

Bimal Jain

FCA, ACS, LLB, B.Com (Hons)

Dear Professional Colleagues,

CHANGES IN MEGA EXEMPTION LIST W.E.F APRIL 1, 2013 VIDE NOTIFICATION NO. 3/2013-ST DATED. 1-3-2013 AMENDING NOTIFICATION NO. 25/2012-ST DATED. 20-6-2012:

- **Under S. No. 9** - Exemption by way of auxiliary educational services and renting of immovable property provided by specified educational institutes will not be available i.e. Exemption of auxiliary educational services and renting of immovable property Services provided to an educational institution will continue.
- **Under S. No. 15** - The benefit of exemption in relation to copyrights for cinematograph films will now be available only to films exhibited in a cinema hall or theatre. This will allow service providers to pass on input tax credits to taxable end-users;
- **Under S. No 19** – Service tax would be applicable on restaurants, eating joint or a mess providing service in relation to food or beverages, having facility of air-conditioning or central air-heating in any part of the establishment, at any time during the year.

For the sake of clarity, the exemption from service tax to restaurants, eating joints, mess etc. will be available only when such restaurant doesn't have the facility of air conditioning or central air heating in any part of the establishment, at any time during the year.

- **Under S. No. 20** – Earlier exemptions withdrawn of Services by way of transportation by rail or a vessel from one place in India to another of the following goods -
 - Petroleum and petroleum products falling under Chapter heading 2710 and 2711 of the First Schedule to the Central Excise Tariff Act, 1985 (5 of 1986);
 - Postal mail or mail bags;
 - Household effects;
- **Under S. No. 21** - Services provided by a goods transportation agency (GTA) are being harmonized i.e. the benefit of transportation of agricultural produce, foodstuffs, relief materials for specified purposes, chemical fertilizers and oilcakes, registered newspapers or magazines and defence equipments will be available to GTAs;
- **Under S. No. 24** - The exemptions for vehicle parking to general public are being withdrawn so that all type of parking facility whether by way of reserved or unreserved parking will be liable to service tax.

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- **Under S. No 25** - Exemption for repair or maintenance service provided to Government, a local authority or governmental authorities of aircrafts are being withdrawn but for vessel, exemption will continue.
- **Under S. No. 4** - The definition of “**charitable activities**” is being changed by deleting the portion listed in sub-clause (v) of clause (k). Thus the benefit to charities providing services for advancement of “any other object of general public utility” up to Rs. 25 Lakh will not be available. However the threshold exemption will continue to be available up to Rs 10 lakhs in terms of Notification No. 33/2012-ST dated 20-6-2012.

We take this opportunity to wish you a very Happy and prosperous financial year 2013-14.

Hope the information will assist you in your Professional endeavours. In case of any query/information, please do not hesitate to write back to us.

Thanks & Best Regards.

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