



HARYANA AUTHORITY FOR ADVANCE RULING,  
GOODS AND SERVICES TAX,  
HARYANA VANIJYA BHAWAN, PLOT NO 1-3, SECTOR 5,  
PANCHKULA-134151 (HARYANA)



ADVANCE RULING NO.HAR/HAAR/R/2019-20/23  
(In Application No.: 23/2019-20, dated 08.01.2020)

Name & Address of the Applicant	:	M/s Jewel Classic Hotels Pvt. Ltd., H. No. 16, Hotel Noor Mahal, Near Sector-32, Karnal, Haryana.
GSTIN of the Applicant	:	06AAACJ7678J1Z4
Date of Application	:	08.01.2020
Clause(s) of Section 97(2) of CGST/HGST Act, 2017, under which the question(s) raised.	:	(a)- classification of any goods or services or both; (g)- whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.
Date of Personal Hearing	:	12.06.2020
Present for the Applicant	:	Sh. Bhuvan Mittal (C.A) and Sh. Manoj Mittal (Advocate)

Memo No.:1063/AAR  
Dated: 28.08.2020

**1. Brief submission of the applicant:**

1.1 The applicant is running three separate units at three separate locations, having separate management in following names:-

- Hotel Jewels: Hotel Jewels has the facility of short-term hotel accommodation with 54 rooms all with tariff below Rs. 7,500/- (Rupees Seven Thousand Five Hundred per day per unit), banquet facilities, restaurant services, Bar, outdoor catering, etc. This hotel is located at Kunjpura Road, Karnal.
- Hotel Noor Mahal: Hotel Noor Mahal has the facility of short-term hotel accommodation, banquet facilities, restaurant services, Bar, gym, parlour services, outdoor functions/events, and other misc. services. Hotel Noor Mahal is having some rooms for accommodation having tariff of more than Rs.7,500/- (Rupees Seven thousand five hundred rupees per room per day). This hotel is located adjacent to Sector 32, Urban Estate, Karnal.

Hazuri Bagh: This is a separate and new unit started by the applicant, in which facilities of party lawns with & without catering and restaurant services are provided. There is no room accommodation in this premise. This premise is located on the Village Road, near Sector 32, Karnal.





1.2 All the three units have separate management, i.e. all operations, sales, accounting are being done separately by each separate team. They have common ownership of the applicant M/s Jewel Classic Hotels Private Ltd. and have single GST Registration Number.

1.3 As mentioned above, applicant has two separate existing Hotel units (Hotel Jewels and Hotel Noor Mahal) and recently started a new unit namely Hazuri Bagh, a party lawn, to organise marriage functions, exhibitions or other events. Hazauri Bagh, will take outdoor catering services from Hotel Jewels (A separate unit, in which No 'hotel accommodation' is more than Rupees Seven thousand Five Hundred per unit per day).

1.4 The applicant conducts various parties, marriages and other events in all three units. In these marriages/events in addition of renting of premises & supplying food/beverages the customers demand some additional arrangements from applicant such as Flower decoration; Orchestra, Music DJ, dance floor; Special cutlery for serving food; Electronic & Electric items, such as Television for podcasting, projectors, heaters in winter etc.; Arrangement of food or beverages from specific vendors (such as 'Café Coffee Day' stall, or BTW snacks etc.); And any other requirements of the customer.

1.5 Regarding tax on supplies from Unregistered Persons, the applicant has submitted as under:-

Section 9 (4) of the CGST Act, 2017 before its amendment by The Central Goods and Services Tax (Amendment) Act, 2018 read as follows:-

*9 (4).The central tax in respect of the supply of taxable goods or services or both by a supplier, who is not registered, to a registered person shall be paid by such person on reverse charge basis as the recipient and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.*

1.5.1 However, with a view to provide relief to registered persons, the Central Government issued Notification No. 8/2017 Central Tax (Rate) dated 28th June 2017, which exempted, w.e.f. 1st July, 2017, the intra-state supply of goods or services or both received by a registered supplier from whole of CGST, provided that the exemption would not be applicable where the aggregate value of such



supplies of goods or service or both received by a registered person from any or all the suppliers, who is/or are not registered, exceeds five thousand rupees in a day.

1.5.2 In view of difficulties faced by registered persons in complying with above provisions, the Proviso to above Notification No. 8/2017 CT (Rate) dated 28th June, 2017 specifying the threshold limit of Rs. 5,000/- for exemption, was omitted vide Notification No. 38/2017 CT(Rate) dated 13th October, 2017.

1.5.3 The omission of proviso to Notification No.8/2017 in a way suspended the applicability of reverse charge u/s 9(4) of the CGST Act, irrespective of the amount of purchases.

1.5.4 This exemption was upto 31st March, 2018 as the Notification No. 38/2017 CT (Rate) also provided that the exemption contained in Notification No. 8/2017 supra as amended shall apply to all registered persons till the 31st day of March, 2018.

1.5.5 Government of India again suspended the applicability of provisions of Section 9(4) of the CGST Act till 30.06.2018 vide Notification No. 10/2018 – CT (Rate) dated 23.03.2018 and the same was again suspended till 30.09.2018 vide Notification No. 12/2018 – CT (Rate) dated 29.06.2018.

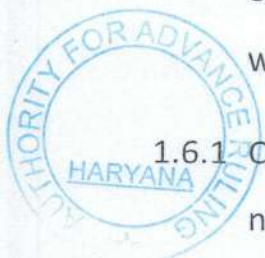
1.5.6 Again the said provisions were suspended till 30.09.2019 vide Notification No. 22/2018 – Central Tax (Rate) New Delhi dated 06.08.2018.

1.5.7 As a result of all these notifications put together, we could sum up that a registered person was exempted from payment of GST on the purchase of goods or services or both from an unregistered person upto 30.09.2019.

Applicability w.e.f.01.02.2019 :-

1.6 The Government of India vide Notification No. 1/2019 rescinded Notification No. 8/2017 - Central Tax (Rate) dated 28.06.2017. This notification came into force with effect from 1st day of February, 2019.

1.6.1 CBIC vide Notification No. 2/2019 – Central Tax dated 29th January, 2019 has notified 1st day of February, 2019, as the date on which provisions of the Central Goods and Services Tax (Amendment) Act, 2018 (31 of 2018) shall be applicable.



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1.6.2 In section 9 of the principal Act, for sub-section (4), the following sub-section has been substituted,

*(4) "The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both."*

1.6.3 A careful reading of newly substituted sub section 4 will show that provisions of reverse charge under this sub section would be made applicable to a **"Specified Class of Registered Persons"** in respect of supply of specified categories of goods or services or both received from an **"Unregistered Supplier"**.

1.6.4 Further it is submitted that Section 9(4) is applicable on the recipient of goods or services or both but in case of the applicant, he is neither supplier of the additional services nor is the recipient of the services, he is merely a pure agent arranging those supplies on behalf of the client. Thus, provisions of Section 9(4) are not applicable on us.

1.7 The applicant in its both Hotels provides short term accommodation services, in which sometime customer states that there will be three occupants in a single room. There are two methods of charging for three person's occupancy:

Particulars	Amount
Hotel Room (Three Occupancy)	6000.00

OR

Particulars	Amount
Hotel Room	5000.00
Add: Extra Bed	1000.00



In both cases mentioned above, the service provided by the hotel is extra bed with linen in the room, thus it should form part of the tariff irrespective of how it is mentioned in the tax invoice.



**2. Question on which Advance Ruling is required:**

- 2.1 Whether catering of food, banquet facilities and combination of both (as per requirement of the customer) in self owned marriage and party halls by Hotel Jewels (having all rooms below Rs. 7,500/-), Kunjpura Road, Karnal (A unit of Jewel Classic Hotels Pvt Ltd) is covered in Outdoor Catering taxable @ 5 % as per Notification No. 20/2019 Dated 30<sup>th</sup> September 2019?
- 2.2 Whether Hotel Jewels is eligible to charge 5 % tax (as per Notification No. 20/2019 Central Tax (Rate) for providing outdoor catering at Hazuri Bagh (A party lawn & restaurant of M/s Jewel Classic Hotels Pvt. Ltd.)?
- 2.3 Whether the additional arrangements (in addition to foods, beverages & renting of premises) such as flower decoration, DJ, Dance Floor, Special cutlery, Electric/electronics items, arranging food/beverages of specific vendors, provided as 'pure agent' will be excluded from value of supply as given in Rule 33 of CGST Rules and thus no tax is required to be charge on them?
- 2.3.1 Further, to arrange these supplies, some supplies are procured from Unregistered Persons having no GST Registration. Whether there is any tax on the supplies arranged from these unregistered people to be paid by the applicant under the Reverse Charge mechanism or any other provisions of the HGST Act/CGST Act?
- 2.4 Whether the extra bed forms part of the room tariff and liable to be charged as per various rates prescribed as per slabs given under Notification No. 11/2017-Central Tax (Rate), No. 13/2018-Central Tax (Rate) Dated 26<sup>th</sup> July 2018 and 20/2019 -Central Tax (Rate) Dated 30<sup>th</sup> September 2019 ?

**3. Discussion and findings:**

- 3.1 In order to determine the applicability of the notification No. 20/2019 Central Tax (Rate), dated 30<sup>th</sup> September, 2019 issued by the Government of India, Ministry of Finance, Department of Revenue, amending notification No. 11/2017 Central Tax (Rate), dated 28.06.2017 in which the rate of tax for outdoor catering has been reduced to 5%, it is necessary to examine the relevant portion of the notification which is reproduced below:

*In the said notification-*

(i) *In the table,-*





- (a) Against serial number 7, for the entries relating thereto in column (3), (4) and (5), the following items and entries shall be substituted, namely,-

(3)	(4)	(5)
<p>(iv) Supply of 'outdoor catering', at premises other than 'specified premises' provided by any person other than-</p> <p>(a) Suppliers providing 'hotel accommodation' at 'specified premises', or</p> <p>(b) Suppliers located in 'specified premises'</p>	2.5	<p>Provided that credit of input tax charged on goods &amp; services used in supplying the service has not been taken [refer Explanation (iv)]</p>
<p>(v) Composite supply of 'outdoor catering' together with renting of premises (including hotel, convention centre, club, pandal, shamiana or any other place, specially arranged for organising a function) at premises other 'specified premises' provided by any person other than-</p> <p>(a) suppliers providing 'hotel accommodation' at 'specified premises' or</p> <p>(b) suppliers located in 'specified premises'</p>	2.5	<p>Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [refer Explanation (iv)]</p>
<p>(vi) Accommodation, food and beverage services other than (i) to (v) above</p> <p>Explanation: (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	

Relevant portion of the Explanation is reproduced below: -

(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, camp sites or other commercial places meant for residential or lodging purposes including the supply of time share usage rights by way of accommodation.



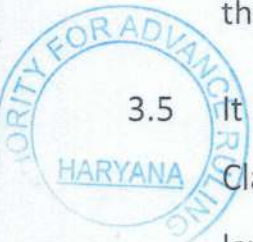


(xxxv) "Declared tariff" means charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.

(xxxvi) "Specified premises" means premises providing "hotel accommodation" services having declared tariff of any unit of accommodation above seven thousand five hundred rupees per unit per day or equivalent.

Question No. 1

- 3.2 The applicant contended that Hotel Jewels supplies food/beverages at its own marriage and party halls and these parties, conferences, functions carried out by Hotel Jewels are event based and occasional in nature. Further, the definition of outdoor catering does not distinguish whether the food/beverages are supplied in its own premises or other person's premises. Hence, the applicant falls under the definition of 'outdoor catering'. Further in the premises of Hotel Jewels, there is no unit of accommodation above Rupees seven thousand five hundred rupees per unit per day, thus, as per the applicant; Hotel Jewels is eligible for charging GST @ 5% for its catering of food with or without renting of premises in its marriage and party halls.
- 3.3 Here, we differ with the applicant, because the Hotel Jewels and Noor Mahal are not distinct persons. The hotel Jewels is the principal place of business and Noor Mahal is the additional place of business and both are owned by the same owner i.e. M/s Hotel Jewel Classic Pvt. Ltd. under the same registration number.
- 3.4 There is a condition in column 3 of (i)(a)(iv) in the Notification No. 20/2019 Central Tax (Rate) dated 30.09.2019 amending the serial No. 7 of Notification No. 11/2017 Central Tax (Rate) dated 28.06.2017, that the supply of outdoor catering should not be provided by such suppliers who are providing 'hotel accommodation' at 'specified premises'. In the present case, the applicant is providing hotel accommodation at Noor Mahal which is a specified premise. Thus, the applicant does not fulfill the condition.
- 3.5 It is clear from the above that outdoor catering activity carried by M/s Jewels Classic Hotels Pvt. Ltd. at its own Marriage Hall and Party Hall including outdoor lawns on the same registered premises of principal place or additional declared place does not fall in the ambit of GST (5%).



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### Question No. 2

- 3.6 Further, the applicant contends that Hotel Jewels is providing outdoor catering at Hazuri Bagh which does not fall under the definition of Specified Premises, hence the condition given in Notification is satisfied and thus Hotel Jewels (unit of the applicant) is justified to charge 5% tax under the said notification.
- 3.7 The following conditions have to be followed for the entitlement of 5% GST on supply of outdoor catering as per point (iv) of the Notification No. 20/2019 *supra*-
- (i) The supply of outdoor catering should be at such premises which should not be specified premises;
  - (ii) The supply of outdoor catering should not be provided by such suppliers who are providing 'hotel accommodation' at 'specified premises';
  - (iii) The supply of outdoor catering should not be provided by such suppliers who are located in specified premises;
  - (iv) The credit of input tax charged on goods and services used in supplying the service has not been taken.
- 3.8 Now let us discuss whether the supplier satisfying all the above mentioned conditions or not. In this regard, the proper officer has submitted that Hazuri Bagh is situated under the business premises of Noor Mahal Hotel, second unit of the above said taxpayer which is a specified premises. As Hazuri Bagh is situated in precincts of Hotel Noor Mahal, so it is clear that the taxpayer is not satisfying the condition (i) mentioned above. Therefore, the taxpayer is not entitled to supply @ 5% from the business premises of Hotel Noor Mahal/Hazuri Bagh.

### Question No. 3

- 3.9 Further, the applicant contends that they are satisfying the conditions of 'pure agent' given under Rule 33 of CGST Rules. Rule 33 of CGST Rules, 2017 is reproduced as below:-

#### **Rule 33: Value of supply of services in case of pure agent**

*Notwithstanding anything contained in the provisions of this Chapter, the expenditure or costs incurred by a supplier as a pure agent of the recipient of supply shall be excluded from the value of supply, if all the following conditions are satisfied, namely,*

- (i) *the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;*



(ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.

**Explanation:** - For the purposes of this rule, the expression — pure agent means a person who-

- (a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;
- (b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;
- (c) does not use for his own interest such goods or services so procured; and
- (d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.

3.10 As per the applicant, these services are exclusively enjoyed by the customers and they are acting merely as an agent to arrange these services on behalf of the customers, thus it is satisfying the conditions of 'pure agent' given under Rule 33 of CGST Rules, 2017.

3.11 The applicant contended that they are satisfying all the conditions of 'pure agent', hence the contention that they are eligible to charge GST on convenience fee/facilitation charges only seems as per rules. The point-wise conditions given under Rule 33 along with explanation and its applicability on the applicant has been explained as under:-

Provision/ Condition	Explanation
(i) the supplier acts as a pure agent of the recipient of the supply, when he makes the payment to the third party on authorisation by such recipient;	The applicant is supplying services/goods as per the requirement of the client; it acts as merely the agent of the customer for making payment of those goods/services on behalf of the customer.
(ii) the payment made by the pure agent on behalf of the recipient of supply has been separately indicated in the invoice issued by the pure agent to the recipient of service; and	The services/goods arranged by the applicant have been mentioned separately in the invoice raised to the customer, the sample Performa Invoice has been attached with the annexure.
(iii) the supplies procured by the pure agent from the third party as a pure agent of the recipient of supply are in addition to the services he supplies on his own account.	The supplies procured by the applicant are being exclusively enjoyed by the customers at applicant premises. The applicants only arrange those services on behalf of the customer. In addition to these services, the applicant always supplies its own services either renting of its premises or supply of food or both.



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*[Signature]*



Further, the applicant contended that they satisfy all the four conditions given in definition of "pure agent". The conditions and their fulfilment by them are as under:-

<i>(a) enters into a contractual agreement with the recipient of supply to act as his pure agent to incur expenditure or costs in the course of supply of goods or services or both;</i>	The applicant arranges flower decoration, DJ, electronic items, food from specific vendors etc. as per requirement given by the customers. The written agreement (Either on paper or email) with the recipient of services exists before making the bookings.
<i>(b) neither intends to hold nor holds any title to the goods or services or both so procured or supplied as pure agent of the recipient of supply;</i>	All the arrangements/bookings are always made in the name of recipient of service. Thus, the recipient of service always holds title to the services. The bills are raised in the name of applicant to make the requisite payment only.
<i>(c) does not use for his own interest such goods or services so procured; and</i>	Arrangement/Bookings of services made by the applicant are always used and enjoyed by the customers and not by the applicant.
<i>(d) receives only the actual amount incurred to procure such goods or services in addition to the amount received for supply he provides on his own account.</i>	The actual cost incurred by the applicant is mentioned separately in the invoice raised by him and their <b>convenience fee/facilitation fees</b> are shown separately as shown in Performa Invoice.

3.12 Here, we also differ from the applicant because the applicant has mentioned in his application that they take nominal/facilitation charges whether any liability to pay tax under GST arises or not. As per valuation rule provision of GST Act, 2017, the taxpayer does not satisfy the condition of the pure agent which is to recover from recipient only such amount as has been paid by him to the third party. Facilitation charges collected shall disqualify taxpayer from being pure agent.

#### Question No. 3A

3.13 In Section 9 of the CGST Act, for sub-section (4), the following sub-section has been substituted, vide Central Goods and Services Tax (Amendment) Act, 2018 (31 of 2018) vide Notification No. 02/2019- Central Tax dated 29.01.2019 w.e.f. 01.02.2019:-

(4) "The Government may, on the recommendations of the Council, **by notification**, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both."





3.14 By perusal of the said amended section, we can understand that provisions of Section 9 (4) of the CGST Act are not applicable to all registered persons, goods and services. It is applicable only to selected categories of registered persons & goods and services which have to be notified by the government. Till date the following notifications have been issued under new Section 9(4):-

- (i) Notification No. 07/2019-Central Tax (Rate) dated 29.03.2019; and
- (ii) Notification No. 24/2019-Central Tax (Rate) dated 30.09.2019;

By perusal of the above notifications it is clear that presently reverse charge mechanism under section 9(4) is not applicable on the applicant.

#### Question No. 4

3.16 Now, to determine whether the extra bed forms part of the room tariff and liable to be charged as per various rates prescribed as per slabs given under Notification No. 11/2017-Central Tax (Rate), No. 13/2018-Central Tax (Rate) Dated 26<sup>th</sup> July 2018 and 20/2019 -Central Tax (Rate) Dated 30<sup>th</sup> September 2019, it is required to go through these sections.

3.17 The relevant portion of Notification No. 11/2017 - Central Tax (Rate) serial No, 7, is reproduced below:-

S. No.	Chapter, Section or Heading	Description of services	Rate (Percent)	Condition
7	Heading 9963 (Accommodation, food & beverage services)	(ii) Accommodation in hotels, inns, guest houses, clubs, camp sites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of one thousand rupees and above but less than two thousand five hundred rupees per unit per day or equivalent. Explanation -"declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	6	-
		(vi) Accommodation in hotels, inns, guest houses, clubs, camp sites or other commercial places meant for residential or lodging purposes having declared tariff of a unit of accommodation of two thousand five hundred rupees and above but less than seven thousand five hundred rupees per unit per day or equivalent. Explanation-"declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published	9	-



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		charges for such unit.		
		(viii) Accommodation in hotels including five star hotels, inns, guest houses, clubs, camp sites or other commercial places meant for residential or lodging purposes having <b>declared tariff</b> of a unit of accommodation of seven thousand and five hundred rupees and above per unit per day or equivalent. Explanation - "declared tariff" includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.	14	-

3.18 However, the manner of charging tax on the hotel room was changed vide Notification No. 13/2018 - Central Tax (Rate) dated 26<sup>th</sup> July 2018 amending Notification No. 11/2017 - Central Tax (Rate) dated 28.06.2017. The relevant portion of the same is given below:-

*In the said notification, in the Table, -*

(i) against serial number 7, in column 3,-

(a) ...

(b) in items (ii), (vi) and (viii) -

(A) for the words "**declared tariff**" wherever they occur, the words "**value of supply**" shall be substituted;

(B) the Explanation shall be omitted.

3.19 Further, the rate and manner of tax is further changed by Notification No. 20/2019-Central Tax (Rate) dated 30<sup>th</sup> September 2019 amending Notification No. 11/2017 - Central Tax (Rate) dated 28.06.2017. The relevant portion of the same is given below:-

*In the said notification, -*

(i) in the Table, -

(a) against serial number 7, for the entries relating thereto in column (3), (4) and (5), the following items and entries shall be substituted, namely, -

(3)	(4)	(5)
"(i) Supply of 'hotel accommodation' having value of supply of a unit of accommodation above one thousand rupees but less than or equal to seven thousand five hundred rupees per unit per day or equivalent.	6	-
(vi) Accommodation, food and beverage services other than (i) to (v) above  Explanation: (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	9	-



<p>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>		
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Thus, depending upon the **value of supply** which is composite of total charges of the said accommodation including extra bedding of the room, the rate of tax is determined as per above notifications.

3.20 For further clarity of the applicant on the manner of charging rate of tax, it is clarified that the charges of extra bedding if exceeds the room tariff as per the said notification the same shall be treated as gross value of supply and the tax shall be charged as per the amount including the extra bedding charges as it is a part of room tariff.

4. In view of the foregoing, we pass the following -

**Ruling:**


- i) Catering of food, banquet facilities and combination of both (as per requirement of the customer) in self owned marriage and party halls by M/s Hotel Jewels Classic Pvt. Ltd, is not covered in Outdoor Catering taxable @ 5 % as per Notification No. 20/2019 Dated 30<sup>th</sup> September 2019;
- ii) M/s Hotel Jewels Classic Pvt. Ltd is not eligible to charge 5 % tax (as per Notification No. 20/2019 Central Tax (Rate) for providing outdoor catering at Hazuri Bagh;
- iii) Since, the applicant does not satisfy the condition of being a 'pure agent' hence, the additional arrangements provided by the applicant (in addition to foods, beverages & renting of premises) such as flower decoration, DJ, Dance Floor, Special cutlery, Electric/electronics items, arranging food/beverages of specific vendors, will not be excluded from value of supply; thus, tax is required to be charge on them;



- iv) Tax on the supplies arranged from the unregistered people is not required to be paid by the applicant under the Reverse Charge mechanism until further notification is issued by the government in this regard which is applicable on the applicant;
- v) The value of extra bed forms part of the value of supply and liable to be charged GST accordingly.

Ordered accordingly.  
To be communicated.

25.06.2020  
Panchkula.

  
(Sangeeta Karmakar)  
Member CGST

  
(Madhubala)  
Member SGST

**Regd. AD/Speed Post**

**M/s Jewel Classic Hotels Pvt. Ltd.,  
H. No. 16, Hotel Noor Mahal,  
Near Sector-32, Karnal, Haryana.**

Copy to:

1. The Commissioner of Central Goods & Services Tax, SCO No. 407-408, Sector-8, Panchkula, Haryana.
2. Deputy Excise and Taxation Commissioner (ST), Karnal.
3. Deputy/Assistant Commissioner of CGST-Division-Karnal, Pritam Nagar, Near Ekta Bajaj Showroom, Adj. HDFC Currency Chest, Namaste Chowk, Karnal.

o/c