

November 15, 2017

**To All HRAEI Members**

Dear Sir/Madam,

Please note that the Government of India vide Notification No. 46/2017-Central Tax (Rate) dated 14<sup>th</sup> November 2017 has implemented the followings w.e.f. 15.11.2017:

1. All stand-alone Restaurants irrespective of air conditioned or otherwise will attract GST @ 5% without ITC.
2. Restaurants in Hotels having rooms with declared tariff less than Rs. 7500.00 will attract GST @ 5% without ITC.
3. Food parcels (or takeaways) from these restaurants will also attract 5% GST without ITC.
4. Restaurants in Hotels having rooms with declared tariff of any unit of accommodation of Rs 7500.00 and above per unit per day or equivalent will attract GST @18% with full ITC.
5. Outdoor catering will continue to be at 18% with full ITC.

Copy of the notification is attached for your information.

I would request you to implement the above and update your systems accordingly. For further clarification kindly contact Mr. Vikash Agarwal, CA, Auditor for HRAEI at +91 9831135411.

Regards,

Atikram Gupta  
Assistant Secretary General

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**HOTEL & RESTAURANT ASSOCIATION OF EASTERN INDIA**  
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[TO BE PUBLISHED IN THE GAZZETE OF INDIA, EXTRAORDINARY, PART II,  
SECTION 3, SUB-SECTION (i)]

Government of India  
Ministry of Finance  
(Department of Revenue)

**Notification No. 46/2017-Central Tax (Rate)**

New Delhi, the 14<sup>th</sup> November, 2017

G.S.R.....(E).- In exercise of the powers conferred by sub-section (1) of section 9, sub-section (1) of section 11, sub-section (5) of section 15 and sub-section (1) of section 16 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, and on being satisfied that it is necessary in the public interest so to do, hereby makes the following further amendments in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No.11/2017-Central Tax (Rate), dated the 28<sup>th</sup> June, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), *vide* number G.S.R. 690(E), dated the 28<sup>th</sup> June, 2017, namely:-

In the said notification, in the Table, -

- (i) against serial number 3, in column (3), in item (vi), for the words “Services provided”, the words “Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided” shall be substituted;
- (ii) against serial number 7,-
- (a) for item (i) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
“(i) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent. <i>Explanation.-</i> “declared tariff” includes charges for all	2.5	Provided that credit of input tax charged on goods and services used in supplying the service has not been taken [Please refer to <i>Explanation</i> no. (iv)].”;

amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.		
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(b) for item (iii) in column (3) and the entries relating thereto in columns (3), (4) and (5), the following shall be substituted, namely:-

(3)	(4)	(5)
<p>“(iii) Supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or any drink, where such supply or service is for cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent.</p> <p><i>Explanation.-</i> “declared tariff” includes charges for all amenities provided in the unit of accommodation (given on rent for stay) like furniture, air conditioner, refrigerators or any other amenities, but without excluding any discount offered on the published charges for such unit.</p>	9	”;

(c) the item (iv) in column (3) and the entries relating thereto in columns (3), (4) and (5), shall be omitted;

(d) in item (ix), in column (3), for the entry, the following entry shall be substituted, namely:-

“(ix) Accommodation, food and beverage services other than (ii), (iii), (v), (vi), (vii) and (viii) above.

*Explanation.-* For the removal of doubt, it is hereby clarified that, supply, by way of or as part of any service or in any other manner whatsoever, of goods, being food or any other article for human consumption or drink, where such supply or service is for

cash, deferred payment or other valuable consideration, provided by a restaurant, eating joint including mess, canteen, whether for consumption on or away from the premises where such food or any other article for human consumption or drink is supplied, other than those located in the premises of hotels, inns, guest houses, clubs, campsites or other commercial places meant for residential or lodging purposes having declared tariff of any unit of accommodation of seven thousand five hundred rupees and above per unit per day or equivalent shall attract central tax @ 2.5% without any input tax credit under item (i) above and shall not be levied at the rate as specified under this entry.”;

(iii) against serial number 26, in column (3), in item (i), after sub-item (h), the following shall be inserted, namely: -

‘(i) manufacture of handicraft goods.

*Explanation.* - The expression “handicraft goods” shall have the same meaning as assigned to it in the notification No. 32/2017 -Central Tax, dated the 15th September, 2017 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 1158 (E), dated the 15th September, 2017 as amended from time to time.’.

2. This notification shall come into force with effect from 15<sup>th</sup> of November, 2017.

[F. No.354/173/2017 -TRU]

(Ruchi Bisht)

Under Secretary to the Government of India

Note: -The principal notification was published in the Gazette of India, Extraordinary, vide notification No. 11/2017 - Central Tax(Rate), dated the 28<sup>th</sup> June, 2017, vide number G.S.R. 690 (E), dated the 28<sup>th</sup> June, 2017 and was last amended by notification No. 31/2017-Central Tax (Rate) dated the 13<sup>th</sup> October, 2017 vide number G.S.R. 1273(E), dated the 13<sup>th</sup> October, 2017.