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| Notification | New Delhi, the 1 st March, 2006. |
| No. 1/2006-Service Tax | 10 Phalgun, 1927 (Saka) |

G.S.R. (E). — In exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994 (32 of 1994) (hereinafter referred to as the Finance Act), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the taxable service of the description specified in column (3) of the Table below and specified in the relevant sub-clauses of clause (105) of section 65 of the Finance Act, specified in the corresponding entry in column (2) of the said Table, from so much of the service tax leviable thereon under section 66 of the said Finance Act, as is in excess of the service tax calculated on a value which is equivalent to a percentage specified in the corresponding entry in column (5) of the said Table, of the gross amount charged by such service provider for providing the said taxable service, subject to the relevant conditions specified in the corresponding entry in column (4) of the Table aforesaid:

Table

| S. No | Sub-clause of clause (105) of Section 65 | Description of taxable service | Conditions | Percentage |
|-------|--|--|--|--------------|
| (1) | (2) | (3) | (4) | (5) |
| 1. | (m) | (1) The use of mandap, including the facilities provided to the client in relation to such use and also for the catering charges. (2) Taxable service provided by a hotel as mandap keeper in such cases where services provided include catering services, that is, supply of food alongwith any service in relation to use of a mandap. | This exemption shall apply only in such cases where the mandap keeper also provides catering services, that is, supply of food and the invoice, bill or challan issued indicates that it is inclusive of the charges for catering service. The invoice, bill or challan issued indicates that it is inclusive of charges for catering services. <i>Explanation.-</i> The expression "hotel" means a place that provides boarding and lodging facilities to public on commercial basis. | 60 60 |
| 2. | (n) | (a) Services provided in relation to a tour, by a tour operator, - (1) where the tour operator provides a package tour; (2) where the services provided are other than in relation to a package tour. | The bill issued for this purpose indicates that it is inclusive of charges for such a tour. The bill issued indicates that the amount charged in the bill is the gross amount charged for such a tour. | 40 |

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| | | | <i>Explanation.-</i> The expression “package tour” means a tour in which the provisions for transportation and accommodation for stay of the person undertaking the tour has been afforded by the tour operator. | |
| | | (b) Services provided in relation to a tour, if the tour operator is providing services solely of arranging or booking accommodation for any person in relation to a tour. | (i) The invoice, bill or challan issued indicates that it is towards charges for such accommodation, and (ii) this exemption shall not apply in such cases where the invoice, bill or challan issued by the tour operator to the client only includes the service charges for arranging or booking accommodation for any person in relation to a tour and does not include the cost of such accommodation. | 10 |
| 3. | (o) | Renting of a cab. | - | 40 |
| 4. | (zc) | Holding of a convention, where service provided includes catering service. | The gross amount charged from the client is inclusive of the charges for the catering service. | 60 |
| 5. | (zzd) | Erection, commissioning or installation, under a contract for supplying a plant, machinery or equipment and erection, commissioning or installation of such plant, machinery or equipment. | This exemption is optional to the commissioning and installation agency. <i>Explanation.-</i> The gross amount charged from the customer shall include the value of the plant, machinery, equipment, parts and any other material sold by the commissioning and installation agency, during the course of providing erection, commissioning or installation service. | 33 |
| 6. | (zpz) | Transport of goods by road in a goods carriage. | - | 25 |
| 7. | (zzq) | Commercial or industrial construction service. | This exemption shall not apply in such cases where the taxable services provided are only completion and finishing services in relation to building or civil structure, referred to in sub-clause (c) of clause (25b) of section 65 of the Finance Act. <i>Explanation.-</i> The gross amount charged shall include the value of goods and materials supplied or provided or used by the provider of | 33 |

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| | | | the construction service for providing such service. | |
| 8. | (zzt) | Catering. | This exemption shall apply in cases where,- (i) the outdoor caterer also provides food; and (ii) the invoice, bill or challan issued indicates that it is inclusive of charges for supply of food. | 50 |
| 9. | (zzw) | Services in relation to pandal or shamiana in any manner, including services rendered as a caterer. | This exemption shall apply only in cases where,- (i) the pandal or shamiana contractor also provides catering services, that is, supply of food; and (ii) the invoice, bill or challan issued indicates that it is inclusive of charges for catering service. | 70 |
| 10. | (zzzh) | Construction of complex. | This exemption shall not apply in cases where the taxable services provided are only completion and finishing services in relation to residential complex, referred to in sub-clause (b) of clause (30a) of section 65 of the Finance Act. <i>Explanation.-</i> The gross amount charged shall include the value of goods and materials supplied or provided or used for providing the taxable service by the service provider. | 33 |

Provided that this notification shall not apply in cases where, -

- (i) the CENVAT credit of duty on inputs or capital goods or the CENVAT credit of service tax on input services, used for providing such taxable service, has been taken under the provisions of the CENVAT Credit Rules, 2004; or
- (ii) the service provider has availed the benefit under the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 12/2003-Service Tax, dated the 20th June, 2003[G.S.R. 503 (E), dated the 20th June, 2003].

Explanation.- For the purposes of this notification, the expression “food” means a substantial and satisfying meal and the expression “catering service” shall be construed accordingly.

[F. No. 334/3/2006-TRU]

(G. G. Pai)

Under Secretary to the Government of India