

M/s. Friends Catering CBE

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 27/ARA/2026

Dated **26.03.2026**

Q Questions Before the Authority

- 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: 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.
- 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?
- What is the applicable HSN Code?

F Facts

The applicant is engaged in providing outdoor catering services for occasional events at various venues like marriage halls and exhibition halls. They operate under two models: one involving the supply of prepared food with on-site manpower and event support, and another involving the supply of prepared food without any on-site labour or catering activity. The applicant does not provide hotel accommodation and is not located in specified premises.

H Ruling

Option to pay 5% GST (no ITC) or 18% GST (with ITC)	Applicant must pay 5% GST (2.5% CGST and 2.5% SGST); no option for 18% GST.	Condition: Credit of input tax charged on goods and services used in supplying the service has not been taken.
GST rate for food supply without labour/on-site services	5% GST (2.5% CGST and 2.5% SGST).	Condition: Credit of input tax charged on goods and services used in supplying the service has not been taken.
Applicable HSN Code	996334	Applicable for both models of supply.

The Authority ruled that the applicant must pay GST at the rate of 5% (2.5% CGST and 2.5% SGST) for both models of supply, subject to the condition that no input tax credit is availed. It explicitly held that the applicant does not have the option to pay GST at the rate of 18% (9% CGST and 9% SGST) with the availment of ITC. The applicable HSN code for both models was determined to be 996334.

R Reasoning

The Authority determined that the applicant's activities constitute a composite supply of services under Schedule II of the CGST Act, 2017. It classified the services under Entry 7(iv) of Notification No. 11/2017-Central Tax (Rate), as amended, which covers outdoor catering at premises other than specified premises. The Authority reasoned that the 5% rate is **mandatory** for this category and that the 18% rate under Entry 7(vi) is not applicable as it is reserved for services other than those listed in entries (i) to (v). Consequently, the applicant cannot choose to pay the higher rate to avail ITC.

P Provisions Relied On

Section 2(30) of the CGST Act, 2017

Schedule II of the CGST Act, 2017

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 20/2019-Central Tax (Rate) dated 30.09.2019

! For the Practitioner

This ruling clarifies that for outdoor caterers not operating in specified premises, the 5% GST rate is **mandatory** and precludes the option of paying 18% GST to claim ITC. Practitioners should note that the Authority views the concessional rate as a fixed requirement rather than an elective choice. It settles the tax treatment for both full-service catering and simple food delivery models.

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 -> 12-friends catering aar order.pdf

Prepared 12-10-2026.

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