Tax News

PKF SRIDHAR & SANTHANAM
Chartered Accountants

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INCOME TAX

Reminder for Nov. - 2014

Action Due	Due Date
TDS/TCS for Oct. 2014	07.11.2014
PF for Oct. 2014	15.11.2014
ESI for Oct. 2014	21.11.2014
Annual return for AY2014-15 for assessee's required to submit a report u/s 92E for international or domestic transactions	30.11.14
Audit report u/s 44AB for AY2014-15 for assessee's required to submit a report u/s 92E for international or domestic transactions	30.11.14

SERVICE TAX

Action Due	Due Date
Service Tax for the month of Oct. 2014 in case of company	05.11.2014
Service Tax for the month of Oct. 2014 in case of a company for which e-payment is mandatory.	06.11.2014
Service Tax Return filing for period Apr – Oct 2014	14.11.2014

INCOME TAX

▪ Important Circulars / Notifications

➢ **Withholding tax on Issuance of Long Term Bonds** - Section 194LC of the Income-tax Act, 1961, provided for lower withholding tax at the rate of 5% on the interest payments by Indian companies on borrowings made in foreign currency from a source outside India. The benefit was available in respect of borrowings made either under an agreement or by way of issue of long term infrastructure bonds. The section further provided that such borrowing and the rate of interest should be approved by the Central Government. Subsequently, to reduce the delays arising on account of case-by-case approval, the Central Govt had decided to grant approval to all borrowings by way of loan agreement and long term infrastructure bonds provided they satisfied certain conditions stated in the CBDT Circular No.7/2012 dated 21-9-2012.

The Finance (No 2) Act, 2014 has amended section 194LC with effect from 1-10-2014. Consequent to the amendment, the concessional rate of withholding tax has been extended to borrowing by way of any long term (maturity of 3 years or more) bonds, not limited to a long term infrastructure bond, if the borrowing is made on or after 1-10-12014. Further, the concluding date of the period of borrowings eligible for concession under Section194LC which was earlier 01/07/2015 has been extended to borrowings made before the 1st day of July, 2017. *Circular No.15/2014 [F.NO.133/50/2014-TPL], Dated 17-10-2014.*

➢ **Redeployment of technical manpower in software industry SEZ:** CBDT had issued Circular No. 12/2014 dated 18th July, 2014 to clarify that mere transfer or re-deployment of existing technical manpower from an existing unit to a new SEZ unit in the first year of commencement of business will not be construed as splitting up or reconstruction of an existing business, provided the number of technical manpower so transferred does not exceed 20% of the total technical manpower actually engaged in developing software at any point of time in the given year in the new unit.

This limit has been raised to 50%, as at the end of the fiscal year. Further, if the assessee (enterprise) is able to demonstrate that the net addition of the new technical manpower in all units of the assessee (enterprise) is at least equal to 50% of the total technical manpower of the new SEZ unit during such previous year, deduction under section 10A/10AA would not be denied provided the other prescribed conditions are also satisfied. *Circular no. 14/2014 [F.no.178/84/2012-ITA.I], dated 8-10-2014.*

SC/ HC Judgments

➢ **Taxation of Capital gain accrued to UAE residents:** The assessee, ICICI Bank, did not deduct tax at source, while remitting the income which its UAE-based Account holder had derived from sale of securities in India. The assessee contended that the capital gains that the account holder derived was not liable to tax in UAE, therefore, the same income generated in India could not be subjected to tax, more so, when the account holder was not subject to the Indian Tax Law.

Revenue contended that the Double Taxation Avoidance Agreement was not a facilitating arrangement and merely because the capital gains were not subjected to tax in the State or in the Country to which the account holder belonged (UAE in this case), did not mean that the source of the income would not be liable to be taxed under Indian Law. Therefore, the account holder having earned the income from the sale of securities in India, and since that income had not been remitted from India to UAE, so the assessee bank was liable to deduct the tax at source. Upon appeal, the High Court held:

- There is no tax liability on the income by way of gains from sale proceeds of government securities in India, in UAE.
- If the gains accrued to the residents of UAE and that was not subject to or liable to any tax in UAE, then, the assessee bank was not obliged to deduct the tax at source. The income is not liable to tax and, therefore, tax deduction at source on such income was not permissible. *[2014] 49 taxmann.com 1 (Bombay) High Court, Bombay, Income-tax v.ICICI Bank Ltd.*

➢ **National Tax Tribunal Act unconstitutional:** The Parliament has the power to enact legislation, and to vest adjudicatory functions, earlier vested in the High Court, with an alternative court/tribunal. Exercise of such power by the Parliament would *per se* not violate any constitutional convention. Based on this premise, Sections 5, 6, 7, 8 and 13 of the NTT Act are held to be unconstitutional. Since the aforesaid provisions, constitute the basis of the NTT Act, and without these provisions the remaining provisions are rendered ineffective and inconsequential, the entire enactment is declared unconstitutional. As a result, Company Secretaries are ineligible to represent parties in appeal before NTT. *[2014] 49 taxmann.com 515 (SC); Madras Bar Association v. Union of India, 25-Sep-2014.*

➢ **Law - Retrospective or Prospective:** The question was whether the proviso appended to Section 113 of the Income Tax Act, which was inserted in that Section by the Finance

Act, 2002 is to operate prospectively or is clarificatory and curative in nature and, therefore, has retrospective operation. The Assessing Officer, on verification of working of calculation of tax provided by the assessee, observed that surcharge had not been levied on the tax imposed upon the assessee. This was treated as a mistake, and accordingly AO passed a rectification order under Section 154 of the Act. This was challenged in appeal by the assessee. CIT (Appeals) cancelled the AO's order on the ground that the levy of surcharge is a debatable issue and therefore such an order could not be passed taking umbrage under Section 154 of the Act. The undisclosed income was revised under Section 250BC/158BC by the AO to remove the component of the surcharge.

Revenue opined that this led to income having escaped the assessment. According to Revenue, in view of the provisions of Section 113 of the Act as inserted by the Finance Act, 1995 and clarified by the Board Circular No.717 dated 14.08.1995, surcharge was leviable on the income assessed. Since the charging provision was Section 4 of the Act which was to be read with Section 113 of the Act, that prescribes the rate and tax for search and seizure cases, the rate of surcharge as specified in the Finance Act of the relevant year was to be applied. In this particular case the search and seizure operation took place in 1999 and so the Finance Act 1999 was to be applied. The AO was directed to levy surcharge @ 10% and revise the income tax demand for the period 1989 to 2000. Upon appeal by the assessee, the Tribunal held that the insertion of the proviso to Section 113 of the Income Tax Act cannot be held to be declaratory or clarificatory in nature and was prospective in its operation. Upon appeal by the Revenue, the High Court of Delhi dismissed the appeal. Upon further appeal, the Supreme Court held:

- Of the various rules guiding how a legislation has to be interpreted, one established rule is that unless a contrary intention appears, a legislation is presumed not to be intended to have a retrospective operation.
- The idea behind the rule is that a current law should govern current activities. Law passed today cannot apply to the events of the past. This principle of law is known as *lex prospicit non respicit*: law looks forward not backward.
- If the concerned provision of the taxing statute is ambiguous and vague and is susceptible to two interpretations, the interpretation which favours the subjects, as against the Revenue, has to be preferred.
- If it is not very clear from the provisions of the Act as to whether the particular tax is to be levied to a particular class of persons or not, the subject should not have any liability to pay tax.
- Thus, in this case, the provision appended to Section 113 of the Income Tax Act imposing a surcharge, should come into effect prospectively

from 01.06.2002, and not retrospectively. *[2014] 49 taxmann.com 249, SC, Income Tax vs. Vatika Township (P.) Ltd., September 15, 2014.*

- **Expenditure towards 'work-in-progress' after contract has been terminated:** The assessee company was awarded a contract by Madhya Pradesh Electricity Board for rehabiliatation job for the Amarkantak Thermal Power Station near Jabalpur in MP. An amount was paid as advance for which the assessee provided a bank guarantee. The assessee commenced the work and incurred expenditure on the project. However, the assessee contended that MPEB arbitrarily terminated the contract and invoked the bank guarantee. The assessee invoked the arbitration clause and put forth a claim.

  In the Return filed by the assessee, it claimed the entire expenditure as deductible expenditure since the contract had been abandoned. The AO was of the view that since the assessee had been following mercantile method of accounting, so, as and when any expenditure was incurred on a contract, it should either result in corresponding receipts from the contract or it should be represented as WIP. The assessee had neither received any amount from MPEB nor was showing any WIP. The expenditure on a particular project cannot be merely allowed as expenditure unless there was a corresponding credit in the form of contract receipt or work-in-progress. Although the assessee had abandoned the contract, the fact remained that it had made a claim in arbitration in respect of the expenditure incurred and had also claimed damages for the termination of the contract. This being the case, it could not be said that the assessee was not entitled for any amount from MPEB. In fact, the amount spent should have been shown as WIP which was recoverable from the MPEB on the arbitration award. This view was upheld by CIT(A) and the Tribunal. Upon further appeal, the HC held:

  - For the first two years, 1999-00 & 2000-01, the amount spent towards expenditure is shown as “work-in-progress” in the books of accounts of the assessee. It is only for the previous year 2001-02 the expenditure incurred is not shown as work-in-progress. The reason is, the contract was terminated. The bank guarantees had been invoked. No doubt the claim was put forth before the arbitrator. But in the near future there was no chance of getting any amount in that particular previous year and the amount paid had been taken away. Therefore, the assessee in that previous year has shown the entire amount incurred as expenditure and sought for writing off as business expenditure.
  - The pendency of the litigation about the loss suffered cannot negate the fact that the loss was suffered by the assessee during the accounting year in question.
  - Though the assessee has incurred expenditure during which period he has not received any amount as revenue against that expenditure, if and when he

receives the money in pursuance of the award, the said amount is chargeable to income tax as the income of that previous year in which he receives the said amount. This shall happen whether the business in respect of which the deduction has been made is in existence in that year or not. Therefore, the interest of the Revenue is fully protected. Therefore, the assessee's appeal is allowed. *2014-TIOL-1701-HC-KAR-IT*.

- **Show Cause Notice:** The petitioner had filed a writ petition challenging the 'show cause notice' on the ground that the contents of the show cause notice disclosed a pre-conceived and closed mind. Up to paragraph 7, the show cause notice contained the narration of the facts relating to investigation conducted, the evidence recorded in the course of enquiry, etc., but thereafter, in paragraph 9, the first respondent had recorded a series of findings, which were very categorical in nature, without leaving any scope for the petitioner to explain. the High Court held that:
  - In the light of the categorical assertions and findings in the notice itself, no useful purpose would be served in asking the petitioner to submit a reply to the show cause notice. At the stage of show cause notice, the first respondent should only have an open mind. If his mind is closed with predetermined conclusions, the requirement of giving an opportunity to show cause becomes redundant.
  - Hence, the Show Cause Notice was set aside, with the liberty to issue fresh show cause notice, keeping the object of issuing show cause notice in mind. *2014-TIOL-1703-HC-MAD-CUS*.

Tribunal Judgments

- **Taxation of Indian branch of a Foreign Bank:** The assessee, Bank of Tokyo Mitsubishi UFJ, Ltd., a company incorporated, and resident in Japan, was engaged in wholesome banking operations in India, mainly catering to the requirement of Japanese Companies and Joint Ventures in India, and the Japanese expatriates working in those companies and deputed in India. The assessee operated in India under license from the RBI and was governed by the Banking Regulation Act, 1949. The branches of the assessee in India constituted a permanent establishment in India, within the meaning of Article 5 of the DTAA. Therefore, the profits earned by such PE of the assessee in India were computed in accordance with the provisions of Article 7 of the DTAA by assessee. The assessee e-filed its return of income declaring total income at Rs. Nil for AY06-07. The AO determined the total income at Rs. 1.1 billion and book-profits as per MAT provisions at Rs. 0.86 billion. Since the tax payable under normal provisions of Income-tax Act was more than tax payable under MAT, AO computed the tax liability in the draft assessment order using normal provisions of the Act. Upon appeal, the Tribunal held:

- The assessee had paid salaries abroad to its expatriates working in Indian branch constituting PE. In view of fact that said expenditure had been incurred wholly and exclusively for Indian branch and, no part of those expenses could be allocated to any other branch by head office, provisions of section 44C did not apply to said expenditure and thus, assessee's claim for deduction of salary expenses was to be allowed.
- PE of the assessee received interest on deposits kept with HO. This interest received by PE was deemed to be income of PE and there was no bar in India-Japan treaty on its taxability. So, it could not be excluded from computation of income earned by PE.
- MAT provisions are applicable only to domestic companies and not to foreign companies.
- In view of provisions of sec 90(2), assessee's claim for lower impostion of tax in terms of article 7(3) of India-Japan DTAA had to be accepted because provisions of sec 115JB are subordinate to sec 90(2) and have no overriding effect on the said section. *[2014] 49 taxmann.com 441; ITAT Delhi; Bank of Tokyo Mitsubishi UFJ Ltd. v. IT, New Delhi September 19, 2014.*

➢ **Setting up vs Commencement of Business:** The assessee was incorporated in April, 2005 to carry on the business of out of home advertisement, consisting of street furniture (such as advertising on bus shelters, public utilities, parking lots, etc.) bill boards and transportation (such as advertisement in airports, railway stations, etc.). The assessee was awarded its first contract by New Delhi Municipal Corporation (NDMC) in March, 2006 for construction of 197 Bus Queue Shelters (BQSs) on Build-Operate- Transfer (BOT) basis. As per this contract, the assessee was required to undertake preliminary investigations, study, design, finance, construct, operate and maintain BQSs at its own cost. In consideration, the assessee was allowed to commercially exploit the space allotted in these BQSs by means of display of advertisement etc. for a period of 15 years. During the year under consideration, the assessee claimed deduction for expenditure incurred in discharge of its obligations under the NDMC contract. The AO disallowed the deduction on the expenditure that was in the nature of capital expenditure. Also it disallowed deduction on the revenue expenditure, on the ground that the business of the assessee had not commenced. The AO held that the business would commence only when the BQSs would be ready for providing space for advertisement to the assessee. The CIT (A) upheld the assessment order. Upon appeal by the assessee against the disallowance of the revenue expenditure, the Tribunal held:

- As per Section 3 of the Income-tax Act, in the case of a business or profession, newly set up, the previous year shall be the period beginning with

'*the date of setting up of the business'* ending with the said financial year. And, as per Section 4, income tax shall be charged for any assessment year in respect of the total income of the 'previous year'.

- On a conjoint reading of these sections, it clearly emerges that the income of a newly set up business is calculated, starting with the date of setting up and ending with the financial year. The relevant point is that the starting point of taxability of income or allowability of deduction, is the 'setting up of the business' and not the commencement of business.
- The sum and substance of the setting up of a business is to fully gear up for undertaking the work for which the business is to be carried on and reaching a stage when such business activity can be carried out on the blow of a whistle.
- The assessee was given contract in the preceding year. Not only that, the assessee started the execution of contract in the preceding year itself by taking steps, such as, entering in to manufacturing agreement with a third person for manufacture and installation of BQSs on making advance payment. The assessee had certainly commenced its business with the execution of contract awarded by NDMC.
- Revenue has tagged the setting up of business with the provision of space for advertisement by NDMC. This is certainly a post commencement business stage of the assessee. Such an event would mark the generation of actual income on commencement of business and cannot be construed as the setting up of business.
- The assessee's business was set up when it prepared itself for undertaking the activity of building BQSs on receipt of contract from NDMC. It cannot be related to the completion of construction of BQSs.
- As the setting up of the business was over in the preceding year, all the revenue expenses incurred during the year become eligible for deduction. *[2014] 49 taxmann.com 149, ITAT Delhi, Jcdecaux Advertising India (P.) Ltd. v. Income-tax, September 8,2014.*

SERVICE TAX

▪ Important Circulars / Notifications

➢ **Extension of submission date for Form ST-3:** The Central Board of Excise & Customs has extended the date of submission of the Form ST-3 for the period from 1st April 2014 to 30th September 2014, from 25th October, 2014 to 14th November, 2014. This is on account of "Natural calamities in certain parts of the country." *Order no.2/2014-st, dated 24-10-2014.*

➢ **Money Transfer services:** It had been brought to the notice of the Board that the foreign money transfer service operator (MTSO), conducting remittances to beneficiaries in India, have appointed Indian Banks/financial entities as their agents in India who provide agency /representation service to such MTSO for furtherance of their service to a beneficiary in India. The agents are paid a commission or fee by the MTSO for their services. This circular responds to the question whether service tax is leviable on the service provided, by an intermediary/agent located in India (in taxable territory) to MTSOs located outside India? Service provided by an intermediary is covered by rule 9 (c) of the Place of Provision of Service Rules, 2012. As per this rule, the place of provision of service is the location of service provider. Hence, service provided by an agent, located in India (in taxable territory), to MTSO is liable to service tax. The value of intermediary service provided by the agent to MTSO is the commission or fee or any similar amount, by whatever name called, received by it from MTSO and service tax is payable on such commission or fee. *Circular no. 180/06/2014-ST, dated 14-10-2014.*

▪ CESTAT Judgments

➢ **Commercial training or Coaching –** Revenue raised a Service Tax demand by classifying the services rendered by the assessee under ‘commercial training or coaching services'. The appellant submitted that the activity undertaken by it was ‘education’ and not ‘commercial coaching or training'. It was providing education as per its own curriculum and testing the students based on examination conducted as well as assessed by it. It was registered as a charitable society and its income was exempt from income tax under Section 10(23C) of the Income Tax Act. Therefore, the nature of its activity was not commercial and hence it was not covered under the category of ‘commercial training or coaching centre'.

The AR submitted that the retrospective amendment (with effect from 01/07/2003) to section 65(105)(zzc) of the Finance Act, 1994 by the FA, 2010, prescribes all institutes, whether or not they are charitable in nature, to

come within the scope of commercial training or coaching centre, if the courses are not recognized by law and a consideration is charged for the services rendered. Also, it was submitted that the appellant had collected service tax from the students but had not deposited with the department till the investigation was conducted. Upon appeal, the CESTAT bench observed:

- The services rendered by the appellant through its 5 institutes clearly fell within the scope of 'commercial training or coaching' service and in view of the retrospective amendment made in the law by way of explanation to Section 65(105)(zzc), even if the appellant is a charitable trust or society, the appellant would be liable to pay service tax.
- During the period of demand, neither the courses were recognized by law nor the institutes/establishments conducting the courses, were approved.
- Appellant's claim that the courses conducted were vocational in nature and, therefore, entitled to exemption from tax under notification No. 9/2003-ST and 24/2004-ST, was not acceptable, as postgraduate courses in management are not vocational training.
- The plea of bonafide belief in not obtaining registration & paying ST was also rejected by noting that no material had been placed before the Bench, either by way of expert opinion or otherwise, as to the basis for entertaining such belief.
- The appellant's claim that there were errors in the computation of service tax by inclusion of receipts towards sale of prospectus, receipt of fine, uniform for students and LG cup sponsorship and that these were excludible from the value of taxable services was held correct in law and abatement of the said receipts was allowed. *2014-TIOL-1873-CESTAT-MUM*.

➢ **Levy of service tax on a customs transaction:** The appellant was registered as a steamer agent and was paying service tax on the consideration received by it as steamer agent on behalf of the shipping lines. The appellant collected various charges such as, ocean freight, currency adjustment charges, bunkering charges etc., and remitted these amounts to the shipping lines situated abroad. All these charges formed part of the customs value of the goods imported or exported. The Revenue raised service tax demand on all these charges. The appellant submitted that all these amounts collected and remitted to the shipping lines were not consideration received for rendering of any service. Inasmuch as on the consideration received for services of a steamer agent they had already discharged their service tax liability. Revenue submitted that the appellants were asked to furnish details of the actual amount of freight collected and remitted and in spite of repeated reminders, they did not furnish the requisite

information and, therefore, the adjudicating authority was constrained to confirm the service tax on the entire amount which they had collected from the various importers/exporters. Upon appeal, the CESTAT Bench held:

- *The charges collected by the appellant form part of the transaction value in respect of customs matters and therefore, the question of levy of service tax on a customs transaction would not arise at all.*
- *If the appellants had collected these charges and remitted the same to the shipping lines, the whole amount received and transmitted cannot be said to be a consideration for the services rendered. What can be levied to service tax is the service rendered by the appellant either as a steamer agent or Business Auxilliary Services in respect of collection of freight and other charges. Only on the consideration received for the services rendered, service tax can be levied.*
- *The appellant was directed to co-operate with the department and submit all the requisite particulars. On submission of such information, the adjudicating authority shall examine the matter afresh. 2014-TIOL-1860-CESTAT-MUM.*

➢ **Packaging of Fertilisers –** The appellant was engaged in providing packaging activity services in relation to fertilizers manufactured by *M/s Zuari Industries Ltd., Goa* for which it was receiving certain consideration. Revenue took the view that the said services were liable for Service Tax under the category of "packaging services" defined in section 65(76b) of the FA, 1994. A show cause notice was issued and a demand was raised. Upon appeal, the Tribunal held:

- *From the Fertiliser (Control) Order, 1985, it is clear that the fertilizer cannot be marketed without packaging, and thus packaging of fertilizer is a statutory requirement. Therefore, packaging of fertilizer would form an integral part of the manufacturing activity and cannot be viewed as a service activity, especially in the context of the packaging activity as defined in Section 65 (76b) which excludes form its scope any activity of manufacture as defined in Section 2 (f) of the Central Excise Act, 1944.*
- Revenue has contended *that manufacture of fertilizer is complete even before it is packed and for bulk sale of fertilizer, no packaging is required. However, sale of fertilizer in bulk requires a license, and since appellant is not having any such license, therefore, packaging is a statutory requirement for sale of fertilizer by M/s Zuari Industries Ltd. The completion of fertilizer manufacture product occurs when packaging is done and without packaging, the fertilizer cannot be marketed. T*he service tax demand was set aside and the appeal was allowed. ***2014-TIOL-2107-CESTAT-MUM.***

- **Guarantee Insurance on Loans-** The appellant, Kingfisher Airlines, had entered into an agreement for borrowing money from BNP Paribas to purchase aircraft. BNP Paribas secured its loan through COFACE, France, and paid insurance guarantee. Revenue was of the view that the service provided by COFACE to BNP Paribas was a service ***received*** by the appellant & covered under Banking and Other Financial Services and so, liable to service tax under reverse charge mechanism. Accordingly, a service tax demand was made on the insurance premium paid by the lender (BNP Paribas) to the guarantor (COFACE, France). Upon appeal, the Tribunal held:

  - *The service receiver is BNP Paribas and the service provider is COFACE, France. The appellant is only the beneficiary of the transaction held between BNP Paribas and COFACE, France.*
  - *As the appellant is neither service provider nor service recipient, the appellant is not liable to pay service tax at all under Reverse charge mechanism.* The ST demand is set aside. *2014-TIOL-2112-CESTAT-MUM* **.**

- **Volume discount paid is not service:** The appellant was an advertising agency and paid service tax on the commission received by it from its client, the advertiser. The transaction involved three parties - the advertiser, the advertising agency and the media which puts out the advertisement. The media had discharged service tax under the broadcasting services on the consideration received. In certain cases, the media (broadcaster) gave a volume discount to the advertising agency based on the volume of business given by the advertising agency at the end of the year, which was shown as income in the books of accounts of the advertising agency.

  The Revenue was of the view that the volume discount received by the advertising agency was for the services rendered by the agency to the broadcaster, for promotion of the business of the latter, and so service tax was payable under the category of "business auxiliary service" (BAS). Upon appeal, the Tribunal held:

  - **A discount is reduction in price given to buyer of goods or services. A receiver of services cannot be considered as agent of service provider so as to be charged to Tax under BAS.**
  - Service tax is not leviable on these amounts inasmuch as *these are either incentives or accounting adjustments and not consideration for any services rendered*. *2014-TIOL-2125-CESTAT-MUM***.**

- **Transmission of Electricity: T**he applicant had undertaken the work allotted by Maharashtra State Electricity Transmission Company Ltd. and M/s. Power Corporation of India Ltd. in respect of construction of foundation walls for sub-station or control rooms,

foundation for electricity tower etc. Revenue confirmed a service tax demand on this activity.

The applicant submitted that the activity was retrospectively exempted from payment of service tax by section 11C Notification No. 45/2010-ST dated 20.7.2010. This Notification had stated that payment of service tax was exempted in respect of all taxable services relating to transmission/distribution of electricity. It also relied on *Notification No. 11/2010-S.T. dated 27.2.2010* which grants exemption to service provided to any person for transmission of electricity. Upon appeal, the Tribunal held:

- The Notification states that services rendered 'in relation to' transmission and distribution of electricity have been exempted from the purview of service tax. The expression 'relating to' is very wide in its amplitude and scope. Therefore, all taxable services rendered in relation to transmission/distribution of electricity would be eligible for the benefit of exemption.
- The appellant had provided service in respect to construction, maintenance or repair of transmission towers and sub-stations, which are ‘related to’ transmission of electricity. Therefore service tax demand is not sustainable in law. *2014-TIOL-2138-CESTAT*

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