M/s. Sri Sai Nivas Ladies Hostel

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No.48/AAR/2023 Dated:31.08.2023

Q Questions Before the Authority

- Whether the hostel and residential accommodation extended by the Applicant hostel would be eligible for exemption under Entry 12 of Exemption Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 and under the identical Notification under the TNGST Act, 2017 and also under Entry 13 of Exemption Notification No.9/2017 - Integrated Tax-Rate dated 28.06.2017 as amended?
- Whether The Applicant hostel being eligible for exemption under Sl. No. 12 of 12/2017 (CT-Rate) dated 28.06.2017 as amended would at all be required to take registration under the GST Enactments by virtue of the Exemption Notifications as afore mentioned and also under the provisions of Section 23 of the CGST/TNGST Act, 2017?
- Whether any specific tariff entry is applicable to hostels under the Tariff Notification, in the event of requirement of registration?
- Whether, in the event of the hostel accommodation being an exempt activity, the incidental activity of supply of in-house food to the inmates of the hostel would also be exempt being in the nature of a composite exempt supply?
- Whether the judgement of the Division Bench of the Hon'ble Karnataka High Court in the case of Taghar Vasudeva Ambrish -vs- Appellate Authority for Advanced Ruling, Karnataka reported in Manu/KA/0327/2022 is applicable to the facts of the applicant?

F Facts

The applicant operates a ladies hostel providing boarding and lodging facilities to students and working women for a consolidated monthly charge. They provide ancillary services including housekeeping, security, and television, and claim their premises constitute a residential dwelling. The applicant sought a ruling on whether these services are exempt from GST and if they are required to register.

H Ruling

Exemption eligibility	**Not eligible for exemption**	Under Entry 12 of Notification 12/2017-CT (Rate) and Entry 13 of Notification 09/2017-IT (Rate)
Registration requirement	**Required to register**	If aggregate turnover exceeds twenty lakh rupees
Tariff classification	**Taxable @ 9% CGST + 9% SGST**	Under Tariff heading 9963, Sl. No. 7(vi) of Notification 11/2017
Composite supply of food	**Taxable as composite supply**	Accommodation is the principal supply, taxed at 18%

Applicability of Karnataka HC judgment	**No ruling issued**	Question does not fall under the scope of Section 97(2) of the GST Act

The Authority ruled that hostel accommodation services are not eligible for the exemption provided for residential dwellings. Consequently, the applicant is required to register under the GST Act if their aggregate turnover exceeds the threshold. The services are classified as taxable supplies, and the supply of food is considered part of a composite supply with the accommodation.

R Reasoning

The Authority reasoned that hostel accommodation is **not a residential dwelling** for use as a residence, as it is a commercial activity providing temporary lodging. They relied on the definition of 'residential dwelling' from the 2012 Education Guide, noting that hostels are commercial establishments. The ruling emphasizes that the **twin conditions** of 'renting of residential dwelling' and 'use as residence' must be met for exemption, which are not satisfied here. Furthermore, the provision of food and other services bundled with accommodation constitutes a **composite supply** where the principal supply is taxable.

P Provisions Relied On

Section 97(2) of CGST Act, 2017	Section 22 of CGST Act, 2017
Section 2(30) of CGST Act, 2017	Entry 12 of Notification No. 12/2017-Central Tax (Rate)
Entry 13 of Notification No. 09/2017-Integrated Tax (Rate)	Notification No. 11/2017-Central Tax (Rate)

! For the Practitioner

This ruling confirms that commercial hostels are **taxable entities** and cannot claim the exemption meant for residential dwellings. It clarifies that hostel services are treated as a composite supply of accommodation and ancillary services, attracting 18% GST. Practitioners should note that this ruling explicitly rejects the applicability of the Karnataka High Court's decision in the Taghar Vasudeva Ambrish case for this jurisdiction.

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 -> 48_sri_sai_nivas_ladies_hostel.pdf

Prepared 15-10-2026.

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