M/s ACHARYA SHREE MAHASHRAMAN CHATURMAS PRAVAS VYAVASTHA SAMITI TRUST

Appellate Authority for Advance Ruling — Karnataka

ORDER NO. KAR/AAAR-16/2019-20, DATE: 02-03-2020 Dated **02.03.2020**

Q Questions Before the Authority

- Whether the appellant is liable to GST on renting a 12-bed dormitory where the charge is Rs 250 per bed per day, with the exemption under entry 13(b) of Notification 12/2017 CT(R) being claimed on a per-bed basis.
- Whether the appellant is liable to GST on renting a 2 BHK unit of 430 sq ft where the charge per room is less than Rs 1000 per day, with the exemption being claimed on a per-room basis.

F Facts

The appellant, a religious charitable trust registered under section 12AA of the Income Tax Act, 1961, ran a religious function from July to November 2019 at Kumbalagodu Village, Bengaluru South Taluk. It erected temporary accommodation in five categories for devotees, including a 2 BHK unit of 430 sq ft and a 12-bed dormitory charged at Rs 250 per bed per day. The appellant claimed that renting these units fell within the exemption for renting of precincts of a religious place.

H Ruling

Renting 2 BHK unit (430 sq ft) where charge per room is below Rs 1000 per day	**Taxable; exemption denied. Rate not stated in the order.**	Treated as a single unit; value of supply is the full 2 BHK unit charge, not per room. Taxable under entry 7 of Notification 11/2017 CT(R) as amended by Notification 20/2019 CT(R) dated 30-09-2019.
Renting 12-bed dormitory at Rs 250 per bed per day	**Taxable; exemption denied. Rate not stated in the order.**	Treated as a single unit; value of supply is the full dormitory charge, not per bed. Taxable under the same entry 7 route.

The Appellate Authority condoned the 23-day delay in filing the appeal and dismissed the appeal on all counts, upholding Advance Ruling No. KAR/ADRG 102/2019 dated 30-09-2019. It held that **the 2 BHK unit and the dormitory are each a single unit of accommodation, not a set of rooms or beds** , so the value of supply is the full unit charge. Renting these units is therefore **not exempt under entry 13(b)** and is taxable under entry 7 of Notification 11/2017 CT(R).

R Reasoning

The Authority read entry 13(b) of Notification 12/2017 CT(R) together with its proviso, which excludes renting of rooms where the charge is Rs 1000 or more per day. It found that the appellant was not renting rooms but whole units of accommodation with bedroom, hall, kitchen, toilet, cot, bed and air-conditioning, and that the devotee was given cooking facilities. It held that renting beds in a dormitory is likewise not akin to renting rooms. The units

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therefore fall outside entry 13(b) and are taxable as single units. The delay was condoned under the proviso to section 100(2) of the CGST Act.

P Provisions Relied On

- Section 100(2) of the CGST Act, 2017 (time limit for appeal and proviso for condonation of delay)
- Section 99 of the Karnataka GST Act, 2017 (constitution of the Appellate Authority)
- Section 101 of the CGST Act and KGST Act, 2017 (advance ruling proceedings)
- Entry 13(b) of Notification No. 12/2017 CT(R) dated 28-06-2017, with its proviso
- Entry 7 of Notification No. 11/2017 CT(R) dated 28-06-2017, as amended by Notification No. 20/2019 CT(R) dated 30-09-2019
- Section 12AA of the Income Tax Act, 1961 (registration of the trust)
- Explanation to Section 15 of the CGST Act, 2017 (related persons, referred to in the ruling on other questions)

! For the Practitioner

The order is useful for religious trusts and event organisers who rent temporary accommodation, because it confirms that the Rs 1000 threshold in entry 13(b) is tested on the whole unit rather than on each room or bed. Practitioners should treat dormitory and multi-room accommodation as taxable where the unit charge is high, even if per-bed or per-room charges are low. The order does not decide the other questions from the lower ruling, including food and beverage supply at subsidised rates, stall renting, related-party space sharing and intermediary booking. Those points were not contested in this appeal and remain as decided by the lower ruling.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> kar_aaar_16_2019-20_acharyashree.pdf

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