

The Bengal Rowing Club

Authority for Advance Ruling — West Bengal

48/WBAAR/2018-19 dated 28/03/2019

Q Questions Before the Authority

- What is the rate of GST applicable on the services offered by the club, such as restaurant service, valet parking, music, decoration, and other services associated with organizing social gatherings?
- What is the admissible proportion of the input tax credit for services other than the supply of food?

F Facts

The applicant is a non-profit company limited by guarantee that provides members with amenities including swimming, gymnasium, indoor games, and restaurant services. It also organizes social events involving the supply of food, valet parking, music, and decoration. The applicant sought clarity on the applicable GST rates for these services and the methodology for apportioning input tax credit.

H Ruling

Restaurant food supply	SI No. 7(i) or 7(iii)	Depends on specific criteria in the Rate Notification
Food at social events	SI No. 7(vii)	Includes renting of premises
Other club services	SI No. 33	Classified under SAC 9995
Input tax credit	Reversal required	Must treat supplies under SI No. 7(i) as exempt

The authority ruled that food supply from the restaurant is classifiable under SAC 9963 and taxable under SI No. 7(i) or 7(iii) of the Rate Notification. Food supplied as part of social events at the club premises is taxable under SI No. 7(vii). All other services are classifiable under SAC 9995 and taxable under SI No. 33, and the applicant must apply sections 17(2) and 17(6) for the reversal of input tax credit.

R Reasoning

The authority determined that the supply of food is a **composite supply** treated as a service under Schedule II of the GST Act. It relied on the Rate Notification No. 11/2017-CT to classify the services based on the nature of the supply. Regarding input tax credit, it invoked **Section 17(2) and 17(6)** of the GST Act, read with Rules 42 and 43 of the GST Rules, which mandate the reversal of credit when a taxpayer provides both taxable and exempt supplies. The ruling clarifies that supplies under SI No. 7(i) must be treated as exempt for the purpose of calculating the reversal of input tax credit.

P Provisions Relied On

Section 97(2)(b) of the GST Act

Section 17(2) and 17(6) of the GST Act

Schedule II of the GST Act

Notification No. 11/2017-CT (Rate) dated 28/06/2017

Rules 42 and 43 of the CGST Rules, 2017

! For the Practitioner

This ruling provides a clear classification framework for clubs providing mixed services, specifically distinguishing between restaurant services, event-based catering, and general membership services. It serves as a critical reminder for practitioners that opting for specific concessional rates on food services triggers a **mandatory reversal of input tax credit** under Section 17. It does not provide a specific numerical calculation for the credit reversal, leaving that to the applicant's compliance with the prescribed rules.

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 -> [wb_48_2018-19_the_bengal_rowing_club.pdf](#)

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