

Nandgopal Laxmikant Kudchadkar

Authority for Advance Ruling — Goa

GOA/GAAR/05 of 2022-23/587 dated 30/05/2023

Q Questions Before the Authority

- Whether I am covered under the Classification Heading 'Museum'(Code 9996) as per Serial No. 79 of the Notification 12/2017 -- Central Tax (Rate) dated 28/06/2017
- Whether the service provided by me falls under the ambit of the said Notification and thereby exemption from tax is available to me
- In case I am not exempt in terms of the said Notification, whether I can claim ITC of the tax paid or deemed to have paid
- In case I am not exempt in terms of the said Notification, whether I am liable to obtain registration
- How the liability to pay tax on goods and / or services will be determined in the facts and circumstances of operating a Museum for tourism purpose
- What will be the time and value of the supply of service
- Whether any additional service provided free of cost to persons visiting the Museum (like distribution of pamphlets/ brochures/ information leaflets etc.) will amount to supply of goods and / or services and whether the same will be liable to tax within the meaning of that term

F Facts

The applicant operates an 'Alcohol Museum' named 'ALL ABOUT ALCOHOL' in Goa, which displays artifacts related to Feni and traditional liquor storage. Visitors are charged a mandatory entry fee, which includes a guided tour of the premises. The applicant sought an advance ruling on whether this activity qualifies for tax exemption as a museum under specific GST notifications.

H Ruling

Classification as Museum	Not covered	Operations cannot be termed as a museum under the notification
Exemption availability	Not available	Services do not fall under the ambit of the notification
ITC eligibility	Eligible	Can claim ITC on input goods and services used for taxable supplies
Registration liability	Liable	Required if aggregate turnover exceeds Rs 20 lakhs or under section 24
Tax liability determination	18% GST	Classified under item (vi) of S.No. 34 (heading 9996) of Notification 11/2017-CT(R)
Time and value of supply	As per CGST Act	Governed by Sections 12, 13, 14, and 15 of the CGST Act

Free services liability

Not supply

Distribution of pamphlets/leaflets does not constitute supply; ITC on such goods is not available

The authority ruled that the applicant's establishment does not qualify as a 'museum' for the purpose of tax exemption because it is a commercial, profit-oriented operation rather than a non-profit institution. Consequently, the services are classified under 'Recreational, Cultural and sporting services' and are subject to GST. The applicant is liable to pay tax at 18% and must comply with registration and ITC provisions based on their turnover.

R Reasoning

The authority relied on the definition of 'museum' provided by the International Council of Museums, which emphasizes a 'non-profit' status. Since the applicant operates as a commercial business with a trade license, the authority concluded it does not meet the criteria for a museum. The services were instead classified under 'Recreational, Cultural and sporting services' (SAC 999699) pursuant to Notification 11/2017-CT(R). The ruling also clarified that free distribution of promotional materials does not constitute a supply under Schedule II of the CGST Act.

P Provisions Relied On

Section 9 of the CGST Act

Section 22 of the CGST Act

Section 24 of the CGST Act

Section 97(2) of the CGST Act

Notification 12/2017-Central Tax (Rate)

Notification 11/2017-Central Tax (Rate)

Schedule II of the CGST Act

! For the Practitioner

This ruling clarifies that **commercial entities** charging entry fees for private collections cannot claim the 'museum' tax exemption intended for non-profit institutions. It confirms that such establishments are liable for **18% GST** under recreational services. Practitioners should note that the 'non-profit' nature of an institution is a **decisive factor** for this specific exemption.

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 -> [nandgopal kudchadkar advance ruling 2.pdf](#)

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