

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri C.Thiyagarajan, I.R.S., Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 27/ARA/2026, dated 26.03.2026

1. *Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*

2. *In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*

- (a) *On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
- (b) *On the concerned officer or the Jurisdictional Officer in respect of the applicant.*

3. *In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*

4. *Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*

5. *The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu*

Goods and Services Tax Act.

GSTIN Number, if any/User id	33AAHFF4730D1ZW
Legal Name of Applicant	M/s. Friends Catering CBE
Trade Name of Applicant	M/s. Friends Catering CBE
Registered Address/ Address provided while obtaining User id	No. 172-175, Sarojini Street, Ramnagar, Coimbatore – 641 009
Details of Application	Application Form GST ARA-01 received from the applicant on 01.09.2025.
Jurisdictional Officer	State : Coimbatore Division, Coimbatore – II Zone, Ram Nagar Assessment Circle.
	Center : Coimbatore Commissionerate, Coimbatore – III Division. Coimbatore – III C Range
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Service Provision The applicant is engaged in providing outdoor catering services that do not involve hotel accommodation and are not located in any specified premises as defined under the GST law. Their services include two distinct categories of supply: <ul style="list-style-type: none"> • First, they provide composite outdoor catering services that involve both the supply of prepared food and deployment of manpower for serving and on-site event support. • Second, they also undertake supply of food for occasional events where the food is prepared at their premises and delivered to the customer's location without any involvement of labour or on-site service. The responsibility of the goods transfers at the time of dispatch or delivery, and the service does not involve any catering activity at the recipient's premises.

Issues on which advance ruling required	<ol style="list-style-type: none"> 1. Applicability of a notification issued under the provisions of this Act 2. Admissibility of Input Tax Credit of tax paid or deemed to have been paid 3. Determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required	<ol style="list-style-type: none"> 1. Whether we, Friends Catering (GSTIN: 33AAHFF4730D1ZW) being outdoor caterers not providing hotel accommodation or located in specified premises, providing outdoor catering services, which include both catering and labour services involvement (Composite) have the option to either: <ol style="list-style-type: none"> a) Pay GST at the rate of 2.5% CGST and 2.5% SGST without availing Input Tax Credit (ITC), or b) Pay GST at the rate of 9% CGST and 9% SGST with availing ITC, as per Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 20/2019-Central Tax (Rate) dated 30.09.2019, effective from 01.10.2019. 2. What is the applicable GST rate for food supply services provided for occasional events, where no labour or on-site services are involved, and the food is prepared at our own premises and transported to the recipient's location at their own risk? 3. What is the applicable HSN Code?

M/s. Friends Catering CBE No. 172-175, Sarojini Street, Ramnagar, Coimbatore – 641 009 (hereinafter called as the “Applicant”) are registered under the GST Act with GSTIN 33AAHFF4730D1ZW. The applicant informed that they are engaged in providing outdoor catering services that do not involve hotel accommodation and are not located in any specified premises. Their services include two distinct categories of supply:

- They provide composite outdoor catering services that involve both the supply of prepared food and deployment of manpower for serving and on-site event support.

- They also undertake supply of food for occasional events where the food is prepared at their premises and delivered to the customer's location without any involvement of labour or on-site service. The responsibility of the goods transfers at the time of dispatch or delivery, and the service does not involve any catering activity at the recipient's premises.

2.0 The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and SGST Rules, 2017.

3.0 The applicant has sought advance ruling on the question on rate of GST on both the models of supply under outdoor catering services and the applicable HSN code in both the cases.

Statement of relevant facts having a bearing on the question(s) raised.

4.1 Under Statement of relevant facts having a bearing on the question(s) raised, the applicant has stated that they are engaged in providing outdoor catering services, which include both catering and labour services; that labour services are always provided in conjunction with catering services; that they also offer catering services without any labour services, where food is prepared at their premises and subsequently transported to the recipient's location for occasional events, at their own risk; that their catering services are primarily provided for outdoor events held at various venues such as marriage halls, exhibition halls, and other similar locations for occasional functions; that they do not provide hotel accommodation services, nor are we located in any "specified premises".

4.2 The applicant further states that as per the amended Notification No. 11/2017-CT (Rate), Entry (iv), the supply of outdoor catering services at venues other than "specified premises" and provided by suppliers who are neither: (a) suppliers providing hotel accommodation at specified premises, nor (b) suppliers located in specified premises, is subject to GST at the rate of 2.5% CGST and 2.5% SGST, provided that no credit of input tax has been claimed on the goods and services used to supply this service. Also, Entry (vi) of the same notification specifies that GST at the rate of 9% CGST and 9% SGST applies to "Accommodation, food, and beverage services, other than those listed in Entries (i) to (v) above," without any restrictions on availing Input Tax Credit (ITC). The applicant further adds that the Explanation under Entry (vi) clarifies that the services covered by Entries (ii), (iii), (iv), and (v) will attract the respective GST rates prescribed for each category, subject to the conditions outlined in those entries. The applicant also includes that for the purpose of GST, the term "outdoor catering"

includes services provided at venues such as exhibition halls, events, conferences, marriage halls, and other similar locations for occasional and event-based functions, whether held indoors or outdoors

Interpretation of Law by the Applicant based on the statement of facts:

5.1 On interpretation of law, the applicant has stated that their services fall within the meaning of "outdoor catering" as defined in the notification, and are carried out at premises that are not "specified premises", by a person who does not provide hotel accommodation and is not located in specified premises. The applicant opined that Entry (iv) prescribes a concessional rate of 5% GST (2.5% CGST + 2.5% SGST), subject to the condition that ITC is not availed. It is not an unconditional mandatory rate, as the applicability is conditional upon non-availment of input tax credit and Entry (vi) provides for a GST rate of 18% (9% CGST + 9% SGST) for accommodation, food, and beverage services not falling under Entries (i) to (v), with the facility to avail ITC. Further, the applicant also added that since the concessional rate under Entry (iv) is conditional, and the standard rate under Entry (vi) is unconditional (and applies to all food and catering services not choosing or not falling under concessional categories), they interpret that the applicable HSN Code is 996334 and they have option to either (a) Pay GST at 5% without availing ITC under Entry (iv), if they choose to forgo ITC, or, (b) Pay GST at 18% with ITC under Entry (vi), if they choose to avail ITC, whether or not involving Labour services.

5.2 Prima facie, we find that the queries raised by the applicant get covered under clause (b), (d) and (e) of the Section 97(2) of the CGST Act, 2017, and as such are liable to be admitted.

5.3 The applicant is under the administrative control of State Tax Authority. The concerned Authorities of the Centre and State were addressed to report the detailed remarks and no pendency report on the questions raised by the applicant in their ARA application.

5.4 Since, no remarks have been received from the Central or State GST jurisdictional Authorities, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application

Personal Hearing

6.1 Mr. Manoj B., Chartered Accountant appeared for the personal hearing as an authorized representative (AR) of M/s. Friends Catering CBE. The AR reiterated the submissions made in their application for advance ruling.

6.2 The AR informed that they are engaged in providing outdoor catering

service under two types of supply, one of which is that they prepare the food and engage their staff and logistics to deliver and serve the food at the customers' premises or at the event site. Another model is that they prepare food at their centralized kitchen and the customers engage their logistics and staff to deliver and serve the food at their premises.

6.3 The Members asked whether they have any accommodation services along with the catering services and whether they have specified premises, to which the AR replied in negative. The AR reiterated that they need reply to their query regarding the rate of tax on both the models of food supply adopted by them. The Members informed the AR that mere preparation of food for outward supply is also a supply of service as per Schedule II of the CGST Act, 2017, to which the AR agreed. When the Members asked about the present tax rate adopted by the applicant, the AR replied that they tax at the rate of 18% and avail Input Tax Credit (ITC) wherever supply of food, transportation and serving is involved and tax 5% without availing ITC whenever only food is prepared without involvement of transportation or any other service. The Members also asked the AR to provide a write up on the present practice adopted by the applicant in case of both the models of supply of food along with sample copies of invoices. The AR undertook to provide the write up at the earliest.

Discussions and Findings:

7.1 We have considered the submissions made by the applicant in their application, copies of the relevant documents furnished by them, the submissions made during the personal hearing. We find that the applicant claims that they are engaged in providing outdoor catering services that do not involve hotel accommodation and are not located in any specified premises and that their services include two models of supply:

- They provide composite outdoor catering services that involve both the supply of prepared food and deployment of manpower for serving and on-site event support.
- They also undertake supply of food for occasional events where the food is prepared at their premises and delivered to the customer's location without any involvement of labour or on-site service. The responsibility of the goods transfers at the time of dispatch or delivery, and the service does not involve any catering activity at the recipient's premises.

7.2 Accordingly, the applicant has sought advance ruling on the question as to

1. *Whether they have the option to either:*

- a) *Pay GST at the rate of 2.5% CGST and 2.5% SGST without availing Input Tax Credit (ITC), or*

b) Pay GST at the rate of 9% CGST and 9% SGST with availing ITC, as per Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 20/2019-Central Tax (Rate) dated 30.09.2019, effective from 01.10.2019.

2. What is the applicable GST rate for food supply services provided for occasional events, where no labour or on-site services are involved, and the food is prepared at their own premises and transported to the recipient's location at their own risk?
3. What is the applicable HSN Code?

7.3 The applicant is of the view that the activity undertaken by them fall within the meaning of "outdoor catering" as defined in the notification, and are carried out at premises that are not "specified premises", by a person who does not provide hotel accommodation and is not located in specified premises. The applicant opined that Entry (iv) prescribes a concessional rate of 5% GST (2.5% CGST + 2.5% SGST), subject to the condition that ITC is not availed and Entry (vi) provides for a GST rate of 18% (9% CGST + 9% SGST) for accommodation, food, and beverage services not falling under Entries (i) to (v), with the facility to avail ITC. Further, the applicant also added that since the concessional rate under Entry (iv) is conditional, and the standard rate under Entry (vi) is unconditional (and applies to all food and catering services not choosing or not falling under concessional categories), they interpret that the applicable HSN Code is 996334 and they have option to either to pay GST at 5% without availing ITC under Entry (iv), if they choose to forgo ITC, or to pay GST at 18% with ITC under Entry (vi), if they choose to avail ITC, whether or not involving Labour services.

7.4 At this juncture, it becomes imperative to ascertain as to whether the said activity of the Applicant, constitute a supply of 'goods', or a supply of 'service'. Schedule II to the CGST Act, 2017 lists the activities to be treated as supply of goods, or, supply of services. In this regard, we find that para 6 of Schedule II, which discusses about 'Composite supply' is relevant to the issue in question, and the same is reproduced below:

"6. Composite supply: The following composite supplies shall be treated as a supply of services, namely:—

(a) works contract as defined in clause (119) of Section 2; and

(b) supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration."

7.5 Section 2 (30) of the CGST Act, 2017 defines 'Composite Supply' as:

"(30) "composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Illustration. - Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply;"

7.6 The applicant prepares food at their premises and supplies it to their clients for events held at various venues such as marriage halls, exhibition halls, and other similar locations for occasional functions. The applicant adopts two models of food supply for such occasional events or functions, viz., (i) they prepare the food at their premises, along with deployment of manpower for serving and on-site event support, and (ii) the applicant prepares the food at their premises and delivers it to the customer's location without any involvement of labour or any other on-site service.

7.7 We find that, in the first scenario, the applicant is involved in preparation, transport and serving of food to the clients for occasional outdoor or indoor events or functions. This combination of supply of goods and services are naturally bundled resulting in an overall supply of food to their clients and so, the activity undertaken by the applicant satisfy the criteria required for arriving at a composite supply. Therefore, we are of the opinion that the supply of food undertaken by the applicant forms a 'composite supply' and the same is liable to be treated as a 'supply of service' as laid down in clause (b) to para 6 of Schedule II to the CGST Act, 2017.

7.8 In the second scenario, the applicant prepares food at their premises and subsequently transports it to the recipient's location for occasional events, at the customer's own risk. Here, the applicant is involved in preparation of food as well as supporting logistically by way of arranging for transport of the prepared food, albeit at the customers' risk. Here again, we are of the opinion that since the applicant is involved in preparation of food, and in the arrangement for transportation of food, it falls within the meaning of a 'composite supply' and the same is liable to be treated as a 'supply of service' as laid down in clause (b) to para 6 of Schedule II to the CGST Act, 2017.

7.9 Having held that both the models of supply of food adopted by the applicant amounts to 'supply of service', it becomes imperative to ascertain the classification of service in order to determine the taxability of the service involved. In this regard, we find that the Annexure to the Notification

No.11/2017-CT(Rate) dated 28.06.2017, as amended, lists the classification of services and the extract of the relevant Chapter, Section Heading or Group, is reproduced as under :-

Annexure: Scheme of Classification of Services

Sl. No.	Chapter, Section Heading or Group	Service Code (Tariff)	Service Description
80	Group 99633		Food, edible preparations, alcoholic and non-alcoholic beverages serving services
		996334	Catering Services in Exhibition halls, Events Marriage Halls and other outdoor/indoor functions.

As per the submissions of the applicant, they provide catering services primarily for outdoor events held at various venues such as marriage halls, exhibition halls, and other similar locations for occasional functions. Therefore, as seen from the above table, the Service Accounting Code (SAC) is 996334.

7.10 Now that the SAC of the service activity is arrived at, we proceed to determine the rate of tax on the said supply of service. The rate of tax adopted for the activity of the Applicant is as per Notification No.11/2017-Central Tax (Rate) dated 28.06.2017, which notifies the Central Tax applicable on various services, as amended by Notification No.20/2019-Central Tax (Rate) dated 30.09.2019, is reproduced below:

Sl No.	Chapter, Section or Heading	Description of Service	Rate (percent.)	Condition
7	Heading 9963 (Accommodation, food and beverage services)	(i) Supply of 'Hotel accommodation' having value of supply of unit, accommodation above one thousand rupees but less than or equal to seven thousand five hundred rupees per unit per day or equivalent.	6	-

		(ii) Supply of 'restaurant service' other than at 'specified premises'	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
		(iii) Supply of goods, being food or any other article for human consumption or any drink, by the Indian Railways or.....	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
		(iv) Supply of "outdoor catering", at premises other than "specified premises" provided by any person other than- (a) suppliers providing "hotel accommodation" at "specified premises", or (b) suppliers located in "specified premises".	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
		(v) Composite supply of 'outdoor catering' together with	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken
		(vi) Accommodation, food and beverage services other than (i) to (v) above	9	-

7.11 The explanation given in para 4 of the Notification No.11/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No.20/2019-Central Tax (Rate) dated 30.09.2019 for Restaurant Service, Outdoor Catering Service, Hotel Accommodation Service is as follows: -

"(xxxii) 'Restaurant service' means supply by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied.

(xxxiii) 'Outdoor Catering' means supply, by way of or as part of any service of goods, being food or any other article for human consumption or

any drink, at Exhibition halls, Events, Conferences, Marriage Halls and other outdoor or indoor functions that are event based and occasional in nature.

(xxxiv) 'Hotel accommodation' means supply by way of accommodation in hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes including supply of time share usage rights by way of accommodation.

7.12 From the above, the following could be deduced, i.e.,

- i. Restaurant service covers only the services provided by restaurant, mess or canteen, thereby, the activity undertaken by the Applicant i.e. supply of food on occasional basis would not be covered under 'restaurant service'.
- ii. It is quite obvious that the service in question, will not be covered under 'hotel accommodation service' as the applicant is not providing any accommodation in hotels, inns, etc.
- iii. The said activity of the Applicant would ideally be covered under 'outdoor catering service' as the applicant is involved in the preparation of food and delivering the same for outdoor events held at various venues such as marriage halls, exhibition halls, and other similar locations for occasional functions.

7.13 Therefore, the services carried out by the Applicant fit into the category of services covered under Sl. Nos. 7(iv) of the service rate Notification No.11/2017-CT(Rate), dated 28.06.2017, as amended by Notification No.20/2019- Central Tax (Rate) dated 30.09.2019. We are therefore of the considered opinion that the activity of supply of food undertaken by the Applicant on occasional basis falls under entry No.7(iv) of the aforesaid notification, thereby attracting GST at the rate of 5% (2.5% CGST and 2.5% SGST) with a condition that credit of input tax charged on goods and services used in supplying the service has not been taken.

7.14 At this juncture, we find that the applicant contended and interpreted that since the concessional rate under Entry 7(iv) is conditional, and the standard rate under Entry (vi) is unconditional (and applies to all food and catering services not choosing or not falling under concessional categories), they have option to either to pay GST at 5% without availing ITC under Entry (iv), if they choose to forgo ITC, or to pay GST at 18% with ITC under Entry (vi), if they choose to avail ITC, whether or not involving Labour services. In this regard, we find that the Entry No.7(vi) of the Notification No.20/2019-CT(Rate) dated 30.09.2019 (which amends the original service rate Notification No.11/2017-CT(Rate), dated 28.06.2017, reads as below :-

(3)	(4)	(5)
<p>(vi) Accommodation, food and beverage services other than (i) to (v) above</p> <p><i>Explanation:</i></p> <p>(a) For the removal of doubt, it is hereby clarified that, supplies covered by items (ii), (iii), (iv) and (v) in column (3) shall attract central tax prescribed against them in column (4) subject to conditions specified against them in column (5), which is a mandatory rate and shall not be levied at the rate as specified under this entry.</p> <p>(b) This entry covers supply of 'restaurant service' at 'specified premises'</p> <p>(c) This entry covers supply of 'hotel accommodation' having value of supply of a unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.</p> <p>(d) This entry covers supply of 'outdoor catering', provided by suppliers providing 'hotel accommodation' at 'specified premises', or suppliers located in 'specified premises'.</p> <p>(e) This entry covers composite supply of 'outdoor catering' together with renting of premises (including hotel, convention center, club, pandal, shamiana or any other place, specially arranged for organising a function) provided by suppliers providing 'hotel accommodation' at 'specified premises', or suppliers located in 'specified premises'.</p>	9	-


7.15 It could be seen from the above that the aforesaid entry 7(vi) which provides for tax at the rate of 9% (i.e., 18% overall including SGST), without any condition, starts with the phrase "Accommodation, food and beverage services other than (i) to (v) above". Accordingly, having held already that the services rendered by the applicant gets covered under entry Sl.No.7(iv), the question of application of entry Sl.No.7(vi) to the instant case, does not arise at all. Apart from the same, clause (a) of the Explanation appended to the said entry, clearly states that in respect of supplies covered by items (ii), (iii), (iv) and (v), central tax prescribed against them in the respective column, i.e., 2.5% (5% overall GST) shall be payable, subject to conditions specified against them, **and that the same is a mandatory rate and shall not be levied at the rate as specified under this entry.** It could also be seen from the other inclusive clauses of the Explanation, that they all relate to services other than the one being discussed in the instant case, like (b) restaurant service, (c) hotel accommodation, (d) supply of 'outdoor catering' provided by suppliers providing 'hotel accommodation', (e) supply of 'outdoor

catering' together with renting of premises, etc. It is therefore clear that the rate of 9% is applicable only in respect of specific cases, and for all the other cases, the rate specified against the respective entries becomes mandatory, and that the option to pay GST at the rate of 9% (18% overall) does not lie with the taxpayer in such cases.

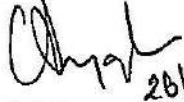
8. Based on the above discussion, we rule as under:

RULING

1. (a) The applicant is required to pay tax on the supply of service involving food, at the rate of 5% (2.5% CGST and 2.5% SGST) as per Sl. No. 7(iv) of the Notification No.11/2017 - Central Tax (Rate) dated 28.06.2017, as amended, with a condition that credit of input tax charged on goods and services used in supplying the service has not been taken.
(b) The applicant does not have an option of paying GST at the rate of 9% CGST and 9% SGST, along with availment of ITC.
2. The applicable GST rate for food supply services provided for occasional events, where no labour or on-site services are involved, and the food is prepared at applicant's premises and transported to the location at recipient's risk, is 5% (2.5% CGST and 2.5% SGST) as per Sl. No. 7(iv) of the Notification No.11/2017-Central Tax (Rate) dated 28.06.2017, as amended, with a condition that credit of input tax charged on goods and services used in supplying the service has not been taken.
3. The applicable HSN Code (SAC) for both the models of supply of food carried out by the applicant is 996334.


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To

M/s. Friends Catering CBE
GSTIN: 33AAHFF4730D1ZW
No. 172-175, Sarojini Street, Ramnagar,
Coimbatore - 641 009.
(By Speed Post)

Copy submitted to:

1. The Principal Chief Commissioner of GST and Central Excise, 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes, 2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise, Coimbatore Commissionerate, 6/7, A.T.D. Street, Race Course, Coimbatore – 641 018.

Copy to:

1. The Assistant Commissioner (ST), Ram Nagar Assessment Circle, 2nd Floor, CTO Complex, Dr. Balasundaram Road, Coimbatore – 641 018.
2. Stock File – A1