

1-11(8)-TAX/GST/2023(Part) / 8553-60

I/17053/2023

GOVERNMENT OF TRIPURA  
OFFICE OF THE CHIEF COMMISSIONER OF STATE TAX  
PANDIT NEHRU COMPLEX, GURKHABASTI  
AGARTALA, TRIPURA WEST, PIN-799006.

Dated, Agartala, the 30/10/2023.

**Circular No. 13/2023 – GST (State)**

To  
The Additional Commissioner of State Tax/  
Deputy Commissioner of State Tax (All)/  
Assistant Commissioner of State Tax (All)  
Superintendent of State Tax (All)/  
Inspector of State Tax (All)

**Subject: Clarifications regarding applicability of GST on certain services – reg.**

Madam / Sir,

The Government of India, Ministry of Finance, Department of Revenue vide Circular No. 201/13/2023–GST dated 1<sup>st</sup> August, 2023 has issued a clarification regarding applicability of GST on certain services, in order to ensure uniformity in the implementation of the provisions of law across the field formations, which is annexed herewith.

In exercise of powers conferred by section 168 of the Tripura State Goods and Services Tax Act, 2017 (Tripura Act No. 9 of 2017) for the purpose of uniformity in the implementation of the Act it is instructed to follow the guidelines issued vide Circular No. 201/13/2023–GST dated 1<sup>st</sup> August, 2023 by the Government of India, Ministry of Finance, Department of Revenue.

Encl.: Circular No. 201/13/2023–GST.

**Signed by Rakhi Biswas**  
**Date: 20-10-2023 17:53:58**  
**Reason: Approved**

**(Rakhi Biswas, TCS-SSG)**  
Chief Commissioner of State Tax  
Government of Tripura

**Copy to:**

1. The P.S. to the Secretary, Finance, Government of Tripura for favour of kind information to the Secretary, Finance.
2. The Assistant Statistical Officer, Statistical Section, O/o the Commissioner of Taxes & Excise, Agartala with request to upload the Circular in the Official website [www.tripurataxes.nic.in](http://www.tripurataxes.nic.in).
3. Guard File.

Circular No. 201/13/2023-GST

F. No. 190354/133/2023-TRU  
Government of India  
Ministry of Finance  
Department of Revenue  
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North Block, New Delhi,  
Dated the 1<sup>st</sup> August, 2023

To,

The Principal Chief Commissioners/ Chief Commissioners/ Principal Commissioners/  
Commissioner of Central Tax (All) / The Principal Director Generals/ Director Generals  
(All)

Madam/Sir,

**Subject: Clarifications 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 11<sup>th</sup> 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.

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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.

Yours faithfully,

(Rajeev Ranjan)  
Under Secretary, TRU

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