

आयुक्त का कार्यालय, केन्द्रीय उत्पाद शुल्क एवं सेवाकर आयुक्तालय, राजकोट

“सेंट्रल एक्साइज भवन” रेसकोर्स रिंग रोड, राजकोट- ३६० ००१

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE
& SERVICE TAX, RAJKOT

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TRADE NOTICE No. 24/ 2013 –CE (N.T.)

Rajkot, dated the 6th October, 2013.

Sub.: Restaurant Service – clarification – regarding.

The exemption for services provided by specified restaurants, extended vide serial number 19 of Notification No. 25 / 2012 – ST was modified vide para 1 (iii) of Notification No. 3/2013-ST . This has become operational on the 1st of April, 2013.

In this regard, the Board, vide Circular No.173/2013–ST dated 07.10.2013, (from F. No.334/3/2013-TRU) has issued following clarifications on the doubts and questions :

	Doubts	Clarifications
1.	In a complex where air conditioned as well as non-air conditioned restaurants are operational but food is sourced from the common kitchen, will service tax arise in the non-air conditioned restaurant?	Service provided in relation to serving of food or beverages by a restaurant, eating joint or mess, having the facility of air conditioning or central air heating in any part of the establishment, at any time during the year (hereinafter referred as 'specified restaurant') attracts service tax. In a complex, if there is more than one restaurant, which are clearly demarcated and separately named but food is sourced from a common kitchen, only the service provided in the specified restaurant is liable to service tax and service provided in a non-air conditioned or non centrally air-

		heated restaurant will not be liable to service tax. In such cases, service provided in the non air-conditioned / non-centrally air-heated restaurant will be treated as exempted service and credit entitlement will be as per the CENVAT Credit Rules.
2	In a hotel, if services are provided by a specified restaurant in other areas e.g. swimming pool or an open area attached to the restaurant, will service tax arise?	Yes. Services provided by specified restaurant in other areas of the hotel are liable to Service Tax.
3.	Whether service tax is leviable on goods sold on MRP basis across the counter as part of the Bill / invoice.	If goods are sold on MRP basis (fixed under the Legal Metrology Act) they have to be excluded from total amount for the determination of value of service portion.

All the members of Regional Advisory Committee and the Trade Associations / Chamber of Commerce are requested to bring the contents of this Trade Notice to the knowledge of their constituent members for information, guidance and wide publicity.

F. No. IV/8-5/MP/2013

Date : 06.11.2013

Place : Rajkot.


(V. Padmanabhan)
Commissioner

Copy to :-

1. The Members of Associations / Trade / Industries.
2. The Chief Commissioner, CCE, Ahmedabad Zone, Ahmedabad.
3. All Additional Commissioners, CCE, Rajkot
4. All Deputy/Asstt. Commrs., CEX/S.T., Rajkot
5. All Section / Range Offices as per mailing list.