

Ramnath Bhimsen Charitable Trust

Authority for Advance Ruling — Chhattisgarh

No. STC/AAR/11/2018, dated 02.03.2019

Q Questions Before the Authority

- Whether the activity of providing the hostel on rent to various boarder is exempted? If it is exempted in such case, under which exemption notification the same is exempted.
- Whether the activity of providing the hostel on rent to various boarder is taxable? If it is taxable, in such case, under which service access code the same is taxable?

F Facts

The applicant is a charitable trust running girls' hostels providing basic facilities including furnished residence, security, food, and parking. They charge a single lump-sum fee of Rs. 6000 per month per boarder, which covers all these services. The trust maintains that these charges are solely for meeting maintenance and administrative expenses.

H Ruling

Hostel accommodation services	Exempt	Applicable where daily tariff is below Rs. 1000
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The authority ruled that the activity of providing hostel accommodation is exempt from GST. It concluded that the services fall under the category of residential or lodging purposes with a declared tariff below Rs. 1000 per day. Consequently, the supply is treated as a nil-rated exempt supply.

R Reasoning

The authority determined that the hostel services constitute a **composite supply** where the principal supply is accommodation. Relying on Circular No. 32/06/2018-GST, it clarified that hostel accommodation does not fall under charitable activities but qualifies for exemption under **Entry No. 14 of Notification No. 12/2017-Central Tax (Rate)**. Since the per-day charges are well below the Rs. 1000 threshold, the service is classified under **Heading 9963** and is eligible for a nil rate of tax. The authority noted that no additional charges are collected for allied services, reinforcing the classification as a single exempt supply.

P Provisions Relied On

Section 2(30) of the CGST Act

Section 2(74) of the CGST Act

Section 2(90) of the CGST Act

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Circular No. 32/06/2018-GST dated 12.02.2018

! For the Practitioner

This ruling provides significant relief to charitable trusts and hostel operators by confirming that **hostel accommodation is exempt** if the daily tariff is below Rs. 1000. It establishes that allied services like food and parking, when provided as a bundled service without extra charges, do not alter the exempt status. Practitioners should note this applies specifically to low-cost residential arrangements and does not necessarily extend to luxury or high-tariff commercial lodging.

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 -> [chhtgrh-11 2018-rbc trust.pdf](#)

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