



केन्द्रीय उत्पाद शुल्क एवं सेवा कर आयुक्त का कार्यालय
नं.1, विलियम्स रोड, कन्टोनमेंट, तिरुच्चिरापल्लि 620 001
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE & SERVICE TAX
1, WILLIAMS ROAD, CANTONMENT, TIRUCHIRAPPALLI - 620 001

TRADE NOTICE NO. 8 / 2016-ST

08.09.2016

Subject: Service Tax - Clarification regarding exemption to service of renting of precincts of a religious place meant for general public.

The Government of India, Ministry of Finance, Department of Revenue, Tax Research Unit, New Delhi has issued a Circular No.200/10/2016-Service Tax (F. No.354/45/2016-TRU) dated 06.09.2016, wherein clarification has been given about the meaning of the word 'precincts' used in the entry at Sl. No.5(a) of the Service Tax Mega Exemption Notification No.25/2012-S.T. dated 20.06.2012, under which exemption is granted to services by way of renting of precincts of a religious place meant for general public.

2. The text of the above-mentioned Circular is hereby communicated to all the constituent members of Industry / Trade Associations and Chamber of Commerce.

(Issued from file C. No.IV/16/805/2016-S.T. Policy)


(S. SRIMATHI)
Joint Commissioner

To
As per mailing list.
All Divisions / Ranges under Trichy Commissionerate.
All Sections in Hqrs. Office, Trichy.

o/c

Copy to : Computer Centre, Hqrs., Trichy - for uploading the Trade Notice to the website of the Commissionerate.

(Text of the Circular No. 200/10/2016-Service Tax (F. No.354/45/2016-TRU) dated 06.09.2016 issued by the Government of India, Ministry of Finance, Department of Revenue, Tax Research Unit)

Sub: Clarification regarding scope of Notification No. 25/2012-Service Tax dated 20.06.2012, SI. No. 5(a).

I am directed to refer to the above mentioned subject and to say that it has come to notice of the Ministry that difficulties are being faced in interpreting the scope of Notification No. 25/2012-Service Tax dated 20.06.2012, SI. No. 5(a).

2. The matter has been examined. The said notification exempts services by way of renting of precincts of a religious place meant for general public. 'Religious Place' has been defined in the notification to mean a place which is primarily meant for conduct of prayers or worship pertaining to a religion, meditation or spirituality. 'General Public', according to the notification, means the body of people at large, sufficiently defined by some common quality of public or impersonal nature. 'Renting' has been defined in the Finance Act, 1994 as allowing, permitting or granting access, entry, occupation, use or any such facility, in any immovable property, with or without the transfer of possession or control of the said immovable property. However, the word 'precincts' appearing in the notification has not been defined and this gives rise to difficulty/ disputes in interpreting scope of the said exemption notification.

3. The meaning of the word 'precincts' as given in various dictionaries is as under:-

Cambridge English Dictionary

"The area that surrounds a building or place, especially one with a wall around it."

Random House Unabridged Dictionary

"Precincts, the parts or regions immediately surrounding a place; environs: the precincts of a town."

"The ground immediately surrounding a church, temple, or the like."

"A walled or otherwise bounded or limited space within which a building or place is situated."

Black's Law Dictionary

"The immediate neighborhood of a palace or court."

4. In the case of CCE, Mangalore Vs. Dakshina Kannada Mogaveera Mahajana Sangha [2010(17) S.T.R. 258 (Tri.- Bang.)] Involving identical issue, CESTAT, Bangalore held after perusing the photographs of the temple complex that since the entire temple complex and marriage hall were enclosed by a boundary wall, the marriage hall was within the precincts of the temple and thus eligible for benefit of Notification No. 14/2003-Service Tax.

5. The Supreme Court has also held in the context of Notification No. 63/1995-Central Excise dated 16.03.1995, in the case of South Eastern Coalfield Ltd. Vs. Commissioner of Customs and Central Excise, Madhya Pradesh[2006(200) E.L.T. 357 (S.C.)] that the word 'precincts' has to be given the broader meaning and not the narrower meaning. The word 'precinct' in the exemption notification No. 63/1995-Central Excise dated 16.03.1995 was interpreted by the Hon'ble Apex Court to mean the surrounding region or area, as defined in Collins English Dictionary or the surroundings or environs of a place as defined in the New Shorter Oxford English Dictionary.

6. In view of the above, field formations may not take a restricted view of the word 'precincts' and consider all immovable property of the religious place located within the outer boundary walls of the complex (of buildings and facilities) in which the religious place is located, as being located in the precincts of the religious place. The immovable property located in the immediate vicinity and surrounding of the religious place and owned by the religious place or under the same management as the religious place, may be considered as being located in the precincts of the religious place and extended the benefit of exemption under Notification No. 25/2012-Service Tax, SI. No. 5(a) dated 20.6.2012.
