M/s Coffee Day Global Limited

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 21/ 2018 dated 21st August, 2018 Dated **21.08.2018**

Q Questions Before the Authority

- Whether the applicant is entitled to pay GST @ 18% (CGST-9% and SGST-9%) and claim input tax credit?

F Facts

The Applicant is engaged in the business of running restaurants under the brand name Café Coffee Day, serving food and non-alcoholic beverages. Under Notification No. 46/2017-Central Tax (Rate), GST on restaurant services was fixed at 5% without input tax credit (ITC). The Applicant sought to pay GST @ 18% under residual entry Sl. No. 35 of Notification No. 11/2017-Central Tax (Rate) in order to avail ITC on inputs and input services.

H Ruling

Entitlement to pay GST @ 18% with ITC for restaurant services	**Not entitled to pay GST @ 18% with input tax credit**	Services fall under Heading 9963 attracting mandatory GST @ 5% without ITC

The Authority held that the Applicant's services are specifically classified under Heading 9963 and covered by Serial No. 7 of Notification No. 11/2017-Central Tax (Rate) as amended. The Applicant is **not entitled to pay GST @ 18% with input tax credit** as the service specifically attracts GST @ 5% without ITC.

R Reasoning

The authority observed that restaurant services are specifically classifiable under Heading 9963 (Service Code 996331) and fall under Serial No. 7 of Notification No. 11/2017-Central Tax (Rate) as amended by Notification No. 46/2017-Central Tax (Rate). Residual entry Serial No. 35 applies only to services that do not find specific classification elsewhere. Furthermore, Section 16(1) of the CGST Act explicitly states that the right to claim ITC is **subject to conditions and restrictions as may be prescribed** , making the 5% rate without ITC mandatory rather than optional.

P Provisions Relied On

Section 16(1) of the CGST Act, 2017	Section 98(4) of the CGST Act, 2017
Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017	
Notification No. 46/2017-Central Tax (Rate) dated 14.11.2017	

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Heading 9963	Heading 9997

! For the Practitioner

This ruling settles that the concessional rate of 5% GST without ITC on standalone restaurant services under Heading 9963 is **mandatory and not an option** . Taxpayers cannot bypass the ITC restriction by voluntarily paying 18% under the residual service classification entry.

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 -> krntk 21 2018 cdgl.pdf

Prepared 23-10-2026.

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