Kutting Fusion Hospitality LLP

Authority for Advance Ruling — Maharashtra

GST-ARA-22/2019-20/B-03, Mumbai, dated 15/01/2020 (printed as NO.GS… Dated **15.01.2020**

Q Questions Before the Authority

- What would be the rate of tax applicable to the applicant providing restaurant services as per the facts of the case mentioned?

F Facts

The applicant proposed to run 'The Cheaters' restaurant on the ground floor of The ORB, a retail arcade in Andheri East that is owned and operated by Chalet Hotel Limited. Chalet Hotel also operates the JW Marriott hotel on the same plot, and the arcade and hotel are linked by a private passageway and share a common main entry gate. The arcade itself offers no lodging, and the hotel's rooms carry a declared tariff above Rs. 7,500 per day. The applicant argued that the arcade is not a hotel premises, so the 5% rate should apply, while the jurisdictional officer contended that the restaurant is part of the hotel premises and that 18% applies.

H Ruling

Rate of tax applicable to the applicant's restaurant services at The ORB arcade, JW Marriott, Andheri East	**18% GST (9% CGST and 9% SGST)**	Based on the restaurant being located in the premises of a hotel with a unit tariff of Rs. 7,500 or more, under Sr. No. 7(iii) of Notification No. 11/2017-CT(Rate) dated 28.06.2017, as amended. The 5% rate argued by the applicant was not accepted.

The Authority held that the restaurant is located in the same premises as the JW Marriott hotel, which has rooms with a tariff of Rs. 7,500 and above per unit per day. It therefore held that the **applicable GST rate is 18% (9% CGST and 9% SGST)** under Sr. No. 7(iii) of Notification No. 11/2017-CT(Rate). The Authority also accepted that food and non-alcoholic beverages supplied by a restaurant are a supply of services under the GST law.

R Reasoning

The Authority relied on the physical and operational links between the arcade and the hotel. The two structures are on the same plot, share a common entry gate, and are connected by an internal passageway that makes the hotel and arcade mutually accessible without leaving either premises. The applicant also conceded that the restaurant is mainly meant for the hotel's clientele. On that basis the Authority treated the restaurant as located in the premises of a hotel with qualifying rooms. It applied the 18% entry in Sr. No. 7(iii) of Notification No. 11/2017-CT(Rate) and rejected the applicant's reading that the arcade's lack of accommodation takes it outside the entry.

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

P Provisions Relied On

Section 7 of the CGST Act, 2017 (as reproduced by the applicant; the Authority accepted restaurant supplies as a supply of s…

Schedule II, Clause 6(b) of the CGST Act, 2017 (as cited by the applicant)

Notification No. 11/2017-CT(Rate) dated 28.06.2017, Sr. No. 7(iii), as amended (18% rate)

Notification No. 11/2017-CT(Rate), Sr. No. 7(1) (the 5% entry relied on by the applicant, as cited in the submission)

Sections 97 and 98 of the CGST Act and MGST Act, 2017 (procedural basis for the ruling)

! For the Practitioner

This ruling helps practitioners assess restaurants that sit inside or adjoin a hotel with rooms at Rs. 7,500 or more per unit per day. It shows that shared premises, a common entry and internal connectivity can bring a restaurant within the 18% entry even when the restaurant is in a separate commercial block. It does not decide the 5% position for a standalone restaurant in a mall with no hotel link, and it does not address how the Rs. 7,500 test applies to other kinds of accommodation. Because it is an advance ruling on one applicant's facts, it should be checked against the full order before being relied on for a different structure.

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 -> mah_aar_22_2019-20_b-03_15.01.2020_kfhllp.pdf

Prepared 16-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com