

WHAT ARE THE PRECAUTIONS TO BE TAKEN WHILE PREPARING THE ANTICIPATORY INCOME TAX STATEMENT FOR THE ASSESSMENT YEAR 2023-2024 AND THE FINANCIAL YEAR 2022-2023



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All the employees whether Government or private and all the pensioners whose taxable income is above Rs. 250,000 have to prepare the Anticipatory Income tax Statement for the Assessment Year 2023-2024 and the financial year 2020-2023 and submit it to the relevant DDOs or to the Sub –treasury officers or to the bank managers in the month of march 2022 .On the basis of the Anticipatory Income tax Statement, the DDOs and Pension disbursing authorities deduct TDS /Advance Tax whatever may be as per the Income Tax Act 1961 and the Income Tax Rules 1962. The persons may consider the provisions of Finance bill 2022 along with the Income Tax

Act 1961 and the Income Tax Rules 1962.Under the above circumstances, the writer analyzes the important provisions of Finance Bill 2022.

1. There is no change in the Income Tax Rates .You may either accept the new regime or the old regime.
2. Section 194 P is valid in the A.Y 2023-2024
3. Do not misunderstand about updated returns .You have to fine a huge sum in the case of non-filing of Income Tax returns .Updated returns are associated with certain conditions and huge fines.

4. Now, there is no unambiguity in the section 201. The persons who are responsible for deducting and collecting the income tax will be extremely careful while fulfilling their obligations.
5. The assessee will get deductions under Sec 80 C, Sec 80CCD, Sec 80CCD(1) and Sec 80 CCD(IB). Now, State Government employees can claim a deduction @14% as per Sec 80CCD(2) as per the Finance Bill 2022.
6. More liberalized treatment under Sec 80 DD
7. Covid-19 related medical expenses reimbursed from the employer cannot be treated as perquisite with respect to income from salary.
8. As per Sec 206 AB and Sec 206 CCA, higher rate of TDS/TCS to be deducted /collected from the non-filers of income tax returns (Specified persons). Here, number of years to be reckoned as one as per Finance Bill 2022 instead of two as per previous finance acts.
9. Cryptocurrency is not a legal currency as per finance bill 2022. But 30% is to be paid as income tax on the capital gains from the transfer of virtual digital assets
10. There is no change with respect to income tax provisions related with housing loans
11. Following deductions are still available (list is not complete)
 - a. Sec 80 C
 - b. Sec 80 CCD
 - c. SEC 80 CCD (1)
 - d. SEC 80 CCD (IB)

- e. SEC 80 D
- f. SEC 80DD
- g. SEC 80DDB
- h. SEC 80 EEB
- i. SEC 80 G
- j. SEC 80 GG
- k. SEC 80 GGC
- l. SEC 80QQA
- m. SEC 80QQB
- n. SEC 80TTA
- o. SEC 80TTB
- p. SEC 80 U
12. The assessee should pay TDS/Advance tax within the regular intervals (1/4/2022 to 31/03/2023). Interest is to be paid on non-payment of income tax as TDS/ Advance tax within the regular intervals
13. Effective tax rate on the long term capital gains is reduced to 23.92% (from 28.5%)
14. Deduction as per SEC 80EEA can be claimed only upto 31/03/2022.
15. As an assessee, you should understand the source of source as per sec 68
16. The assessing officer can reopen cases within 10 years in the case of income escaping assessment.

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ADVANCE RULINGS IN GST

(August 2021 - December 2021)

TEAM TRD

<u>Name of the Applicant</u>	<u>Industry</u>	<u>Order No. & Date</u>	<u>Case History</u>
M/s. Cummins India Limited	Engine Manufacturer and Supplier	GST-ARA- 117/2019-20/B-106, Mumbai, dated 09.12.2021	<ul style="list-style-type: none"> ★ M/s Cummins India Limited, the Applicant manufactures diesel and natural gas engines, power generation systems, etc. ★ The applicant's business, broadly, comprises of these three segments which includes Distribution business, wherein Applicant provides products, packages, services and solutions for ensuring uptime of equipment supplied; provides parts, new and rebuilt engines, batteries, varied services and customer support solutions. ★ Applicant supplies parts of marine diesel engines and gensets to customers such as the Indian Navy and various shipyards and also other customers for application/ use in ships or vessels. <p><u>The following question has been raised-</u></p> <p>Whether parts of diesel marine engine or genset supplied or to be supplied by the Applicant to the Indian Navy are chargeable to 5% IGST or 2.5% CGST + 2.5% SGST as 'parts of heading of 8902, 8904, 8905, 8906 and 8907' in terms of Sr. No. 252 of Notification No. 1/2017-Central Tax (Rate), dated 28-6-2017?</p> <p>Answer: - Answered in the affirmative, only if they are used in diesel marine engine or genset which are further used in ships and vessels falling under chapter headings 8902, 8904, 8905, 8906 and 8907 of the CiST Tariff.</p>
M/s. Rotary Club of Mumbai Elegant	Charitable Activist	GST-ARA- 26/2020-21/B-108, Mumbai, dt. 09.12.2021	<ul style="list-style-type: none"> ★ M/S. Rotary Club of Mumbai Elegant is a group of people who carry out various charitable causes and activities from donations received from members, amount collected through various other channels and accruals of the corpus fund. ★ Donations/charity received are used exclusively for the purpose of donation/charity and no amount is utilized for administration purposes. ★ In addition to that, sums are recovered from all the members for expending the same for the weekly and other meetings and other petty administrative expenses incurred which include the expenses for the location and refreshments and facilitation of meetings of its members held for the members to review existing activities and consider new projects for execution. ★ In these meetings, the charitable proposals are considered, discussed & approved or rejected for taking up as a likely cause for execution. No facilities/benefits are provided such as recreation etc. by club

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			<p><u>The following questions have been raised-</u></p> <p>1. - Whether the activity of the applicant i.e. collecting contributions and pending towards meeting and administrative expenditures only, is 'business' as envisaged u/s 2(17) of the CGST Act, 2017? Answer: - In the affirmative.</p> <p>2. - Whether contributions from the members, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply? Answer: - In the affirmative.</p>
M/s. Oerlikon Balzers India Pvt. Ltd	Manufacturing Company	GST-ARA- 102/2019-20/B-107, Mumbai, dated 09.12.2021	<ul style="list-style-type: none"> ★ Oerlikon Balzers Coating India Pvt. Ltd. an Indian subsidiary of Oerlikon Balzers AG, provides surface coating services to its customers with respect to various goods such as tools, inserts, semi-finished goods, capital goods etc. ★ The goods are coated with material such as titanium, chromium, aluminum etc., to enhance their life, efficiency, strength and performance. ★ Applicant undertakes surface coating on semi-finished/ original as well as old and worn out goods received from customers. ★ The manufacture process of semi-finished/ original tools involves Gear cutting, drilling, sharpening, coating, cleaning, inspection etc. <p><u>The following questions have been raised-</u></p> <p>1: - Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on original/new goods received from Customer is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or at 18% in terms of entry no. 26(iv) of Notification no. 11/2017. Answer: - The activity of surface coating undertaken by the Applicant on original/new goods received from Customer (tool manufacturers and not end users) is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) dated 28.06.2017, as amended.</p> <p>2:- Whether activity of surface coating undertaken by the Applicant in the State of Maharashtra on old, worn out or used goods received from Customers is classifiable under service accounting code 9988 more specifically under code 998898 as job work activity chargeable to tax at 12% in terms of entry no. 26(id) of Notification 11/2017 Central Tax (Rate) as amended or under Service accounting code 9987 more specifically under code 998729 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification no. 11/2017.</p>



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			<p>Answer: - The activity of surface coating undertaken by the Applicant on old, worn out or used goods received from Customers (end users) is classifiable under service accounting code 9987 as repairs chargeable to tax at 18% in terms of entry no. 25(ii) of Notification no. 11/2017-CTR dated 28.06.2017, as amended.</p>
M/S Ocean Blue Boating Private Limited	Importer of Marine Items	GST-ARA- 32/2021-22/B-105, Mumbai, dated 06.12.2021	<p>M/s Ocean Blue Boating Pvt Ltd, the applicant is in the business of Importing Marine Propulsion Engine under HSN Code 8407, 8408 & spare parts of marine propulsion engines under HSN code 8409, supplying the same in local market for use as a part of fishing vessels, Police, Defense department, Patrol, flood relief & rescue department and others.</p> <p><u>The following questions have been raised-</u></p> <p>1: - Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 without considering its general tax rate as per the entry of schedule I, SI. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017, on the basis of its ultimate used as part of fishing vessel of heading 8902.</p> <p>Answer: - Marine engine of heading 8407 and heading 8408, and parts thereof of heading 8409 will be covered under Sr. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017, when used in fishing vessels falling under HSN 8902 of the GST Tariff, as in the subject case. Goods which do not conform to “parts of marine engines” will not be covered under the said Sr. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017</p> <p>2: Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 when it is supplied for use of defense purpose, patrolling purpose, flood relief and rescue operations being part of heading 8901, 8904, 8905, 8906, 8907.</p> <p>Answer: - GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 covered under Sr. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017 only when it is supplied for use in ships/vessels covered under headings 8901, 8902, 8904, 8905, 8906, 8907 of the GST Tariff, which may be used for defense purpose, patrolling purpose, flood relief and rescue operations. However, Goods which do not conform to “parts of marine engines” will not be covered under the said Sr. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017</p>

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M/s Mahindra Splendour CHS Ltd	Housing Society	GST-ARA- 38/2020-21/B-103, Mumbai, dated 01.12.2021	<p>★ M/s Mahindra Splendour Co-operative Housing Society Ltd, is a housing society whose main objects include: managing, maintaining and administering its property: raising funds for achieving the said objects etc., by way of collecting contributions/charges from members of the society, like Property taxes, Maintenance charges, Water and electricity charges, Sinking and Building Repair Fund, Club House charges, Interest on delayed payment, etc.</p> <p>★ Applicant procures goods and services from third party vendors for maintenance its property. No other activity other than those mentioned in the bye laws is carried out.</p> <p><u>The following questions have been raised-</u></p> <p>1: - Whether the applicant is liable to pay GST on the contribution received from its members? Answer: - Answered in the affirmative.</p> <p>2: - If yes, whether the applicant can avail the benefit of exemption under entry no. 77 of Notification No. 12/2017-CTR dated 28.06.2017 for the value upto Rs.7, 500/- per month per member and in case the said monthly contribution exceeds Rs. 7,500/- per month, then the GST is leviable only on differential value in excess of Rs. 7,500/-? Answer: - In view of the discussions made above, in case the said monthly contribution exceeds Rs. 7,500/- per month, then the GST is leviable on the entire value of the monthly contribution collected.</p> <p>3: - Whether the applicant is liable to pay GST on amount collected from its members towards the following accounts as per the Bye laws: - A. Sinking Fund B. Building Repair Fund C. Election and Education Answer: - Fund GST is applicable as discussed above.</p> <p>4: - Whether the supplies otherwise exempted from tax or charged at Nil rate shall be included in value in computing threshold amount of Rs.500 ,7/- per month per member under entry no.77of Notification No. -2017/12CTR dated 28.06.2017, for determining the tax liability? Answer: - Thus, charges, collected by the society on account of property tax, electricity charges and other statutory levies would only be excluded while calculating the threshold limit of Rs. 7,500/-.</p> <p>5: - Whether contribution collected to defray expenses for supply of following types of water are covered under entry 99 of notification 2/2017-ctr i.e. under HSN Code 2201 and attracts NIL rate of tax? a. For Potable water received from MCGM u/s 169 of Mumbai Municipal Corporation Act 1888, which is supplied/distributed to the flats of the Members through an elaborate storage and pumping system. b. Flush Water (Non Potable water) generated from Sewage treatment plant installed in the Society premises and supplied to all the flats for use in toilet flushing.</p>



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			<p>Answer: - The provisions of entry 99 of notification -2017/2ctr is not applicable in the instant case.</p> <p>6: - Whether input tax credit can be claimed on the expenses incurred for heavy repairs and maintenance of the society building premises and which are not capitalized in books of accounts?</p> <p>Answer: - In view of the discussions made above, ITC on the expenses incurred for heavy repairs and maintenance of the society building will not be available to the extent of capitalisation as mentioned in Explanation of Section 5(17) of the CGST Act, 2017</p>
M/s. ROTARY CLUB OF NAGPUR VISION	Charitable Trust	GST-ARA-14/2020-21/B-95 Mumbai dated 22.11.2021	<ul style="list-style-type: none"> ★ The applicant club is affiliated to Rotary International which is an International organization whose stated purpose is to bring together business and professional leaders in order to provide humanitarian service and to advance goodwill and peace around the world. ★ Applicant Club receives fees from its members: purely to defray its expenditure on meetings and communication, Rotary International (RI) per capita dues, subscription fees to the Rotarian or Rotary regional magazine, district per capita dues, dub annual dues, etc. ★ Thus, funds received from members are utilized for mutual benefit of members. The administration and working of the Club and implementation of policies are established and are implemented on the concept of mutuality <p><u>The following question has been raised-</u></p> <p>The amount collected as membership subscription and admission fees from members by the applicant club to meet out the expenses for the object for which it is incorporated viz; meeting expenses, communication expenses, Audit fees, Rotary International (RI) per capita dues, subscription fees to the Rotarian or Rotary regional magazine and the like. As there is no furtherance of business in this activity and neither any services are rendered, whether the above transaction can be considered as supply of services to its Members under GST?</p> <p>Answer :- In the affirmative.</p>
M/s. Rotary Club Of Bombay Queen City	Service Provider	GST-ARA-19/2020-21/B-96 Mumbai dated 22.11.2021	<ul style="list-style-type: none"> ★ Applicant arranges meetings for its members and in order to defray its expenditure for such meetings, communications and administration, fees are collected from members. ★ No facilities/benefits are provided such as recreation, etc. by the applicant. ★ The applicant also sends fees to International Institution at USA for service activities and international administration. <p><u>The following questions have been raised-</u></p> <p>1. Whether the activity of the applicant i.e. collecting contributions and spending towards meeting and administrative expenditures only, is 'business' as envisaged under Section 2(17) of the CGST Act, 2017?</p> <p>Answer: - Answer in Affirmative</p>

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			<p>2. Whether contributions from the members in the Administration Account, recovered for expending the same for the weekly and other meetings and other petty administrative expenses incurred including the expenses for the location and light refreshments, amounts to or results in a supply, within the meaning of supply? Answer :- Answer in Affirmative</p>
<p>M/s. Jayshankar Gramin Va Adivasi Vikas Sanstha</p>	<p>GST-ARA-97/2019-20/B-91 Mumbai dated 10.11.2021</p>	<p>GST-ARA-97/2019-20/B-91 Mumbai dated 10.11.2021</p>	<ul style="list-style-type: none"> ★ The applicant is Charitable trust registered under Maharashtra Public Charitable Trust Act 1950 w.e.f. 15-02-1993 ★ The trust undertakes supply of services to 50 orphans and homeless children by way of shelter, education, guidance, clothing, food and health for the Women and Child welfare. ★ The Govt of Maharashtra women and child welfare department pays a sum of Rs. 2,000/ per month per child. ★ Other expenses for children are made from donations. ★ The trust is also registered under Income Tax Act 1961 as Charitable trust vide registration number PN/CIT I/REGN./12A (a)/63/2009-10/5304. The trust is also registered under section 80G (5) of Income Tax Act. <p>The following questions have been raised-</p> <p>1: - Whether applicant is required to obtain registration under the Maharashtra Goods and Service Tax Act, 2017? Answer: - Answered in the affirmative.</p> <p>2: - If answer to above question is affirmative, whether the applicant is liable to pay GST on the amounts received in the form of Donation / Grants from various entities including Central Government and State Government. Answer: - Answered in the affirmative in cases of grants received. In case of donations, if the gift or donation is made to a charitable organization; the payment has the character of gift or donation and the purpose is philanthropic (i.e. it leads to no commercial gain) and not advertisement, then GST is not leviable. In all other cases GST is leviable.</p> <p>3: - If answer to above question 2. is affirmative, what will be the rate at which the GST would be charged. Answer- GST would be charged @%18 (CGST %9 and SGST/UTGST %9/IGST %18).</p>



<u>Name of the Applicant</u>	<u>Industry</u>	<u>Order No. & Date</u>	<u>Case History</u>
M/S Maha Mumbai Metro (M3) Operation Corporation Limited	Transport Business	GST-ARA-13/2021-22/B-93 Mumbai dated 10.11.2021	<p>★ Applicant is engaged in providing Local land transport services of passengers by railways, metro, monorail, bus, tramway, autos, three wheelers, scooters and other motor vehicles. The SAC for the service is 9964 and GST rate in relation to same is 18%.</p> <p>★ Applicant is wholly owned subsidiary of Mumbai Metropolitan Region Development Authority (herein referred as "MMRDA") whose aim is to integrate the Operation and Maintenance of all Metro corridors under one authority</p> <p><u>The following questions have been raised-</u></p> <p>1: -Whether GST is applicable on reimbursement of expenses such as salaries, rent, training, staff welfare expenses etc.? Answer: - Answered in the negative in view of the discussions made above.</p> <p>2: -If above answer is affirmative, at what rate GST should be charged? Answer: - Not answered in view of answer to Question No. 1 above.</p>
M/s. The TATA Power Company Limited	Electric Service Provider	GST-ARA-99/2019-20/B-92 Mumbai dated 10.11.2021	<p>★ M/s. The TATA Power Company Limited, is engaged in power generation, transmission and distribution to the customers and as a part of its employee policies, it provides certain facilities to its employees such as insurance, transport, etc</p> <p>★ The applicant has an arrangement with New India Assurance Co. Ltd. for providing insurance cover for its employees, in pursuance of which, the insurance company issues a master insurance policy to the applicant for providing group insurance to the applicant's employees.</p> <p><u>The following question has been raised-</u></p> <p>Whether the recovery of an amount towards Top-up and parental insurance premium from the employees, amounts to a supply of any service under section 7 of the Central Goods & services Tax Act, 2017?</p> <p>Answer:- Answered in the negative.</p>

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M/s Mahavir Nagar Shiv Srushti Co-operative Housing Society Limited	Co-operative Housing Society	GST-ARA-19/2021-22/B- 94 Mumbai dated 10.11.2021	<p>★ The Applicant, M/s Mahavir Nagar Shiv Srushti Co-operative Housing Society Limited, is a cooperative housing society registered under the Maharashtra State Co-operative Societies Act, 1960 and has constructed a building on the plot allotted by MHADA.</p> <p>★ The Applicant Society is formed, by its members who are the shareholders of the society, with the object of managing, maintaining and administering the property of the society</p> <p>★ For the purpose of achieving the above objects of the society, the Applicant raises funds by collecting contributions/charges from members of the society.</p> <p>★ The charges include property taxes, water charges, common electricity charges, contribution to repairs and maintenance funds, expenses on repairs and maintenance of the lifts of the society, including charges to running the lifts, contribution to sinking fund, service charges, car parking charges, interest on the defaulted charges, repayment of the installment of the loan and interest, non-occupancy charges, insurance charges, lease rent, non-agricultural tax, or any other charges.</p> <p><u>The following question has been raised-</u></p> <p>If the activities of the applicant are treated as “supply” under CGST Act, 2017 then whether the applicant is eligible to claim the ITC on input and inputs services for repairs, renovations & rehabilitation works carried out by the Applicant?</p> <p>Answer: - In view of the discussions made above, the applicant is not eligible for Input Tax Credit in the subject case where the contractor has provided works contract service for repairs, renovations & rehabilitation works.</p>



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M/S. Kasturba Health Society	Charitable Society	GST-ARA-120/2018-19/B- 90 Mumbai dated 10.11.2021	<p>The applicant, a Charitable Society having the main object and factually engaged in imparting Medical Education, satisfying all the criteria of “Educational Institution”, can be said to be engaged in the business so as to cast an obligation upon it to comply with the provisions of Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017 in totality.</p> <p><u>The following questions have been raised-</u></p> <p>1. Whether the applicant, a Charitable Society having the main object and factually engaged in imparting Medical Education, satisfying all the criteria of “Educational Institution”, can be said to be engaged in the business so as to cast an obligation upon it to comply with the provisions of Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017 in totality.</p> <p>Answer:- Answered in the affirmative. However, in view of the submissions made by the applicant and discussions made above, we find that applicant is engaged in imparting Medical Education and it is an exempt service.</p> <p>2. Whether the applicant, a Charitable Society having the main object and factually engaged in imparting medical education, satisfying all the criteria of “Educational Institution” is liable for registration under the provisions of section 22 of the Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017 or it can remain outside the purview of registration in view of the provisions of section 23 of the said act as there is no Taxable supply.</p> <p>Answer: The applicant is liable for registration as discussed above.</p> <p>3. Whether the fees and other charges received from students and recoupment charges received from patients (who is an essential clinical material for education laboratory) would constitute as “outward supply” as defined in section 83) 2) of The Central Goods and Service Tax Act, 2017 and Maharashtra Goods and Service Tax Act, 2017 and if yes then whether it will fall in classification entry at Sr. No 66 or the portion of nominal amount received from patients (who is an essential clinical material for education laboratory) at Sr. No. 74 in terms of Notification 2017/12 Central Tax-dt. 28/6/2017.</p> <p>Answer: The said charges collected are exempt from tax as discussed hereinabove.</p> <p>4. Whether the cost of Medicines and Consumables recovered from OPD patients along with nominal charges collected for Diagnosing by the pathological investigations, other investigation such as CT-Scan, MRI, Colour Doppler, Angiography, Gastroscopy, Sonography during the course of diagnosis and treatment of disease would fall within the meaning</p>

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			<p>of "composite supply" qualifying for exemption under the category of "educational and/or health care services."</p> <p>Answer: The said charges collected are exempt from tax as discussed hereinabove.</p> <p>5. Whether the nominal charges received from patients (who is an essential clinical material for education laboratory) towards an "Unparallel Health Insurance Scheme" to retain their flow at one end for the purpose of imparting medical education as a result to provide them the benefit of concessional rates for investigations and treatment at other end would fall within the meaning of "supply" eligible for exemption under the category of "educational and/or health care services."</p> <p>Answer: It is taxable at 18% under the residuary entry, as discussed above.</p> <p>6. Whether the nominal amount received for making space available for essential facilities needed by the students and staffs such as Banking, Parking, and Refreshment which are support activities for attainment of main activities and further amount received on account of disposal of wastage would fall within the meaning of "supply" qualifying for exemption under the category of "educational and/or health care services."</p> <p>Answer: The receipt on account of rent is taxable at %18 as discussed above. It is further clarified that the food supplied to the in-patients as advised by the doctor/nutritionists, as well as supply to employees and staff of the applicant; from such canteen, is a part of composite supply of healthcare and is not taxable. But the other supplies of food by a hospital to patients (not admitted) or their attendants or visitors are taxable at %5, as discussed above.</p>

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