

VISVESVARAYA NATIONAL INSTITUTE OF TECHNOLOGY,
NAGPUR – 440 010

ACCOUNTS SECTION

CIRCULAR

No. VNIT/ACCT/2016-17/Service Tax

Date: 08 Dec 2016

APPLICABILITY OF SERVICE TAX ON REGISTRATION FEES / SPONSORSHIP
COLLECTED DURING CONDUCT OF SEMINARS/ WORKSHOPS AND SERVICES
RELATED TO TESTING AND CONSULTANCY : REG

1. It is stated that various Academic Departments of VNIT Nagpur are conducting seminars/ workshops/ MDP (Management Development Programmes) from time to time.
2. Registration fees/ sponsorship is collected from the participants attending such events, at the rate decided by Institute. However, it has been observed that many departments are not adding the component of Service Tax (presently 15%) in the Registration fees/ sponsorship amount to be collected from the participants.
3. In this connection, attention is invited to Service Tax Notification No. 06/2014-Service Tax dated 11th July 2014, which regulate the Scope of **exempted services**, in r/o educational institutes, as under:

"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;";

This makes it abundant that all other services are liable for Service Tax.

4. In view of the above, it is requested that all HODs/ Faculty should invariably mention the component of Service Tax separately with the Registration fees/ sponsorship indicated in the brochures/ leaflets of such events. This is essential to enable Accounts Section to properly deposit the Service Tax dues to the Government Treasury.
5. Further, as regards the **services related to Testing and Consultancy**, it has been observed that some departments are charging Service Tax on Consumable Deposits, Visit charges and all other related expenses etc., while some departments are charging Service Tax only on basic amount. The issue has been deliberated with the Tax Consultants of the Institute who have opined that **Service Tax should be levied on Gross Amount (i.e. including Consumable Deposits, Visit charges, all other related expenses)**. As such, all departments are requested to take note of the same and charge Service Tax accordingly on such services.
6. All concerned are requested to follow these guidelines scrupulously.

(Dr S R Sathe)

REGISTRAR

कुलसचिव / Registrar

वि.सि.पी.स./VNIT

नागपुर-४०/Nagpur-40

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1. All HoDs / Section Heads -For circulation among staff under their control
2. All Deans/ Associate Deans - For information and necessary action
3. Director - For information please.