Reg. No. RNP/GOA/32/2021-2023

RNI No. GOAENG/2002/6410

Panaji, 16th August, 2023 (Sravana 25, 1945)

SERIES II No. 19

OFFICIAL GAZETTE

GOVERNMENT OF GOA

PUBLISHED BY AUTHORITY

EXTRAORDINARY

GOVERNMENT OF GOA

Department of Finance

Office of the Commissioner of Commercial Taxes

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No. CCT/26-4/2023-24/G/1486

Subject: Clarification regarding applicability of GST on certain services—reg.

Ref.: Circular No. 201/13/2023-GST dated 1st August, 2023 issued under Central Goods and Services Tax Act, 2017 by the Department of Revenue, Ministry of Finance, GOI, New Delhi.

Circular

(No. 10/2023-24-GST)

The Department of Revenue, Ministry of Finance, GOI, New Delhi, has issued the above referred circular. For the uniformity and in exercise of the powers conferred under Section 168 of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017), it is hereby directed that the said Circular issued by the Department of Revenue, Ministry of Finance, GOI shall be applicable, *mutatis mutandis*, in implementation of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017). Copy of the above referred Circular is attached herewith as Annexure.

This Trade Circular is clarificatory in nature. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the undersigned.

S. S. Gill, IAS, Commissioner of State Taxes, Goa.

Panaji, 16th August, 2023.

Circular No. 201/13/2023-GST

F. No. 190354/133/2023-TRU

Government of India

Ministry of Finance

Department of Revenue

North Block, New Delhi

Dated the 1st August, 2023.

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/Commissioners of Central Tax (All).

The Principal Directors General/Directors General (All).

Madam/Sir,

Subject: Clarification regarding applicability of GST on certain services—reg.

Representations have been received seeking clarifications on the following issues:

1. Whether services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to Reverse Charge Mechanism;
2. Whether supply of food or beverages in cinema hall is taxable as restaurant service.

The above issues have been examined by GST Council in the 50th meeting held on 11th July, 2023. The issue-wise clarifications as recommended by the Council are given below:

Whether services supplied by director of a company in his personal capacity such as renting of immovable property to the company or body corporate are subject to Reverse Charge Mechanism:

2. Reference has been received requesting for clarification whether services supplied by a director of a company or body corporate in personal or private capacity, such as renting of immovable property to the company, are taxable under Reverse Charge Mechanism (RCM) or not.

2.1 Entry No. 6 of notification No. 13/2017 CTR dated 28-06-2017 provides that tax on services supplied by director of a company or a body corporate to the said company or the body corporate shall be paid by the company or the body corporate under Reverse Charge Mechanism.

2.2 It is hereby clarified that services supplied by a director of a company or body corporate to the company or body corporate in his private or personal capacity such as services supplied by way of renting of immovable property to the company or body corporate are not taxable under RCM. Only those services supplied by director of company or body corporate, which are supplied by him as or in the capacity of director of that company or body corporate shall be taxable under RCM in the hands of the company or body corporate under notification No. 13/2017-CTR (Sl. No. 6) dated 28-06-2017.

Whether supply of food or beverages in cinema hall is taxable as restaurant service:

3. References have been received requesting for clarification whether supply of food and beverages at cinema halls is taxable as restaurant service which attract GST at the rate of 5% or not.

3.1 As per Explanation at Para 4 (xxxii) to notification No. 11/2017-CTR dated 28-06-2017, "Restaurant Service" means supply, by way of or as part of any service, of goods, being food or any other article for human consumption or any drink, 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.

3.2 Eating joint is a wide term which includes refreshment or eating stalls/kiosks/counters or restaurant at a cinema also.

3.3 The cinema operator may run these refreshment or eating stalls/kiosks/counters or restaurant themselves or they may give it on contract to a third party. The customer may like to avail the services supplied by these refreshment/ /snack counters or choose not to avail these services. Further, the cinema operator can also install vending machines, or supply any other recreational service such as through coin-operated machines etc. which a customer may or may not avail.

3.4 It is hereby clarified that supply of food or beverages in a cinema hall is taxable as 'restaurant service' as long as:

a) the food or beverages are supplied by way of or as part of a service, and

b) supplied independent of the cinema exhibition service.

3.5 It is further clarified that where the sale of cinema ticket and supply of food and beverages are clubbed together, and such bundled supply satisfies the test of composite supply, the entire supply will attract GST at the rate applicable to service of exhibition of cinema, the principal supply.

4. Difficulties, if any, in implementation of this circular may be brought to the notice of the Board.

(Rajeev Ranjan), Under Secretary (TRU).

No. CCT/26-4/2023-24/G/1487

Subject: Clarification regarding GST rates and classification of certain goods based on the recommendations of the GST Council in its 50th meeting held on 11th July, 2023—reg.

Ref.: Circular No. 200/12/2023-GST dated 1st August, 2023 issued under Central Goods and Services Tax Act, 2017 by the Tax Research Unit, Department of Revenue, Ministry of Finance, GOI, New Delhi.

Circular

(No. 09/2023-24-GST)

The Tax Research Unit (TRU), Department of Revenue, Ministry of Finance, GOI, New Delhi, has issued the above referred circular. For the uniformity and in exercise of the powers conferred under Section 168 of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017) it is hereby directed that the said Circular issued by the TRU shall be applicable, *mutatis mutandis*, in implementation of the Goa Goods and Services Tax Act, 2017 (Goa Act 4 of 2017). Copy of the above referred Circular is attached herewith as Annexure.

This Trade Circular is clarificatory in nature. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the undersigned.

S. S. Gill, IAS, Commissioner of State Taxes, Goa.

Panaji, 16th August, 2023.