

Circular No. 200/10/2016-Service Tax

F. No. 354/45/2016-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
(Tax Research Unit)

Dated: 6<sup>th</sup> September, 2016

To

Principal Chief Commissioners of Customs and Central Excise (All) Principal  
Chief Commissioners of Central Excise & Service Tax (All) Principal Director  
Generals of Goods and Service Tax/System/CEI Director General of Audit/Tax  
Payer Services

Principal Commissioners/ Commissioners of Customs and Central Excise (All)  
Principal Commissioners/Commissioners of Central Excise and Service Tax  
(All)

Principal Commissioners/Commissioners of Service Tax (All)

Principal Commissioners/Commissioners LTU/Central Excise/Service Tax  
(Audit)

Madam/ Sir,

**Sub: Clarification regarding scope of Notification No. 25/2012-Service Tax  
dated 20.06.2012, Sl. 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, Sl. 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:*

*"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.

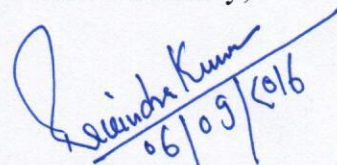
6. In view of the above, field formations may not take a restricted view of the word 'precincts' and consider all immovable property of the religious place located within the outer boundary walls of the complex (of buildings and facilities) in which the religious place is located, as being located in 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, Sl. No. 5(a) dated 20.6.2012.

7. Wide publicity may be given so that the assesseees and public are aware of the above. All the major Industry and Trade Associations may be informed accordingly. Difficulty if any, in the implementation of the Circular should be brought to the notice of the Tax Research Unit.

8. All concerned are requested to acknowledge the receipt of this Circular.

Hindi version would follow.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Ravindra Kumar', with a date '06/09/2016' written below it.

(Dr. Ravindra Kumar)  
Technical Officer (TRU-II)  
Tele No. 011-23095547