patients from distant locations to the medical centre	Y	N	Y		NT	Service by way of transportation of patient to in an ambulance (may be road ambulance or air ambulance) is covered under Mega exemption. Hence not

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
							taxable.
108	Palliative care for terminally ill patients provided at patients home. (Palliative care is given to improve the quality of life of patients having life threatening disease but goal of such care is not to cure disease).	Y	N	Y		NT	"Health care service" is entitled for Mega Exemption. The definition of "health care service" covers any service by way of "diagnosis", "treatment" or "care". Palliative care is a service by way of "care" and hence falls within "health care service". It is immaterial whether such care has been provided at clinical establishment or at home. Hence benefit of Mega exemption is allowed. Hence not taxable.
109	Alternative medical treatment by way of yoga	Y	N	Y		NT	"Yoga" is a recognized system of medicine so the same would be eligible for exemption. Hence not taxable.
110	Service provided by a cord blood bank in relation to preservation of stem cells.	Y	N	Y		NT	This is covered under Mega Exemption. Hence not taxable.
111	Services provided to a clinical establishment by the operators of Common Bio-medical Waste Treatment Facility by way of treatment or disposal of bio medical waste or processes incidental thereto.	Y	N	Y		NT	This service is exempted under Mega exemption. Hence not taxable.
112	A has entered into a contract with B for rendering legal consultancy services for one year on a lump sum fee of Rs. 125000 p.m.	Y	N	N	N	T	This is a case of service provided under a "contract for service". This is not a case of "contract of service". Hence it is taxable.
113	ICAI provides ITT, OTT or GMCS training to CA Students	Y	N	Y		NT	Any education or training as a part of curriculum for obtaining a qualification recognised by any law, is exempted under Mega Exemption. The ITT, OTT or GMCS training providing by ICAI to CA students satisfies this condition and therefore eligible for exemption. Hence it is not taxable.
114	Sarvshiksha, an Educational Trust, runs a play school named 'Tiny Toys' for providing pre-school education.	Y	N	Y		NT	Services provided by an "educational institution" to its students, faculty and staff are covered under Mega Exemption. Institution providing services by way of pre-school education and education upto higher secondary school is an "educational institution". Hence not taxable.
115	'Pinnacle Academy' provides educational services upto higher secondary school.	Y	N	Y		NT	Services provided by an "educational institution" to its students, faculty and staff are covered under Mega Exemption. Institution providing services by way of pre-school education and

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
							education upto higher secondary school is an "educational institution". Hence not taxable.
116	'Mahajan Classes', a coaching centre, is providing coaching of IIT JEE entrance examinations to meritorious students of economically weak background.	Y	N	N	N	T	Services provided by an educational institution to its students, faculty and staff are covered under Mega Exemption. But private coaching institutes do not fall within the definition of "educational institution". Hence taxable.
117	'Global Point', an institution provides coaching classes for examination of Certified Public Accountant, USA.	Y	N	N	N	T	Services provided by an educational institution to its students, faculty and staff are covered under Mega Exemption. But private coaching institutes do not fall within the definition of "educational institution". Hence taxable.
118	Services provided by an institute approved by National Council of Vocational Training (NCVT) by way of Modular Employable Skill Course in the Information & Communication Technology Sector.	Y	N	Y		NT	Services provided by an educational institution to its students, faculty and staff are covered under Mega Exemption. "Educational institution" means an institution providing services by way of education as a part of an approved vocational education course. Hence not taxable.
119	An individual acts as a referee in a football match organized by Sports Authority of India.	Y	N	Y		NT	Services provided to a recognized sports body by an individual as referee in a sporting event organized by such body are entitled to Mega Exemption. Hence not taxable.
120	A hockey player gets fees from Indian Hockey Federation for participating in an international event.	Y	N	Y		NT	Services provided to a recognized sports body by an individual as a player in a sporting event organized by such body are exempt under Mega Exemption. Hence not taxable.
121	Shradha Kapoor (leading film actress) is brand ambassador of products manufactured by A Ltd. She has given classical dance performance in a concert organized by A Ltd. The proceeds of concert will be donated.	Y	N	N	N	T	Services by an artist by way of performance in classical dance form are exempt from service tax, if consideration is upto Rs. 1,50,000. However, if such services are provided as a brand ambassador, the exemption is not available. It makes no difference where the proceeds of such performance are to be used. Hence Shradha Kapoor is liable to pay service tax.
122	Transportation of milk by a GTA	Y	N	Y		NT	Services by way of transportation of milk, salt and food grain including flours, pulses and rice by a GTA are exempt under Mega Exemption. Hence not taxable.

Sl.	Activity	(1)	(2)	(3)	(4)	T or NT	Reason
123	Service provided by a club to its members	Y	N	N	N	T	It is specifically provided in service-tax law that a club and its members shall be deemed to be distinct persons. Hence the service provided by a club to its members shall be taxable. *[It is assumed that the club is providing service for consideration. It is further assumed that the activity done by club is neither covered under Negative List u/s 66D nor entitled to any exemption].*
124	Services by way of waxing of apples to provide it an artificial sheen for increasing its marketability	Y	N	Y		NT	Services by way of pre-conditioning, pre-cooling, ripening, waxing etc. of fruits or vegetables, which do not change / alter the essential characteristics of the fruits or vegetables, is covered under Mega exemption. Hence it is not taxable.
125	Admission to Railway Museum	Y	N	Y		NT	Services provided by way of admission to a museum are exempt under Mega Exemption. Hence not taxable.
126	A CA started his practice in the F.Y. 2016-17 and total value of services during the F.Y. 2016-17 amounted to Rs. 9.50 lacs only.	Y	N	Y		NT	The Chartered Accountant is eligible for SSP Exemption upto Rs 10.00 Lacs. Assuming that he avails SSP exemption, his is not liable to pay any service tax.
127	Admission to Indian Television Awards Function. The value per ticket per person is Rs. 510.	Y	N	N	N	T	Service by way of admission to award functions is exempt from service tax if amount charged is upto Rs. 500 per person. Here it is more than Rs. 500 per person. Hence taxable.
128	Mr. A, the employee of B Ltd., provides service to the associate/subsidiary company of B Ltd. under a *contract for service*	Y	N	N	N	T	Mr. A is not employee of B Ltd. He provides service under a contract for service. This is not a “service provided by an employee to his employer in the course of employment”. Hence, it falls within the definition of service u/s 65B(44). Hence taxable.
129	Entry No. 55 to 63 of Mega List **[Please refer our Book for these entries]**	Y	N	Y		NT	These services are exempted under Mega Exemption. Hence not taxable.