

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560 009**

**Advance Ruling No. KAR ADRG 29/2023
Date : 15-09-2023**

Present:

1. Dr. M.P. Ravi Prasad

Additional Commissioner of Commercial Taxes Member (State)

2. Sri. Kiran Reddy T

Additional Commissioner of Customs & Indirect TaxesMember (Central)

1.	Name and address of the applicant	M/s. LOYAL HOSPITALITY PVT. LTD., #14, 4 th Floor, Pottery Road, Frazer Town, Bengaluru – 560 005.
2.	GSTIN or User ID	29AACCL7396R1ZD
3.	Date of filing of Form GST ARA-01	08-06-2023
4.	Represented by	Sri. Ashish Koppa, C A & Authorised Representative
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru.
6.	Jurisdictional Authority – State	ACCT, LGSTO-56, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2905230335006 dated 25.05.2023.

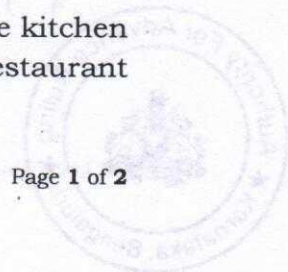
**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Loyal Hospitality Pvt. Ltd.,(herein after referred to as 'Applicant'), #14, 4th Floor, Pottery Road, Frazer Town, Bengaluru – 560 005, having GSTIN 29AACCL7396R1ZD, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and KGST Act.

The applicant stated that they operate 'Kitchens @' brand to provide kitchen infrastructure and technology services to restaurant/food brands (Restaurant



Loyal Hospitality



Partners). They operate centralized remote kitchens wherein the Restaurant Partners are provided all necessary infrastructure like kitchen equipment, tools, utilities and technological support, enabling them to fully prepare and deliver their food products to customers, for which the applicant charges an agreed service fee. The Restaurant Partners are obliged to pay gas, electricity, water charges and other operational expenses ('Utility Charges') that the applicant may incur specific to the respective Restaurant Partners. Electricity and water connections are in the name of landlord as the kitchens are built in building space leased from landlord. Gas and other utilities are directly sourced by the applicant from the third party vendors.

3. In view of the above, the applicant sought advance ruling in respect of the question **"Whether utility charges collected by the company from its Restaurant Partners attract GST under CGST / KGST Act?"**

4. The applicant were given an opportunity of personal hearing on 13.07.2023 and Sri. Ashish Koppa, C.A. & Authorised Representative appeared and reiterated their understanding of the issues on which advance ruling was sought for. However the applicant vide their letter dated 17.07.2023, requested this authority to permit them to withdraw their application.

5. In view of the foregoing, we pass the following

RULING

The application filed by the Applicant for advance ruling is disposed off as withdrawn.


(Dr. M.P. Ravi Prasad)
Member

Karnataka Advance Ruling Authority
Place : Bengaluru,
Bengaluru - 560 009

Date : 15-09-2023


(Kiran Reddy T)
Member

Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bengaluru East Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-56, Bengaluru.

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