



FROM THE DESK OF THE ACTING PRESIDENT

The “K-Factor” consistency ... Are we getting updated?? APJC India resolutions to PA Conference!

Greetings from TAAI! Many a times haven't we always asked – *How come I am not aware of this development? How do I unlock this ambiguity? Or Why is that kid faster with his amazing prowess at handling a mobile phone that leaves me stunned?*

As we move forward – our own Travel & Tourism Industry has evolved rapidly – demanding us to review our current Knowledge levels with what's currently in the environment. Be it the pricing structures Airlines resort to (*sometimes we are puzzled by their strategies of selling so low that it actually hurts their margins*); or be it the specialty destinations or products that get offered for tourists to experience or be it the new processes or rules from our principals that get introduced with a pretext – *they are much required today because of the prevalent current.*

One sure demand is that we maintain consistency to keep our K-factor or the Knowledge curve active and updated. The reasons are many. Not only to cope with challenges that are flung at us but also because we need to move forward – no matter what! We cannot allow the new norms to belittle us and prevent us from gaining new grounds of steadiness and comforts. When new norms do get it – there must be efforts to redress the discomfort.

A reference is drawn here to the APJC decisions, especially those that are initiated by Agency representatives. APJC - **Agency Programme Joint Council**, is set up by IATA. It comprises of representatives of Agency Associations & Airlines. There are debates on *How effective is the APJC to address industry challenges? Does APJC help us mitigate the hardship we go through?*

The answer is a YES & NO. NO – because there are matters like Commission – Competition Law connected matters – commercial terms between the Airlines & Agencies that are not debated at APJC. But there are matters that relate to governing resolutions; India specific reliefs; local Financial criteria; Billing processes etc, that are debated. The good opportunity APJC offers is for the Agency representatives to debate with Airline representatives and make recommends to PA Conference for consideration and approval – to ease out local challenges.

During August 2014, APJC India meet at Mumbai had debates on several matters. Interestingly, on three matters - Airlines & Agency representatives were unanimous. After presentations and prolonged debates – conclusions via resolutions are tabled before the PA Conference to consider granting their approval during October 2014. What are these three conclusions?

a) The first one – To reinstate the Joint Bank Guarantee Scheme. This was extremely successful with TAAI and had about 250 agencies participate during the last 25+years. The Joint Bank Guarantee operated on a mutual-liability of those who participated. It turned out to be the Airlines favourite since it proved far more effective to them than the Insurance cover. Insurance has problems for IATA or Airlines when it comes to paying out defaults. APJC India agreed

unanimously to recommend a resolution to PA Conference (Passenger Agency Conference, which is a meeting of the Airlines of the World) to accord its approval.

b) The second resolution is to give agencies “one extra day credit” due to any *unscheduled* bank holiday. With complexities of weekly settlement, it was explained to Airlines, that even one unscheduled Bank Holiday during the settlement period can pose problems to agencies. By default the additional day's credit must be given. Airlines, agreed to recommend this resolution.

c) The third relates to Agency Corporate Credit Card. According to the current resolution it appears that Airlines cannot accept such practice and threatens the agency with consequences leading to ADMs and delinquency, under the governing rule 814 (1.4). Agency representatives were able to convince the Airlines, that a recommendation must go which gives the Airlines the “option” to accept the Agency Credit Card and does not explicitly prohibit the usage of the same. The Airlines said YES to this resolution as well. (*Infact, recently UFTAA had circulated that our resolutions are tabled before PA Conference*)

As TAAI, we made presentations and our colleague Association TAFI supported the debate. We eagerly await the outcome of how the PA Conference will view these resolutions during October 2014 meet at California, USA.

The current TAAI MC is all aggressive to offer possible solutions to the Challenges. Infact, two of the long list of challenges we had listed earlier are covered here as initiatives with APJC.

Peter Drucker said it well - *Knowledge has to be improved, challenged, and increased constantly, or it vanishes.*

Yes. TAAI is involved with all possible initiatives to keep our k-levels updated. We have several tasks during these few months towards this focus. Be it the New Distribution Capability presentations that will soon start with Regions & Chapters or be it the Tourism initiatives or the frequent updates on various matters TAAI shares with our members – what matters is that our K-curve must go up. It is vital to our success and preparedness.

Our challenges are not merely “Principals” driven. Some may appear “complex” due to our non-proactive approaches.

A subject that came up was 50:50 Insurance-Bank Guarantee. **We as Agency representatives had to say a LOUD NO!** This change may be an Insurance company driven one or in joint discussions with the Airlines – what matters is that on one hand we defend ourselves unitedly and on the other come up with solutions that gift us with comfort zones.

Let me close by wishing you higher levels of success in gearing up with updates and upgrades that support consistency of the superior you – superior to who you were yesterday and importantly – superior to circumstance.

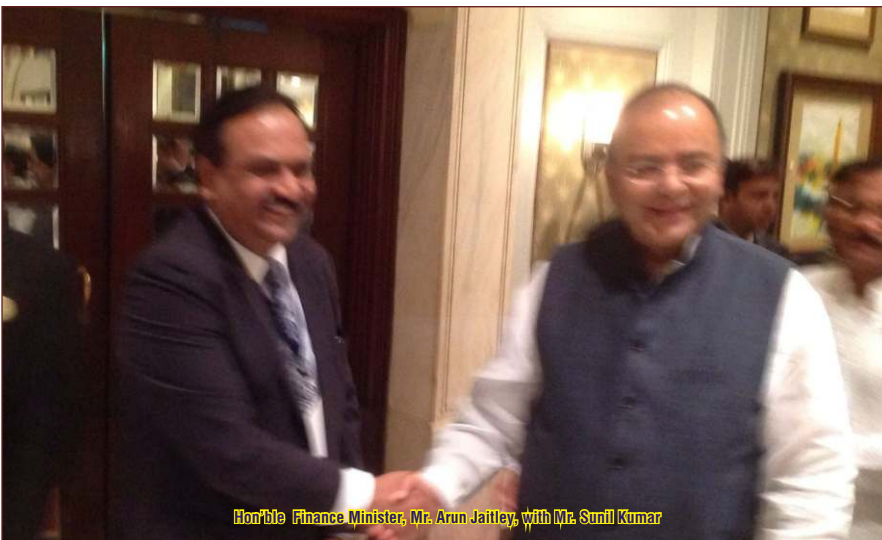
Steve Jobs inspires us by his quote – **“For the past 33 years, I have looked in the mirror every morning and asked myself: ‘If today were the last day of my life, would I want to do what I am about to do today?’ And whenever the answer has been ‘No’ for too many days in a row, I know I need to change something.”**

All the very best.

With warm regards

Sunil Kumar
Acting President
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MOT'S NATIONAL CONFERENCE OF STATE TOURISM MINISTERS A GREAT SUCCESS (NCTM)



A National Conference of State Tourism Ministers and Tourism Secretaries was held in Delhi on 21st August 2014 at ITC Maurya, New Delhi in association with FAITH, of which TAAI is a founder member. Shripad Yesso Naik, Hon'ble Minister of State with Independent Charge for Culture and Tourism, Government of India, presided on the occasion. Acting President Mr Sunil Kumar and Tourism Council Chairman, Mr Jay Bhatia were part of this important meet representing TAAI.

The inaugural address was made by the Hon'ble Finance Minister, Shri Arun Jaitley, who emphasised on laying out the red carpet for tourists visiting India. He also said in His opening remarks that Tourism is an under achieved sector in India. Being the largest employer it can enhance economic growth and resource of the country.

Mr. Sunil Kumar, presented a White Paper to the Ministry of Tourism at the distinguished gathering and in his presentation, spoke for the need for regulating the functioning of the "Travel & Tourism Agency operations in India" as well as better co-ordination by State Tourism Boards for promoting regional tourism along with TAAI's network of 20 regions and chapters. He also pointed out the importance of obtaining "industry status recognition for Tourism", liberalisation of remittances, relief in the form of export credit system like other exporter enjoy and viable tax exemptions for the Industry,

specifically service tax. He stated in his remarks to the august gathering of Ministers,

"We are pleased to present one such initiative, which is overdue in India and is very much required to enhance our credibility in offering professional and quality Tourism and offer security to the travelers. This initiative can also clean up several unlawful practices and India can stand for "reliability" as an important travel and tourism feature that supports our programs. We seek your favourable attention to this white paper which has been extensively deliberated at our Managing Committees, for years, and is now before you Sirs, for your consideration and for the Ministry to take this important step in regulating a healthy industry in India.

We are ready to offer our services – make detailed presentations and be available to you and the Ministry. Thankfully, our 63 years success of quality professionalism is a great advantage for us to offer the right counsel and people to work closely with the government to help

establish practices that bring tremendous goodwill to “Brand India” in travel & tourism sector.”

TAAI also emphasised to the Ministry to strengthen our brand “Incredible India” and release the enormous potential that lies within all of us and our great nation – India!

He also thanked the hon. Minister Of Finance, Shri Arun Jaitley for understanding and accepting certain service tax exemptions in his current budget.

There were discussions on topical nue for

important issues faced by the tourism industry in India and Minister Shri Naik stressed the need to adopt safety measures in the country as crime against women were increasing. He also informed, during a brief interaction on the sidelines of the Conference, that Electronic Travel Authorisation (ETA) will be implemented soon and new circuits will be developed. Parvez Dewan, Secretary - Tourism, Government of India, who was also present informed that ETA would be implemented within three to four months. Shri Jaitley was of the opinion that costly rooms rates meant less tourists. Less tourists meant lower revenue for the government and that the foreign tourist arrival figure of seven million was "inadequate" considering India's vast tourism resources.

The tourism minister emphasised the need for educating professional in the tourism trade and make India a education hub for tourism. TAAI has already initiated the process to educate upcoming talent as well as polishing the existing tourism professionals.

What's more - the MoT will now constitute a new category of ‘Cleanliness’ in the National Tourism Awards from next year. Anand Kumar, Joint Secretary, MoT, Government of India; and Nakul Anand, Chairman, Federation of Associations of Indian Tourism & Hospitality, also attended the Conference. Faiths consulting CEO, Aashish Gupta made a detailed presentation on tourism polices that need to be adopted by the government in enhancing the growth in tourism to India.

He also suggested how the govt. could partner with trade and aviation to create the tourism strategy. Promote state airports, create a systematic tourism marketing policy with Emphasis on creating standards in Heritage tourism, adventure tourism, convention tourism, etc. He presented that, All states should set a tourism development budget 1% for a positive correlation of tourism to the state economy. Mr. Sunil Kumar, acting President and Mr. Jay Bhatia, Chairman Tourism council, also met State Tourism Ministers/Tourism Secretaries of States such as Andhra Pradesh and Telangana, Tamil Nadu, MPCG, Gujarat, Punjab, J&K, Sikkim, Assam, Uttar Pradesh & Uttarakhand Maharashtra, Karnataka, Orissa, Rajasthan, Lakshadweep, to name a few, and discussed the potential of TAAI members in promoting tourism.



SEYCHELLES TOURISM BOARD HOLDS ROADSHOWS IN NEW DELHI AND MUMBAI.



Tourism Council Co-Chairman Mr. Lokesh Bettaiah Acting President Mr. Sunil Kumar, Tourism Council Chairman Mr. Jay Bhatia, H.E Mr. Alain St.Ange, Minister of Tourism and Culture for Seychelles and TAAI Hon. Secretary General, Mr. Harmandeep Singh Anand,

TAAI team comprising of Acting President Mr. Sunil Kumar R., Hon. Sec General Mr. Harmandeep Singh Anand, Hon. Treasurer Mr. Marzban Antia along with Tourism Council Chairman Mr. Jay Bhatia and Co-Chairman Mr. Lokesh Bettaiah met H.E Mr. Alain St.Ange, Minister of Tourism and Culture for Seychelles in Mumbai on Wednesday 6th August 2014. The event was organised by Ms. Lubaina Sheerazi, Head - Bluesqaure Consultants – official representatives of the Seychelles Tourism Board along with her team Mr. Sunil Mathapati and Ms. Ashwini Krishna.



Mr. Sunil Kumar & Mr. Harmandeep Singh Anand, in Conversation with H.E Mr. Alain St.Ange,

Mr.St.Ange, speaking at the event stated that, India and Seychelles were just 4 hours away thru a direct flight. The lack of direct connectivity is hindering exponential growth of tourism from India. They are expecting a direct flight to commence from Mumbai to Seychelles from 01st December 2014 atleast 3 times a week. Prior to this event, H.E. Mr. Alain St. Ange was also conferred the Mahatma Gandhi Honour Award for his tireless effort in strengthening Indo-Seychelles relations in New Delhi. Ms. Lubaina Sheerazi and Mr. Sunil Mathapati of Bluesqaure Consultants, representative of Seychelles Tourism in India

hosted and organised the entire days workshop for the trade followed by a special evening meeting and discussions with the Hon. Minister from Seychelles. Ms. Lubaina Sheerazi in her presentation also explained that Seychelles was now ready to cater to tourists staying in apartments and budget accommodations as well. The visit of the delegation to India was led by the Minister which also included the Chief Executive of the Seychelles Tourism Board, Ms. Sherin Naiken, the Chief Executive of the Seychelles Aviation Authority, Gilbert Faure and representatives of the business community led by the Chairman of the Seychelles Chamber of Commerce and Industries, Marco Francis is geared towards positioning Seychelles as a holiday destination amongst Indian tourists.

The Hon. Minister Alain St. Ange met his India counterpart Shri Shripad Yesso Naik in Delhi to discuss tourism cooperation between the two countries. This was the first ever Seychelles Road show to be held in New Delhi and Mumbai where tourism trade partners of India met Seychelles tourism operators. **Speaking to the TAAI team, the Hon. Minister informed that Air Seychelles is likely to start operations from Mumbai by December 2014.**




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TAAI AND US CONSULATE ARRANGE VISA SEMINAR AT RAIPUR

Seminar in Progress



U.S Commercial Service and Vice Consul Mr. John P. Hesford with MC Member and Chairman Membership Council Mr Kirti Vyas



Participants from Raipur

MC Member and Chairman Membership Council Mr Kirti Vyas has organised US VISA Seminar at Raipur on 27 Aug. Mr Imtiaz Qureshi, Chairman, Allied Services co-ordinated with US embassy for this event. The presentation regarding US visa was given by Ms. Michelle Murzella, Commercial Specialist, U.S Commercial Service and Vice Consul Mr. John P. Hesford from US consulate Mumbai. The session was meaningful and informative for the members. All IATA and non IATA agent from Raipur and Bhilai was attended this session. Media coverage was good.

AMBASSADOR OF GREECE MEETS TAAI



On 13th August 2014 TAAI - Western Region Office Bearers along with some members met HE Mr. Ioannis E. Raptakis - Ambassador of Greece to India along with Mr. Vishal Jairath - Regional Head - VFS South Asia in VFS Mumbai to discuss various issues of visas and tourism. In the picture along with HE Mr. Marzban Antia - Hon. Treasurer TAAI — at VFS Centre, BKC, Mumbai. Second pic shows members of TAAI & TAFI along with HE Mr. Ioannis E. Raptakis - Ambassador of Greece to India along with Mr. Vishal Jairath - Regional Head - VFS South Asia and third pic shows H.E. along with Senior TAAI Member Mr. Sharukh Kapadia & Mr Nalin Kapadia. H E Mr Raptakis welcomed the initiative of this interactive meet

SOUTHERN REGION

TAAI - SR Annual Meeting held at Ambassador Pallava Hotel Chennai on 26-08-2014



WESTERN REGION

The Western Region Annual Meeting took place on 20th August, 2014 at the IMC in Mumbai. The Chairman Mr Sampat Damani, presided over the meeting along with his office bearers, Secretary, Col P. Shashidharan, VSM, AFV & Treasurer Mr. Sameer Karnani.



KARNATAKA CHAPTER

TAAI Karnataka Chapter held its annual meeting for its Members at Chancery Pavillion on 27th August 2014.



TAAI NORTHERN REGION



Annual Meeting of TAAI Northern Region was held on 29th August, 2014 at The Claridges Hotel which was very well attended by the members. Chairman and his Office Bearers thanked the members for taking out their valuable time for attending the meeting and reassured them of the commitment towards the members.

Chairman presented his annual report which was followed by the presentation of accounts by the Hon. Treasurer.

MEETINGS 2014



GUJARAT CHAPTER

TAAI Gujarat Chapter held its annual meeting on 26-08-2014 at the Fortune Landmark Hotel in Ahmedabad with good attendance



TAAI MP & CG CHAPTER

TAAI MP & CG Chapter's Annual Meeting was held on 27th August at the Courtyard by Marriott in Bhopal. Chairing the meeting was Chairman Mr. Harish Wadhvani



TAAI SOUTH TAMILNADU CHAPTER

TAAI - South Tamil Chapter Annual Meeting Annual Meeting for the year 2013-14 was held at Hotel Sangam, Trichy on 18th August 2014. Chapter Chairman's M.S.Paramasivam read out the Chairman report for the period 2013-14. Hon.Treasurer Mr.Peer Mohammed submitted the Treasurer Report on the floor. Hon.Secretary Mr. M.Natrajan and Mr.R.Venkatachalam - Advisor were present on the floor.



MEMBER ACHIEVEMENTS



Members will be happy to know that N M Sharafudeen former Vice President TAAI was conferred with a Ph.D in Human Resource Management from Malaysia International University. Congratulations from all in TAAI !

TAAI Managing Committee Member and Chairperson of Airline Council, Mrs Jyoti Mayal was awarded on 2nd August 2014 in Delhi by Safari India at the Safari India South Asia Travel Awards, under the category 'Best Professional in Marketing'. Congratulations to you on this achievement!!!



QUOTE OF THE MONTH

“ One best book is equal to hundred good friends but one good friend is equal to a library”

- Dr. A P J Abdul Kalam



GUJARAT CHAPTER & AIR INDIA CELEBRATE INDEPENDENCE DAY TOGETHER



Our National Carrier Air India in Ahmedabad has had the Independence day celebrations in their office building terrace since many years and this year TAAI joined them ! Mr Shreeram Patel, Chairman, TAAI Gujarat Chapter informs us that Mr. Melvin D'silva, DGM - Commercial did the honors of flag hoisting who was very happy that Gujarat Chapter participated so enthusiastically !



NEWS FROM SOUTHERN REGION



Members on the Bali Fam Trip, led by Ms. Charanya Ramesh - Tourism Council Chairman TAAI - SR.

TAAI Southern Region Members discovered the beauty of Bali on their FAM trip and got First - hand knowledge of the various tourism facets of this lovely destination



VISITBRITAIN'S GREAT TOURISM WEEK IN SOUTH INDIA



In the picture - Visit Britain Team along with Team TAAI in Karnataka, (from left to right) Anil Kumar - Chairman TAAI Karnataka, Amish Desai - Hon. Treasurer - TAAI Karnataka, Shivali Suri - Country Manager India - Visit Britain, Patricia Yates - Director Strategy & Communications, Visit Britain, Lokesh Bettaiah - Co-Chairman - TAAI Tourism Council, M. Raghavan - Hon. Secretary - TAAI Karnataka and Vishal Bhatia - Deputy Manager India - Visit Britain.

Having received fantastic responses from TAAI members for their roadshows in Kolkatta, New Delhi, Chandigarh, Pune, Ahmedabad and Mumbai, VisitBritain organized a series of road-shows in India termed as GREAT Tourism Week 2014. The third wave of which was held in South India covering Bangalore (25th Aug), Hyderabad (27th Aug) & Chennai (28th Aug). The event is a new tourism roadshow organised by the national tourist board for local travel trade and UK tourism suppliers to meet and generate more business for Britain. Led by Patricia Yates, Director Strategy & Communications, VisitBritain confirmed that India is now Britain's biggest BRIC market and they were presenting the Indian travel trade to key British suppliers to enhance their tourism potentials.

The GREAT Tourism Week roadshow enabled VisitBritain to interact fruitfully with the Indian travel trade with a 3 day event providing a platform to Indian travel agents and tour operators to build the participating UK tourism suppliers such as Globus & Cosmos, British Airways, Trafalgar Tours and Tourism Ireland. Besides members, TAAI Tourism Council Co-Chairman, Mr. Lokesh Bettaiah, Karnataka Chapter team of Chairman Mr. Anil Kumar, Hon. Secretary, Mr.M.S. Raghavan & Hon. Treasurer, Mr. Amish B Desai along with the members attended the event in Bengaluru. So did Andhra Pradesh Chairman Mr.R. Ajay Kumar in Hyderabad & Members and in Chennai, Southern Region's sub committee for tourism led by Ms Charanya and around 40 members were present.

A special time slot from 10:30am to 11:30am was kept Exclusive for members of TAAI for interactions with the UK trade partners. Interacting with Ms. Yates, the TAAI team lead by Mr. Lokesh Bettaiah, expressed their concerns with the British trade partners. Mr. Bettaiah also thanked the GREAT initiates of Visit Britain team along with TAAI in promoting Tourism to UK.

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Accor Hotels Group comprising of over 3500 hotels worldwide for special discount @ 30% EXCLUSIVELY for its Active/Associate members traveling personally at 1500 ++ hotels worldwide including Sofitel, Pullman MGallery Hotels, Novotel, Suite Novotel, Mercure Hotels, @all seasons worldwide as per the Star Program/ For more details members please refer TAAI circular # TAAI / GEN / AC - AS / 140 / 2014

TAAI & Oberoi Hotels & Resorts / Trident in India

EXCLUSIVE rates for the benefit of TAAI Membership holding #TAAI Photo ID cards. Include properties in : Agra, Jaipur, Udaipur, Cochin, Bhubaneswar, Mumbai, chennai, Hyderabad, gurgaon, Ranthambore, Shimla, New Delhi, Bangalore and many more...

For more details members refer TAAI members circular # TAAI/GEN/ALL/200/2014 dated 13th August 2014.

TAAI & Dream Hotel Cochin - From the Vikram Chatwal Group

Special promotional rates offered (valid upto 31st March 2015) to Authorized Representatives of TAAI members holding valid

TAAI Photo ID cards. TAAI Members please refer circular # TAAI / GEN / ALL / 196 / 2014 dated 12th August 2014 for details.

TAAI & Taj Hotels, Resorts and Palaces All Taj Group hotels in India with Special & Exclusive offers for authorised representatives of TAAI accredited members holding Photo id. Trade Partner offer valid from 01 October 2014 to 15 April 2015. Members please refer TAAI Circular # TAAI/ GEN/ALL/216/2014 dated 02 Sept 2014 for more details.

Special Rates from Waterstones Hotel, The Gordon House & Rokeby Manor for TAAI Members.

Members are requested to contact the respective Sales & Marketing official(s) from Mars Enterprises in case of any further queries. Note that all rates mentioned herein are exclusively for TAAI members only, for their personal use. Travel Agent Members who wish to give special rates to their clients should contact the respective Sales & Marketing official(s) from Mars Enterprises for more details. Please refer to TAAI email of 10th May 2014, TAAI / GEN / ALL / 120 / 2014i

CHANGES IN SERVICE TAX IN BUDGET 2014 RELATING TO TRAVEL & TOURISM INDUSTRY

TAAI HSG and Chairman Service Tax Council - Mr. Harmandep Singh Anand and Mr. Manish Gadia TAAI CA and Service Tax Consultant have put forth the following information regarding Service Tax procedures post Budget 2014, for enhancing the knowledge of our members, Please send your queries, if any, to taai@taai.in and they will be happy to address them with appropriate responses.

1. Services by Hotel, Inn etc.

1.1. Earlier there was no clarity as to exemption to Dharamshalas, Ashrams or any other non-commercial places having declared tariff of Rs. 1,000/- per day was available or not, now effective from 11th July, 2014 it is clarified that it is exempted.

2. Transportation of passengers services by contract carriage

2.1. Services of transportation of passengers by air-conditioned contract carriages will be liable to service tax.

2.2. "Contract Carriage" means a motor vehicle such as buses or coaches etc. which carries passengers – (a) on a time basis, whether or not with reference to any route or distance; or .

(b) from one point to another, and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey.

2.3. Abatement (exemption) benefit of 60% is available; hence Service tax will be applicable on 40% of the value of services.

3. Services provided by Tour Operator

3.1. Services provided by a tour operator to a **foreign tourist** in relation to a **tour conducted wholly outside India** are now exempted from service tax effective from 11th July, 2014.

3.2. Earlier if the tour operator provided the services as an intermediary then service tax was applicable even in cases where a tour is conducted wholly outside India for a foreign tourist, but now the same is exempted from service tax.

3.3. Example:

Sr. No.	Tourist	Destination of Tour	PTP# basis or Commission basis	Applicability of Service Tax	
				Prior to 11th July, 2014	From 11th July, 2014
1.	Foreign	Outside India	PTP	Exempt	Exempt
2.	Foreign	Outside India	Commission	Taxable	Exempt
3.	Indian	Outside India	Any	Taxable	Taxable
4.	Foreign	State of J & K	PTP	Exempt	Exempt
5.	Foreign	State of J & K	Commission	Taxable	Taxable

#Principal-to-Principal

3.4. It is important to note that the said exemption is not available to outbound tours.

4. Availment of Cenvat credit in cases of reverse charge mechanism

4.1. Cenvat credit on input services, where service tax is paid on reverse charge, shall be available as tabulated:

Sr. No.	Situation	When can Cenvat credit be availed	
		Upto 10.07.14	w.e.f. 11.07.14
1	Full reverse charge i.e. where full service tax is payable by service receiver	Cenvat credit will be available after payment of value of input services and service tax as indicated in bill or invoice.	Cenvat credit can be availed after service tax is paid to the Government, irrespective of the fact as to whether the payment of value of services received to the service provider is made or not.
2	Full reverse charge i.e. where full service tax is payable by service receiver	Cenvat credit will be available after payment of value of input services and service tax as indicated in bill or invoice. (There is no change).	

Particulars	Date
Date on Invoice	10/08/2014
Service Tax of Rs. 1,236/- (Rs. 10,000 * 12.36%) paid to the Government	15/11/2014
Value of Services Paid to Shah Advocates (Rs.10,000)	30/12/2014
Cenvat Credit available on	15/11/2014

4.3. In respect of Cenvat credit of service tax on partial reverse charge mechanism, it shall be available as per the method followed earlier i.e. after payment of value of services and service tax to the vendors/suppliers.

5. Time limit for Availment of Cenvat credit

5.1. There was no time limit on availment of Cenvat credit it could be taken at any point of time i.e. even after 6 months or 1 year or at any time.

5.2. W.e.f 1st September, 2014 however such time period of availment has been restricted to 6 months i.e. Cenvat credit on input services has to be taken within 6 months of the receipt of invoice, bill etc.

otherwise the Cenvat credit on such input services will not be available.

Particulars	Date
Date on Invoice	05/09/2014
Cenvat Credit to be taken by	04/03/2015

5.3. It is to be noted that Cenvat credit has to be taken by 04.03.2015 else the same would lapse after the expiry of 6 months period.

6. Sale of space or time slots for advertisements

6.1. Effective from 1st October, 2014 selling of space or time slots for advertisements shall be liable to service tax.

6.2. Thus, selling of space or time slots for advertisements on segments that will become taxable will be film screens in theatres, transport machinery, buildings, hoardings, banners, allowing time for advertisement in person, ATMs, cell phones, tickets, online and mobile advertising etc.

6.3. However, selling of space for advertisements in print media shall not be liable to service tax.

7. Services by Radio Taxis

- 7.1. Currently services provided by metered cabs, radio taxis or auto rickshaws are not liable to service tax.
- 7.2. However, effective from 1st October, 2014 services provided by radio taxis or radio cabs such as Meru Cabs, Easy Cabs, etc. whether or not air conditioned will be liable to service tax with the benefit of abatement available to such service providers.
- 7.3. "Radio taxi" has been defined as a taxi including a radio cab, which is in two-way radio communication with a central control office and is enabled for tracking using GPS or GPRS.
- 7.4. Abatement (exemption) benefit of 60% is available; hence Service tax will be applicable on 40% of the value of services.

8. Determination of Rate of Exchange - Section 67A

- 8.1. W.e.f. 1st October, 2014, the rate of exchange for determination of value of taxable service i.e. if the billing is done in foreign currency or bill is received in foreign currency and such services are liable to service tax then the applicable rate of exchange shall be as per the generally accepted accounting principles on the date when service tax is liable to be paid as per the Point of Taxation Rules, 2011, as against current law of taking rate of exchange as specified under Explanation to Section 14 of Customs Act, 1962.

9. Renting of motor vehicle designed to carry passengers/Motorcab (Operator to Operator)

- 9.1. The rent-a-Motorcab (cab) operator can take the abatement (exemption) subject to the condition that Cenvat credit of inputs, capital goods and input services has not been taken.
- 9.2. W.e.f 1st October, 2014 Cenvat credit of input services of the rent-a-Motorcab operator will be available i.e. rent-a-Motorcab operator to rent-a-Motorcab operator abatement benefit can be taken and Cenvat credit of such input services of said services can also be taken.

9.3. **The representation for the above Cenvat credit availability was prepared by GMJ & Co for TAAI and was presented before the Ministry by the Honorary Secretary General of TAAI and accordingly the Cenvat credit will now be allowed.**

- 9.4. The said provision is explained with the help of the following situations –

Sl. No.	Service tax on	Cenvat available or not	
		Upto 30.9.2014	W.e.f. 1.10.2014
1	Inputs	No	No
2	Capital Goods	No	No
3	Input services of renting of motorcab	No	Yes
4	Any other input services, other than 3 above	No	No

- 9.5. Thus, in short even if abatement is taken then also Cenvat credit of input services of renting of motorcab is available i.e. operator to operator Cenvat credit is available.

- 9.6. Further, the availment of Cenvat credit of Sl. No. 3 in the above table is restricted to 40% i.e. service receiver operator can avail only 40% of Cenvat credit.

10. Services by a tour operator (Operator to Operator)

- 10.1. The tour operator can take the abatement (exemption) subject to the condition that Cenvat credit of inputs, capital goods and input services has not been taken.
- 10.2. W.e.f 1st October, 2014 Cenvat credit of input services of the tour operator will be available i.e. tour operator to tour operator abatement benefit can be taken and Cenvat credit of such input services can also be taken.

10.3. **The representation for the above Cenvat credit availability was prepared by GMJ & Co for TAAI and was presented before the Ministry by the Honorary Secretary General of TAAI and accordingly the Cenvat credit will now be allowed.**

10.4. Example:

Star Travels purchases a tour package from Moon Travels for Rs. 1,00,000/- plus Service tax (including cess) @ 3.09% of Rs. 3,090/- Star travels in turn sells the same package to its client for say Rs. 1,20,000/- plus Service tax (including cess) @ 3.09% of Rs. 3,708/-

Sl. No.	Particulars	Upto 30.9.2014	W.e.f. 1.10.2014
1	Service tax payable by Star Travels on sale of package tour	3,708	3,708
2	Cenvat credit of service tax charged by Moon Travels	-	3,090
3	Net Service tax payable by Star Travels	3,708	618

11. Mandatory E-Payment of Service Tax

- 11.1. Presently, assessee who had paid service tax of Rs. 1 Lakh or more in preceding Financial year are mandatorily required to make e-payment. However, effective from 1st October, 2014, all assessees are compulsorily required to make e-payment.
- 11.2. The time to time monetary limit for e-payment is tabulated below -

From	To	Monetary Limits
01/10/2006	31/03/2010	Above 50 lakhs
01/04/2010	31/12/2013	Above 10 lakhs
01/01/2014	30/09/2014	Above 1 lakh
From 01/10/2014	--	Mandatory, irrespective of amount paid in previous F.Y.

12. Reverse Charge Mechanism in case of Renting of Motor Vehicle

- 12.1. In case where abatement has not been taken by the service provider, the percentage of service tax payable by the service provider and service receiver has been modified to 50% each w.e.f. 1st October, 2014.

12.2. In a nutshell, where abatement has been taken, service receiver will pay service tax on 40% of value of service and in case where abatement has not been taken, both the service provider and service receiver will pay service tax on 50% of value of service.

12.3. The aforesaid is tabulated as under –

Particulars	Service Tax @ 12.36% payable on			
	Upto 30.9.14		W.e.f 1.10.14	
	SP	SR	SP	SR
Renting of Vehicle with abatement	0	100#	0	100#
Renting of Vehicle without abatement	60	40	50	50

SP = Service Provider

SR = Service Receiver

#It is to be noted that the service receiver can claim an abatement and pay service tax on 40% value.

13. Changes in Point of Taxation

13.1. Point of Taxation means the point of time when the services shall be deemed to be provided. Service tax has to be paid by the 6th of the month / quarter following the date on which point of taxation takes place.

13.2. Point of taxation for Service tax to be paid under reverse charge mechanism is when the payment of invoice is made to the service provider. However, if payment of invoice value is not made to such service provider within 6 months of date of invoice then service tax becomes due on the date of invoice.

13.3. Now, w.e.f. 1st October, 2014, the said provision has been amended to reduce the time limit of 6 months to 3 months. It has further been provided that where payment is not made within 3 months of date of invoice, then service tax becomes due for payment on the next day after expiry of said 3 months.

13.4. Effectively, point of taxation for service tax payments under reverse charge mechanism shall be the date of payment or 1st day immediately after 3 months from date of invoice, whichever is earlier.

13.5. The said amendment is tabulated as under:

S. N.	Particulars	Upto 30.9.2014	W.e.f. 1.10.2014
1	Bill date	05.10.14	05.10.14
2	Payment date (within 3 months)	01.01.15	01.01.15
3	Point of Taxation (for S.N. 2 above)	January 15	January 15
4	Payment date (after 3 months but before 6 months)	15.03.15	15.03.15
5	Point of Taxation (for S.N. 4 above)	March 15	January 15
6	Payment date (after 6 months)	10.05.15	10.05.15
7	Point of Taxation (for S.N. 6 above)	October 14	January 15

13.6. The amended rule is applicable only to invoices issued on or after 1st October, 2014. For invoices issued but not paid upto 30th September, 2014, following shall be the scenario:

S.N.	Particulars	Upto 30.9.2014
1	Bill date	05.09.14
2	Payment date (within 6 months)	15.03.15
3	Point of Taxation (for S.N. 2 above)	March 15
4	Payment date (after 6 months)	10.05.15
5	Point of Taxation (for S.N. 4 above)	September 14

14. Changes in Interest Rate

14.1. W.e.f. 1st October 2014, flexible rate of Interest for late payment of service tax based on period of delay in payment of service tax which is as under,

S.N.	Delay	Rate of simple interest*	
		Upto 30.09.2014	W.e.f. 1.10.2014
1.	Upto 6 Months	18%	18%
2.	More than 6 months and upto 1 year	18%	a) 18% for the first 6 months of delay; and b) 24% for the delay beyond 6 months
3.	More than 1 year	18%	a) 18% for the first 6 months of delay; and b) 24% for the period beyond 6 months upto 1 year; and c) 30% for any delay beyond 1 year

*Note: For assessee having a taxable turnover upto sixty lakhs in preceding financial year, interest rate shall be reduced by 3% for every period of delay. Interest on delayed payment of service tax is Mandatory and there is no upper limit.

Scope limitation:

- Views given above are general purpose views. Views may vary after going through the agreement, invoices etc. Readers are advised to obtain professional opinion or advice before taking any action
- The views are not binding on the TAAI or any member of the TAAI and acceptance of it including any subsequent and resultant planning or action will be at TAAI or any member of the TAAI's sole discretion and risk, without recourse to the author.
- The views mentioned there in are based on our understanding and interpretation of the legislations, and are not binding on any regulators or court and there can be no assurance that the regulators or court will not take a position, contrary to our opinion and comments.
- The view given here are the personal view of the Service Tax Doctor. It is not necessary that TAAI concur the same view.

TAAI NORTHERN REGION AND MALAYSIA AIRLINES



After their Annual meeting on 29th August, the Chairman and the TAAI-NR office Bearers had also invited Mr. Azahar Hamid, Regional Senior Vice President South Asia & Middle East Malaysia Airlines with his team. Chairman and his office bearers gave assurance of their full support and cooperation from all at TAAI-NR and its members and observed a one minute silence for the lives lost in the two tragic and unfortunate incidents that occurred with Malaysian Airlines.

SINGLE PERMIT FOR TRAVEL TO SAARC COUNTRIES



The SAARC nations are considering a single permit system for the regional block for easy movement of goods and people. A draft terms and conditions for the same are likely to be finalised in a week. Pakistan, Bangladesh and Maldives were absent from the meeting. The plan says permits would be issued by the competent authority of the respective government after verification of all the required documents. According to the plan permits for passenger and cargo transportation will be valid for one year and will be for multiple entries. The permits would be renewed every year 'subject to a maximum of five years'. Any vehicle carried to any other country must pass through immigration checkpoints on the routes authorised by the member nation. Protocols discussed among the member nations include details of vehicles, certificates the vehicles should carry and pre-verified "jumbo passport" of the crew of each vehicle.

Source : TourismBreakingNews.com , 8th September, 2014



CARTOON CORNER

TAAI WEBSITE & SOCIAL MEDIA

TAAI activities are regularly updated on its Website, Facebook and Twitter.



Website: www.taai.in



FB id: Travel Agents Association of India



Twitter id : @TAAI1951



MEMBERS, HAVE YOU BEEN VISITING OUR WEBSITE ?

The TAAI website www.taai.in has been a fruitful tool of communication since its inception in 2001.

It is a dynamic site and is user-friendly with lots of news on TAAI happenings and information on how to become a TAAI member.

View pictures, paragraphs, slideshows, videos on Association activities and TAAI events, just by clicking on them. Soon, you will be able to view your membership details by logging in with a password. How about that ?

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For Advertising on the Home page please contact the TAAI Secretariat on taai@taai.in

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Tingar

Tingar is a special club meant exclusively for our little royals. With trained professionals assisting them in creative and stimulating activities such as kite flying, mocktails classes, horse riding, storytelling, treasure hunts, movie nights and much more, Tingar is children's play powerhouse that's exciting, exhilarating and completely over-the-top fun!

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INR 11,000/-

per night

Package Includes:

- Daily breakfast
- Evening Hi Tea with sandwiches in Anjum, Tea Lounge
- Daily dinner at Zoya, All Day Dining
- Wide selection of activities for children at the Kids Club 'Tingar'
- 25% saving on spa therapies
50% discount on the 2nd night.

*Terms and Conditions

- Two children below 5 years can stay in the same room. One child between 5 to 18 years can stay in each room.
- Package is available for stays from Tuesday, April 01, 2014 to Tuesday, September 30, 2014

For Reservations:

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