



(भारत सरकार) GOVERNMENT OF INDIA
(रेल मंत्रालय) MINISTRY OF RAILWAYS
(रेलवे बोर्ड) RAILWAY BOARD

RBA No. 164/2017

GST Circular No. 72 /2017

No. 2016/AC-II/01/Misc./GST

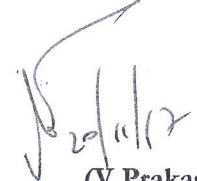
20th November, 2017

**General Managers,
All Zonal Railways and Production Units**

Sub :- Change in Rate for catering service.

Ministry of Finance (Department of Revenue) vide notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 had issued GST Rate for supply of food and beverage services. Further, vide Notification No. 46/2017-Central Tax (Rate) dated 14.11.2017, the aforesaid notification has been amended (copy of the notification enclosed). Therefore applicable rates of GST have undergone a change w.e.f. 15.11.2017. GST Consultant of Railway Board has given their opinion, which is also enclosed for information and necessary action.

Encl:- As above.


(V.Prakash)
Joint Director (Accounts)
Railway Board

Subject: **IR_GST - Catering service - change in rate of GST**

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From: Amutha Balasubramanian <amutha.b@lakshmisri.com>

image001.png (11kB) IR_GST - Note on change in rate _ Catering Service... (623kB)
CGST Rate Ntn 46 14112017 _ Services - GST Rates ... (330kB)

Dear Sir,

Good evening.

Please find attached the note on the change in GST rate applicable to catering services.
The relevant notification is also attached for ready reference.

Should you require any clarification, feel free to revert to us.

Regards,
Amutha



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Note on change in rate for restaurant/catering service

1. For supply of food and beverage services, applicable rates of GST have been changed with effect from 15.11.2017. the said change has been brought out by amending the Notification No.11/2017-Central Tax (Rate) dated 28.06.2017 vide Notification No.46/2017-Central Tax (Rate) dated 14.11.2017.
2. Relevant portion of the Notification No.46/2017-Central Tax (Rate) dated 14.11.2017 is as under:

Chapter, Section or Heading	Description of service	Rate	Condition
Heading 9963	“(i) 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 drink, where such supply or service is for cash, deferred payment or other valuable consideration, 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, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand 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.	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to Explanation no. (iv)].”
	(iii) 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, where such supply or service is for cash, deferred payment or other valuable consideration, 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, located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand 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	9	-



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.		
(ix) Accommodation, food and beverage services other than (ii), (iii), (v), (vi), (vii) and (viii) above. Explanation.- For the removal of doubt, it is hereby clarified that, 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 drink, where such supply or service is for cash, deferred payment or other valuable consideration, 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, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent shall attract central tax @ 2.5% without any input tax credit under item (i) above and shall not be levied at the rate as specified under this entry."	9	-

3. All the restaurants, eating joints (whether eat-in or take away) located in hotels, inns, guest houses, clubs, campsite or other commercial places meant for residential or lodging purposes where any one of the units of accommodation in such hotels, inns, guest houses, clubs etc. has declared tariff¹ of Rs. 7,500/- or above, shall attract 18% GST with full Input Tax Credit (ITC).
4. All other restaurants/eating joints i.e. stand-alone restaurants/eating joints (not situated in any hotel, inn, guest house, etc.) and also such restaurants located in a hotel, or inn, or guest house where none of the rooms have declared tariff of Rs. 7,500 and above (i.e. all rooms have declared tariff of less than Rs. 7,500/-) **shall mandatorily attract 5% GST with no ITC.**
5. It may be noted that the aforementioned change is made effective from 00.00 hours of 15th November 2017.
6. In context of Indian Railway (IR), we have been informed that there are following kinds of catering units operated by IR:

¹ Explanation.to Notification No.46/2017-Central Tax (Rate) dated 15.11.2017- "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.

6.1 **Mobile Units:**

These are of two kinds:

- 6.1.1 Where Food & Beverage is served in train (such as Rajdhani) by IR and the charges for Food & Beverage inclusive of GST is indicated separately in the invoice (e.g. e-tickets for travel in Rajdhani trains).
- 6.1.2 Where Food & Beverage is served in the train by the vendors having licence therefor and the said vendors supply the Food & Beverage to the passengers at the prices fixed by IR. In this case, the fair charged by IR does not include the charges for Food & Beverage sold by the vendors to the passengers since the same is supplied in the trains by the vendors/licensee and charged for it separately by the vendors.

6.2 **Static Units:**

These are of two kinds:

- 6.2.1 Without Air conditioner (like food stalls on railway platforms)
- 6.2.2 With Air conditioner (like food plaza on railway platforms)
- 6.2.3 In both the above places/premises, the Food & Beverage is sold by the vendors to the passengers and common public at the rates as may be fixed by IR.

- 6.3 **Parliament Canteen:** The canteen in the Parliament cater to the officials and Members of the Parliament as also the visitors to the Parliament. The canteen is run by the Northern Railways which procures materials from approved vendors and prepares food and beverage items. These same are sold in the parliament canteen to parliamentarians, staff and at times to visitors at the (subsidised) rates as fixed by Cabinet Secretariat. The Northern Railways also receives grants from Government for preparing and selling these food items in the canteen.

7. It may be noted that supply of catering services/supply of Food & Beverage taking place in the aforementioned catering units (whether it be Mobile or Static Units /Parliament Canteen) operated by IR and these units do not have any accommodation facility. Further, there is also no declared tariff in these cases. Therefore, in all these cases GST at the rate of 5% will be leviable with no ITC on the input goods and services used in supplying the service².

² As per para 6(b) of Schedule II to the CGST Act, 2017, supply of food and beverage is treated as service.

[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Finance
(Department of Revenue)

Notification No. 46/2017-Central Tax (Rate)

New Delhi, the 14th November, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017-Central Tax (Rate), dated the 28th June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28th June, 2017, namely:-

In the said notification, in the Table, -

- (i) against serial number 3, in column (3), in item (vi), for the words "Services provided", the words "Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided" shall be substituted;
- (ii) against serial number 7,-
- (a) for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
"(i) 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 drink, where such supply or service is for cash, deferred payment or other valuable consideration, 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, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent. <i>Explanation.</i>- "declared tariff" includes charges for all	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)].";

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.		
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(b) for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(iii) 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, where such supply or service is for cash, deferred payment or other valuable consideration, 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, located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent. <i>Explanation.-</i> “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.	9	”;

(c) the item (iv) in column (3) and the entries relating thereto in columns (3), (4) and (5), shall be omitted;

(d) in item (ix), in column (3), for the entry, the following entry shall be substituted, namely:-

“(ix) Accommodation, food and beverage services other than (ii), (iii), (v), (vi), (vii) and (viii) above.

Explanation.- For the removal of doubt, it is hereby clarified that, 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 drink, where such supply or service is for

cash, deferred payment or other valuable consideration, 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, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent shall attract central tax @ 2.5% without any input tax credit under item (i) above and shall not be levied at the rate as specified under this entry.”;

(iii) against serial number 26, in column (3), in item (i), after sub-item (h), the following shall be inserted, namely: -

‘(i) manufacture of handicraft goods.

Explanation. - The expression “handicraft goods” shall have the same meaning as assigned to it in the notification No. 32/2017 -Central Tax, dated the 15th September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1158 (E), dated the 15th September, 2017 as amended from time to time.’.

2. This notification shall come into force with effect from 15th of November, 2017.

[F. No.354/173/2017 -TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

Note: -The principal notification was published in the Gazette of India, Extraordinary, vide notification No. 11/2017 - Central Tax(Rate), dated the 28th June, 2017, vide number G.S.R. 690 (E), dated the 28th June, 2017 and was last amended by notification No. 31/2017-Central Tax (Rate) dated the 13th October, 2017 vide number G.S.R. 1273(E), dated the 13th October, 2017.