

WEST BENGAL AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
14 Beliaghata Road, Kolkata–700015

(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Shafeeq S, Joint Commissioner, CGST & CX Jaydip Kumar Chakrabarti, Senior Joint
Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called “the GST Act”), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	SUMMIT HOTELS & RESORTS PRIVATE LIMITED
Address	Office Block – G, Floor- G0402, City Centre, Uttorayan, Darjeeling, West Bengal, Pincode- 734010
GSTIN	19AAXCS7643D1ZP
Case Number	WBAAR 10 of 2025-26
ARN	AD190725007671Z
Date of application	July 31, 2025
Jurisdictional Authority (State)	Siliguri Charge
Jurisdictional Authority (Central)	Siliguri-Darjeeling Division, Siliguri Commissionerate
Order number and date	20/WBAAR/2025-26 dated 10.12.2025
Applicant’s representative heard	Mr. Mayank Agarwal, C.A

1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and

Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression 'GST Act' would mean the CGST Act and the WBGST Act both.

1.2 The applicant owns and manages hotels and resorts. They offer variety of services to their customers such as rooms and suites, banquets, dining, spa etc.

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under raising following questions vide serial number 14 of the application in FORM GST ARA-01:

(i) What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Water) when they are supplied independently and not as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied individually and not along with food as composite supply to the guest?

(ii) What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Water) when they are supplied as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied along with food as composite supply to the guest?

1.4 The questions on which the advance ruling is sought for is found to be covered under clause (a) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the questions rose in the application neither have been decided by nor is pending before any authority under any provision of the GST Act.

1.6 The application is, therefore, admitted.

Submission of the Applicant

2.1 The applicant offers variety of services such as rooms and suits, banquets, dining and spa etc. On certain occasions at the request of guests he supplies goods of Aerated Water as a separate items and not as part of food or composite supply and the billing of these items are separate. The applicant normally provides two types of supply in the restaurant:

(i) Supply of aerated water along with supply of food and showing these items separately in the bill.

(ii) Supply only the Aerated Water.

In the both cases stated above the applicant charges GST@28%+ Cess @12%, whereas the clients demand tax@18%. The applicant charges tax@18% on restaurant service.

Till date the applicant treats aerated water as an individual supply and not as a composite supply, hence applicant is charging the rate applicable to such supply of soft beverages as per Notification No. 01/2017 C.T. (Rate) dated 28.06.2017.

2.2 The primary intention of our customers is to avail themselves of a complete dining experience which includes the consumption of Food & Beverages including Aerated Water. However, a single invoice is being generated against these items with GST @ 28% + cess on Aerated Water and GST @ 18% on others.

On certain occasions the customers come in as a walk in guest and demand aerated water only; We normally provide two types of supply in the restaurant:

- i. Supply of aerated water along with supply of food.
- ii. Supply of only the Aerated Water.

In both the cases stated above we charge GST@ 28% + cess on aerated water, whereas the customers demand tax @ 18% as charged on other restaurant services (under HSN CODE-996331).

Till date we are treating aerated water as an individual supply and not as a composite supply, hence we are charging the rate applicable to such supply of soft beverages as per Notification no. 01/2017-C.T. (Rate) dated 28.06.2017 in case of both the types of supplies stated above.

2.3 However, the applicant asserts that when aerated water is supplied individually or as part of a meal it should be treated as composite supply subject to the tax rate of 18%.

He would like to bring attention, Section 7 of CGST Act,

Supply is defined under Section 7 of the CGST Act 2017 and the same is reproduced below for reference:

7.(1) For the purposes of this Act, the expression 'supply' includes—

- a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business,.*
- b) import of services for a consideration whether or not in the course or furtherance of business; and*
- c) the activities specified in Schedule I, made or agreed to be made without a consideration;*

(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goods or supply of services as referred to in Schedule II;

Furthermore,

Schedule-II of the GST Act at Sl.No. 6, states' as under:-

6. Composite supply

The following composite supplies shall be treated as a supply of services namely:—

- a) works contract as defined in clause (119) of section 2: and
- b) Supply by way of or as part of any service or in any other manner whatsoever of good being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption) where such supply or service is for cash deferred payment or other valuable consideration.

Composite supply is defined under Section 2(30) of CGST Act 2017 as:

"Composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both or any combination thereof which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply

Section 8 of CGST/SGST ACT states:

8. *The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:— (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.*

Additionally the applicant draws attention to the Advanced Ruling between Tamilnadu Advanced Ruling Authority and MFAR Hotels & Resorts Private Limited, it was ruled out that:

"The supply of soft beverages/aerated water, whether in person or room service, by the restaurant located in the premises of the hotel of the applicant is taxable to CGST at the rate of 9% as per sl.No. 7 of Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 and SGST c 9% as per Notification No. as per Sl.No. 7 of Notification No. II (2)/ CTR/ 532(d-14)/2017 vide G.O. (Ms) No. 72 dated 29.06.2017 as amended."

2.4 The applicant runs a hotel offering various services such as accommodation, dining, etc. In the situation at hand, the question involves the supply of Soft beverages/aerated water in conjunction with food/meal or as a standalone product at the restaurant. In their menu for

restaurant has 'aerated water' and 'soft Beverages' i.e., any guest who comes to the restaurant can have aerated/ soft beverages alone also as these are in the menu of the restaurant. When a guest (resident or non-resident) comes to the restaurant and orders from the menu either soft beverages or aerated water, it involves supply of goods (soft beverages/aerated waters) and supply of services by the restaurant. In this case both the supplies are taxable. The serving of any items on the menu involves the supply of the items along with the use of the facilities/ staff of the restaurant. These two are naturally bundled and supplied in conjunction each other and hence is a composite supply as per Section 2(30) of the Act.

2.5 Further, as per para. 6(b) of Schedule II to the CGST /SGST Act, the composite supply of goods being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption], where such supply or service is for cash, deferred payment or other valuable consideration is a Supply of Service. In this instance, supply of soft beverages/aerated waters being drinks (other than alcoholic liquor for human consumption) and articles for human consumption in as a part of any service is a composite supply of service. The payment in this case can be immediate or billed to the room for residents. The relevant Explanatory notes for the Classification of Services states:

99633 Food, edible preparations, alcoholic& non-alcoholic beverages serving services

996331 Services provided by Restaurants, Cafes and similar eating facilities including takeaway services, Room services and door delivery of food.

996332 Services provided by Hotels, INN, Guest House, Clubs etc. including Room services, takeaway services and door delivery of food.

It is seen that supply of soft beverage/ aerated waters by the restaurant whether to resident or nonresident guests, whether in person or room services, is a composite supply of service classifiable under **SAC 996331**.

2.6 Thus, as per applicant's understanding of the above:

The supply of Aerated water in the restaurant whether as a:

- i. Supply of aerated water along with supply of food or,
- ii. Supply of only the Aerated Water

Should be considered as a Composite Supply in the restaurant industry and taxed at the rate applicable to the principal supply i.e. 18%

Additional Submission – Clarification on Supply of Aerated Beverages

2.7 The applicant operates a 3-Star rated property offering accommodation, banqueting, and restaurant facilities. The hotel has been declared as specified premise and accordingly restaurant charge GST @18% with ITC on restaurant services. On aerated beverages, we have been charging GST @28% plus compensation cess in line with the rate prescribed for “aerated waters” as goods.

During the course of hearing, the Hon’ble Officers sought a clarification as to **how aerated beverages like Coke are actually supplied to a customer**, and whether such supply involves a **service component** or is simply a resale in its original packaged form (as in an over-the-counter transaction).

We hereby submit the following clarification.

2.8 No Over-the-Counter Sale in Hotel Restaurants

- In our restaurants, there is no concept of over-the-counter sales of sealed bottles/cans of aerated beverages.
- Customers enter to avail a dining experience; consumption takes place within the premises (Restaurant dining area/room service).
- The restaurant provides ambience, seating, cutlery, glassware, waiter service, and customised preparation of drinks.
- Hence, supply is never in the nature of “retail shop sale.”

2.9 Actual Process of Supplying Aerated Beverages

When a customer orders Coke or any other aerated beverage, the process is as follows:

1. Preparation Area: The sealed bottle/can is taken to the kitchen counter.
2. Opening and Service: Staff open the beverage and pour into restaurant glassware.
3. Customisation: Depending on customer preference, the following may be added:
 - Ice cubes, lemon slice, sugar syrup, or masala.
 - In many cases, the beverage is used as an ingredient for preparing value-added drinks such as *Masala Coke* or *Fresh Lime Soda*.
Example – Masala Coke (per serving):
 - Coca-Cola (200 ml), Lemon juice (10 ml), Black salt (¼ tsp), Roasted cumin (¼ tsp), Chaat masala (¼ tsp), Ice cubes (4–5).
 - Example – Fresh Lime Soda (per serving):
 - Lemon juice (30 ml), Sugar syrup (15 ml), Soda water (150 ml), Ice cubes (5–6).

These are prepared and mixed by the staff, and then served.

Final Service: The drink is presented at the table by the waiter, along with accompaniments, and consumed in the restaurant environment similarly these are delivered on trays with accompaniments and glassware in case of room service.

Thus, even a simple Coke order involves:

- Use of hotel infrastructure (seating, AC, ambience).
- Staff intervention (waiter service, preparation, cleaning).
- Alteration/customisation of the product from its packaged form.
-

2.10 Service Component is Inherent

It is evident that the transaction is not a bare sale of goods. Instead, it is a bundled supply consisting of goods + service, naturally provided together in the ordinary course of restaurant operations.

Key service elements:

- Preparation (opening, mixing, garnishing).
- Presentation (glassware, ice, accompaniments).
- Consumption in premises with ambience and waiter service.
- Cleaning and post-service involvement.

This proves that the supply is inseparable from restaurant service.

2.11 Section 2(30) of the CGST Act, 2017:

“Composite supply” means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Section 8 of the CGST Act, 2017:

The tax liability on a composite or a mixed supply shall be determined in the following manner, namely:—

- (a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
- (b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

Schedule II to the CGST Act, 2017, Paragraph 6:

The following composite supplies shall be treated as a supply of services, namely:—

- (a) works contract as defined in clause (119) of section 2; and
- (b) 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 (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.

Notification No. 11/2017 – Central Tax (Rate) dated 28.06.2017 (as amended):

“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.

Circular No. 164/20/2021-GST dated 06.10.2021:

It is clarified that the supply of food or beverages by a restaurant, whether for consumption on the premises or by way of takeaway or door delivery, is to be treated as supply of service under heading 9963 and taxed accordingly.

Therefore, supply of aerated beverages within the restaurant is classifiable as Restaurant Service (SAC 996331) and taxable at 18% with ITC.

2.12 Judicial / Advance Ruling Support

- Kundan Mithan Bhandar (AAAR, Uttarakhand): Held that sale of sweets, namkeens, cold drinks and other edible items in a restaurant amounts to composite supply with restaurant service as principal supply, taxable at restaurant service rate.
- Gangaur Sweets (AAR, Rajasthan): Similar ruling – supply of cold drinks and food items in restaurant is part of restaurant service.
- MFAR Hotels & Resorts (AAR, Tamil Nadu): Specifically held that supply of aerated beverages/soft drinks by a restaurant in a hotel, whether dine-in or room service, is taxable at 18% as restaurant service.

These rulings establish a consistent position that soft beverages supplied in a restaurant are not “goods” per se, but part of restaurant service.

2.13 The hotel restaurants do not engage in over-the-counter sale of aerated beverages in their original packaging.

Beverages are prepared, customised, and served as part of the restaurant dining experience.

The supply thus constitutes a Composite Supply of Service, with restaurant service being the principal supply.

Consistent with law and prior rulings, the applicable rate should be the rate applicable to the principal supply (i.e. 18% GST with ITC under SAC 996331).

Particulars	Retail Sale of Aerated Beverage (Standalone/Shop/Over the counter)	Restaurant Service Supply of Aerated Beverages (at Summit Hotels & Resorts)
Nature of supply	Pure supply of goods (pre-packaged item sold as is).	Composite supply (goods + restaurant service bundled).
Packaging	Sold in sealed bottle/can, unopened, as received from manufacturer.	Bottle/can opened by staff, poured into glassware; often customised with ice, lemon, masala, sugar, etc.
Service involvement	No service element – customer carries the product.	Waiter service, preparation in bar/kitchen, presentation at table, cleaning thereafter.
Consumption	Usually taken away by customer for off-premise consumption.	Consumed within restaurant premises using hotel facilities (ambience, seating, AC, crockery, cutlery) or as room service.
Value addition	None; product identical to market purchase.	Product transformed into final beverage (e.g., Masala Coke, Fresh Lime Soda) or at minimum served with accompaniments.
Principal nature under GST	Sale of goods (classified under HSN for aerated waters, taxable at 28% + cess).	Restaurant service (SAC 996331), taxable as composite supply of service at 18% with ITC.
Judicial position	Treated as supply of goods.	Supported by rulings in Kundan Mithan Bhandar (AAAR), Gangaur Sweets (AAR), and MFAR Hotels (AAR) – cold drinks served in restaurants form part of restaurant service.

3.Submission of the Revenue

3.1 The concerned officer from the revenue has not expressed any view on the merit of the issue raised by the applicant.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representatives of the applicant during personal hearing. The Revenue has not given any view in this respect.

4.2 As per the statement furnished, the applicant being an hotelier offers variety of services such as accommodation in rooms and suites, banquets, dining, spa etc. The applicant has a restaurant in the hotel premises as stated during personal hearing. The primary intention of the applicant's customers

is to avail a complete dining experience which includes consumption of Food & Beverages including Aerated Beverages in the said restaurant. On certain occasions at the request of guests the applicant supplies Aerated Beverages as a separate item and not as part of food or composite supply and the billing of these items are separate.

In other words, the applicant normally provides two types of supply of aerated beverages in the restaurant:

- A) Supply of aerated beverages along with supply of food and showing these items separately in the bill.
- B) Supply of aerated beverages only.

The applicant has raised the following two questions:

1. What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Beverages) when they are supplied independently and not as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied individually and not along with food as Composite Supply to the guests?
2. What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Beverages) when they are supplied as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied along with food as Composite supply to the guests?

4.3 In both the cases stated above the applicant claims to have charged GST@ 28% + applicable Cess on aerated beverages. However, according to the applicant, the customers demand tax @ 18% as charged on other restaurant services (under HSN code- 996331). According to the applicant's statement, till date the applicant is treating aerated beverages as an individual supply and not as a composite supply, hence the rate applicable to such supply of soft beverages as per Notification no. 01/2017-Central Tax (Rate) dated 28.06.2017 in case of both the types of supplies stated above is being charged.

However, the applicant asserts when aerated beverages is supplied individually or as part of a meal it should be treated as composite supply and should be subject to the tax rate of 18%. The applicant has referred to Section 7 of the GST Act for definition of supply and Section 2(30) for definition of Composite Supply. Reference has also been made to clause (b) of Serial no. 6 of Schedule II appended to the CGST Act. According to the said clause, supply by way of or as part of any service or in any other manner whatsoever of good being food or any other article for human consumption or any drink (other than alcoholic liquor for human consumption) where such supply or service is for cash deferred payment or other valuable consideration shall be treated as a supply of services.

The applicant states that his menu card for restaurant includes 'aerated beverages' and 'soft beverages'. It means that any guest who comes to the restaurant can have aerated beverages / soft beverages alone also as these are in the menu of the restaurant. When a guest (a resident or

a non-resident) comes to the restaurant and orders from the menu either soft beverages or aerated beverages, it involves both supply of goods (soft beverages / aerated beverages) and supply of services by the restaurant. In this case both the supplies are taxable. The serving of any items on the menu involves the supply of the items along with the use of the facilities/ staff of the restaurant. These two are naturally bundled and supplied in conjunction with each other and hence is a composite supply as per Section 2(30) of the Act.

Thus, as per the applicant's understanding the supply of aerated beverages in the restaurant whether as a supply along with supply of food or supply of only the aerated beverages, it should be considered as a Composite Supply in the restaurant industry and taxed at the rate applicable to the principal supply of restaurant services i.e. 18%.

4.4 At the very outset it should be noted that the applicant's representative informs during the course of personal hearing that the applicant's hotel is a 'specified premises' for the ongoing financial year. Before going into the details of the discussion we must clarify certain issues and concepts related to the matters of this application for Advance Ruling.

Restaurant: The term restaurant has not been defined in the GST Act although there is definition of restaurant service in one of the GST notifications.

The Cambridge Dictionary defines restaurant as a place of business where people can choose a meal to be prepared and served at a table and for which they pay, usually after eating.

So from a common understanding a restaurant cooks or prepares food according to the order placed by people as per their choice from the options given by the restaurant and serves them at the premises of the restaurant.

Restaurant Service: Restaurant Service has not been defined in the GST Act. However, we can find reference to this service in paragraph 4 relating to Explanation in the Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, as amended from time to time. In the said Notification, clause (xxxii) was inserted vide Notification No. 20/2019-Central Tax (Rate) dated 30.09.2019, wherein it is mentioned that '*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.*

Aerated Beverage: An aerated beverage (or a carbonated drink) is a beverage that has dissolved carbon dioxide, most often to improve the taste and/or texture. In such kinds of drinks Carbon Dioxide is dissolved into the liquid under pressure. When the pressure is released (say, when the bottle is opened) Carbon Dioxide gets separated from the liquid and forms bubbles creating the fizz. Certain things are added to aerated water to produce carbonated drinks. For example, sweeteners (such as sugar to add sweetness), flavourings (to provide different

flavours such as cola flavour, fruit flavour, orange flavor etc.), acids (like citric acid to add a sour taste and help preserve the drink) etc. Carbonated drinks are available in the market in bottles and cans. It may be prepared in restaurants as per the specifications of the customers.

Aerated Beverages (or Carbonated Drinks) can be classified as drink as referred to in the definition of restaurant service *ibid*.

4.5 From the statement of facts, submissions during the course of personal hearing and the additional written submission of the applicant the following points are noted:

- A) The applicant runs a restaurant from the premises of the hotel.
- B) The hotel of the applicant is a 'specified premises' for the ongoing financial year.
- C) The restaurant has no separate take away counter.
- D) The restaurant services are enjoyed by both the guests of the hotel and walk in customers.
- E) People coming to the restaurant can place order from the menu card provided by the restaurant for that purpose. The menu card contains food items and beverages including aerated beverages.
- F) People may place order for food and aerated beverages along with food. Sometimes it may so happen that order is placed for aerated beverages only. No food items are ordered with them.
- G) When an order for aerated beverage is received the restaurant staff prepares it by adding ice cubes, lemon slice, sugar syrup, masala to the chosen beverage. The applicant has given the example of preparing masala coke. It involves mixing 200 ml of Coca-cola, 10 ml of lemon juice, ¼ tsp of black salt, ¼ tsp of roasted cumin, ¼ tsp of chaat masala and 4-5 pcs of ice cubes.
- H) The applicant issues one single invoice in case of order placed for both food items and drinks.
- I) Till now, the applicant is charging different tax for food items and drinks in the same bill i.e. 9% CGST + 9% SGST for food items and 14% CGST + 14% SGST for drinks.

4.6 To understand the issues in the application for advance ruling we have to refer to the relevant portion of Clause 6 of Schedule II appended to the CGST Act. The relevant portion is reproduced here:

6. *Composite supply*

The following composite supplies shall be treated as a supply of services, namely:—

- (a) *works contract as defined in clause (119) of section 2; and*
- (b) *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 (other than alcoholic liquor for human consumption), where such supply or service is for cash, deferred payment or other valuable consideration.

We have already referred to the definition of 'Restaurant Services' in Paragraph 4.4. If that definition is read conjointly with sub-clause (b) above, it will be evident that supply of goods being food or any other articles for human consumption or any drink other than alcoholic liquor for human consumption for cash, deferred payment or other valuable consideration is a composite supply. This composite supply is a supply of service and it will qualify for restaurant services if the service is 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.

The applicant has referred to two specific situations. Sometimes aerated beverages are supplied by the applicant to the customers along with other food items as per the orders of the customers. Sometimes the customers coming to the restaurant place order for aerated beverages only. It is learnt from the applicant's representative that the applicant has no separate 'take away' counter. Whatever is ordered by the customers, it is to be consumed by them in the restaurant itself.

4.7 In the case in our hand the applicant has submitted that the following events occur when an order for aerated beverages (be it with other food or without any food) is received:

The sealed bottle/can of the particular beverage is taken to the kitchen counter. Staff opens the beverage and pours into restaurant glassware. Depending on customer's preference ice cubes, lemon slice, sugar syrup, or masala are added to the beverage. In this way value-added drinks such as masala coke or fresh lime soda are prepared by kitchen staff.

Preparation of per serving of masala coke requires Coca-Cola (200 ml), Lemon juice (10 ml), Black salt (¼ tsp), Roasted cumin (¼ tsp), Chaat masala (¼ tsp), Ice cubes (4-5 pcs). Preparation of per serving of fresh lime soda requires Lemon juice (30 ml), Sugar syrup (15 ml), Soda water (150 ml), Ice cubes (5-6 pcs).

The drink thus prepared is served at the table by the waiter, along with accompaniments, and customers consume it in the restaurant environment. Similarly the drink is served on trays with accompaniments and glassware in case of room service.

4.8 To reiterate, the factual matrix on which the ruling is being pronounced is being summarized below and it is stated that the applicability of the ruling is limited to these facts as presented by the applicant:

- The restaurant lists various preparations of aerated drinks in their menu, e.g. masala coke, which is prepared from coca cola, spices, ice cubes, lemon juice etc.
- These aerated drinks are prepared by the restaurant staff as per their recipe and served to the customers who are seated at the restaurant, or as room service to residents/guests
- They do not offer any takeaway service and these items are to be consumed in the restaurant/hotel premises itself.
- So these preparations of aerated drinks/mocktails are served to their customers as part of the restaurant service that they are already enjoying.
- The customers may order these aerated drinks either along with other food items or independently.

4.9 So we are of the considered view that aerated beverages as served by the applicant are actually consumed in the restaurant using the facilities and infrastructures of the restaurant. So in this case beverages as served by the applicant come as supply of any drink (other than alcoholic liquor for human consumption) as part of the restaurant service provided by the applicant.

As such, the supply will qualify as a composite supply under Clause 6(b) of Schedule II, which is to be treated as a supply of service. Here the principal supply being restaurant service will be taxed under Entry no. 7 of the Notification No. 11/2017 – Central Tax (Rate) Dated 28.06.2017, as amended. Since the restaurant is located in the hotel premises of the applicant and the hotel is a 'specified premises' for the on-going financial year, the restaurant services of the applicant will be taxed under serial no. 7(vi) of the notification *ibid*. That is to say, 9% CGST + 9% SGST will be applicable on such supply of services.

In view of the foregoing discussion, we rule as under:

RULING

1. What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Beverages) when they are supplied independently and not as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied individually and not along with food as Composite Supply to the guests?

Answer: In the context of the factual matrix as mentioned in paragraph 4.8 as presented by the applicant, if aerated beverages are supplied independently i.e. not along with food, it will be regarded as composite supply of service the principal supply being restaurant service. Since the restaurant is located in the hotel premises of the applicant and the hotel is a 'specified premises' for the on-going financial year, the said service will be taxed under serial no. 7(vi) of the Notification No. 11/2017 – Central Tax (Rate) Dated 28.06.2017.

9% CGST + 9% SGST will be applicable on such supply of services.

2. What is the rate of tax applicable on supply of Carbonated Drinks (Aerated Beverages) when they are supplied as composite supply in restaurant? In other words, what is the rate of GST if these items are supplied along with food as Composite supply to the guests?

Answer: In the context of the factual matrix as mentioned in paragraph 4.8 as presented by the applicant, if aerated beverages prepared are supplied along with food, it will be regarded as composite supply of service the principal supply being restaurant service. Since the restaurant is located in the hotel premises of the applicant and the hotel is a 'specified premises' for the on-going financial year, the said service will be taxed under serial no. 7(vi) of the Notification No. 11/2017 – Central Tax (Rate) Dated 28.06.2017.

9% CGST + 9% SGST will be applicable on such supply of services.

(SHAFEEQ S.)

Member

West Bengal Authority for Advance Ruling

(JAYDIP KUMAR CHAKRABARTI)

Member

West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 10th December 2025

To,

SUMMIT HOTELS & RESORTS PRIVATE LIMITED

Office Block – G, Floor- G0402, City Centre, Uttorayan,
Darjeeling, West Bengal, Pincode- 734010

Copy to:

- (1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally, R.B.Connector,
Kolkata-700107
- (2) The Commissioner of State Tax, West Bengal,14, Beliaghata Road, Kolkata-700015
- (3) The Charge Officer, Siliguri Charge, Paribahan Nagar, P.O.-Matigara,Darjeeling,
Pincode-734010
- (4) The Commissioner, Siliguri Commissionerate, C.R. Building, Haren Mukherjee Road,
Hakimpara, Siliguri, Pincode-734001
- (5) Office Copy