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कार्यालय आयुक्त केन्द्रीय उत्पाद शुल्क, सीमा शुल्क एवं सेवाकर, भोपाल  
48, प्रशासनिक क्षेत्र, अरेरा हिल्स, होशंगाबाद रोड, भोपाल  
**OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX,  
48, ADMINISTRATIVE AREA, ARERA HILLS, HOSHANGABAD ROAD, BHOPAL**

F.No. IV(16)30/TN/ST/BPL/2013

Bhopal, Dated 27.11.2013

**TRADE NOTICE NO. 05/2013/SERVICE TAX**

**Subject :- Restaurant Service-clarification-regarding.**


Attention of the field formations, service providers, trade & industries, the public in general and all concerned is invited a clarification regarding Restaurant Service. As part of the Budget exercise 2013, the exemption for services provided by specified restaurants extended vide serial number 19 of Notification 25/2012-ST was modified vide para 1 (iii) of Notification 3/2013-ST. This has become operational on the 1<sup>st</sup> of April, 2013.

2. In this context, representations had been received. On the doubts and questions raised therein clarifications are as follows:

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?	Services 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?	If goods are sold on MRP basis (fixed under the Legal

3. All the Trade Associations, Chambers of Commerce and Industries, Members of Regional Advisory Committee and field formations are requested to bring the contents of this Trade Notice to the notice of the members, trade and industries, public and all other concerned.

Authority : CBEC's Circular No. 173/8/2013-ST dated 7.10.2013  
Issued under F. No. 334/3/2013-TRU dtd. 7.10.2013  
by Technical Officer(TRU), CBEC, New Delhi.

  
(Dr. D.K. Verma)  
COMMISSIONER

28/11/2013