



**RAJASTHAN AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX, KAR BHAWAN, AMBEDKAR  
CIRCLE, NEAR RAJASTHAN HIGH COURT  
JAIPUR – 302005 (RAJASTHAN)**



**ADVANCE RULING NO. RAJ/AAR/2023-24/21**

Mahipal Singh Additional Commissioner	:	Member (Central Tax)
Mahesh Kumar Gowla Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s SHAKUN PROPERTIES PRIVATE LIMITED, ground floor to terrace floor, 29 2-a light industrial area, jawahar tower, iti choraya - new power house road Jodhpur- 342003, Rajasthan
GSTIN of the applicant	:	08AABCS8449M1ZP
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(d)Admissibility of input tax credit of tax paid or deemed to have been paid
Date of Personal Hearing	:	15.03.2024
Present for the applicant	:	Mr. Bhavesh Agarwal C.A. & Mr. Jawahar Lal Moondra(Director)
Date of Ruling	:	26.03.2024

**Note 1:** Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling, constituted under Section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.

**Note 2:** At the outset, we would like to make it clear that the provisions of both the CGST Act and the SGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the SGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / SGST Act would be mentioned as being under the "GST Act".

The issue raised by M/s SHAKUN PROPERTIES PRIVATE LIMITED, ground floor to terrace floor, 29 2-a light industrial area, jawahar tower, iti choraya - new power house road Jodhpur- 342003, Rajasthan (hereinafter "*the applicant*") is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2)(a) given as under:

(d)Admissibility of input tax credit of tax paid or deemed to have been paid

**A. SUBMISSION OF THE APPLICANT(in brief):-**

The applicant is a four star deluxe hotel having its registered office at JAWAHAR TOWER, SHAKUN MOTORS TIRAYA, 29(2-A) LIGHT INDUSTRIAL AREA, ITI CHORAYA - NEW POWER HOUSE ROAD, JODHPUR-342003 Rajasthan, engaged in Hospitality business operated under the brand name ZONE BY THE PARK. The Applicant is registered under GST (GSTIN) with registration number 08AABCS8449M1ZP having Trade name as ZONE BY THE PARK - A UNIT OF SHAKUN PROPERTIES PRIVATE LIMITED. Presently, it is providing and is registered under the following services:

- Short term accommodation service,
- Restaurant service,
- SPA and other club facilities,
- Rent a cab Service,
- Laundry Service,
- Swimming Pool Services,
- Mandap Keeper Services,
- Renting of Space or Lawn, and
- Professional Consultancy and commissionable services etc. in the Hospitality Sector

All the services as mentioned above are taxable supplies and subject to levy of GST.

**B. INTERPRETATION AND UNDERSTANDING OF APPLICANT ON QUESTION RAISED (IN BRIEF)**

- a. The hotel is run under a nationwide reputed brand “Zone By The Park” and therefore, there is a challenge to maintain its reputation at very high level. With these objectives, it has to up keep the hotel's building, equipment's, furniture & fixtures, surroundings and its infrastructure in excellent operational condition. In this pursuit, it has to constantly incur expenditure on construction, renovation, repairs and maintenance of hotel's immovable and movable property. Hence, up-keep and maintenance of hotel building. Equipments, electrical installation, furniture & fixtures and other infrastructures is crucial for continuity of its business.
- b. It is evident from the attached Exhibit 1 that the major portion of expense is towards repair and maintenance of the Hotel and thus, the applicant through this application seeks guidance on the availability of ITC or not. The aggregate Expense on repairs from FY 2017-18 to FY 2022-23 was Rs 1.27 Cr out of total Operating Expense of Rs. 12.91 Cr which is almost 9.80%.

F.Y.	Expenditure on Repair and maintenance	Total Operating Expenses	% of Total Operating Expenses
2017-18	9,53,081.39	1,28,80,215.04	7.40%
2018-19	23,43,466.50	2,66,30,846.39	8.80%
2019-20	32,52,777.01	2,62,81,176.87	12.38%
2020-21	9,36,235.48	1,34,75,541.52	6.95%
2021-22	20,16,070.96	1,91,09,870.31	10.55%
2022-23	31,49,771.26	3,06,86,915.01	10.26%
<b>Total</b>	<b>1,26,51,402.60</b>	<b>12,90,64,565.14</b>	<b>9.80%</b>

**C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:-**

**Q1 Repair Work relating to Building**

Q1.1. Whether GST paid on building materials such as Tor Steel, Angle, Chanel, Flats etc. cement, concrete, bricks, cement or Granite or Marble or Stone Slabs, or Tiles (Glazed or Vitrus), Paint, Putty, Polish and any other building materials meant for repair of building shall be available for ITC?

Q1.2. Whether GST paid on labour supply for carrying out repair of building shall be available for ITC, where material and supervision is provided by the applicant?

Q1.3. Will it make any difference if aforementioned works are carried out in a composite manner as a works contract, where material as well as labour is supplied by a contractor as a composite supply under works contract?

Being routine repairs, the amount spent on the above mentioned all scenarios are charged to revenue as per accounting standards.

**Q2 Repair Work relating to Electric Installation/ Sanitary Fittings**

Q2.1. Whether GST paid on electrical fittings, such as Wires, Cables, Switches, MCBs, and other electrical consumables meant for repair of existing electrical fittings shall be available for ITC?

Q2.2. Whether GST paid on sanitary fittings, such as Tiles (Glazed or Vitrus), Commode, Bath Tub, Wash Basin, PVC pipes and other bath room Sanitary Fittings and consumables meant for repair of existing sanitary fittings shall be available for ITC?

Q2.3 Whether GST paid on labour supply for carrying out repair of electrical installation and/or sanitary fittings shall be available for ITC, where material and supervision is provided by the applicant?

Q2.4 Will it make any difference if aforementioned works are carried out in a composite manner as a works contract, where material as well as labour is supplied by a contractor as a composite supply under works contract?

Being routine repairs, the amount spent on the above mentioned all scenarios are charged to revenue as per accounting standards.

### Q3 Repair work relating to Furniture & Fixture

Q3.1. Whether GST paid on Wood, Plywood Board, Sunmica, Tapestry, Paint, Polish and other consumables meant for repair of existing furniture & fixtures shall be available for ITC?

Q3.2. Whether GST paid on labour supply for carrying out repair of furniture & fixtures shall be available for ITC, where material and supervision is provided by the applicant?

Q3.3. Will it make any difference if aforementioned works are carried out in a composite manner as a works contract for carrying out repair and maintenance job on movable furniture & fixtures such as, Sofa, Table, Chairs, Door, Cabinets, etc. where material as well as labour is supplied by a contractor as a composite supply under works contract?

Being routine repairs, the amount spent on the above mentioned all scenarios are charged to revenue as per accounting standards.

Q3.4 whether input tax credit can be availed by the applicant of GST paid on purchase of new ready to use furniture such as chairs, etc, in terms of section 17 of the RGST Act, 2017?

### Q4 Repair Work relating to Lifts, Fire Installation & Air Conditioners

Q4.1. Whether GST paid on Repair and maintenance work related to lifts, fire safety/firefighting equipment's and Repair of Air conditioner shall be available for ITC?

Q4.2. Whether GST paid on labour supply for carrying out repair of lifts, fire safety/firefighting equipment's and Repair of Air conditioner, where material and supervision is provided by the applicant?

Q4.3. Will it make any difference if aforementioned works are carried out in a composite manner as a works contract for carrying out repair and maintenance job on lifts, fire safety/firefighting equipment's and Repair of Air conditioner where material as well as labour is supplied by a contractor as a composite supply under works contract?

Being routine repairs, the amount spent on the above mentioned all scenarios are charged to revenue as per accounting standards.

Q4.4 whether input tax credit can be availed by the applicant of GST paid on purchase of new ready to use Lifts, Fire Installation & Air Conditioners etc, in terms of section 17 of the RGST Act, 2017?

## **D. WITHDRAWAL OF APPLICATION**

The applicant vide their letter dated 15.03.2024 requested to withdraw the Advance Ruling Application filed before the authority as the points raised in their application has already been decided.

## **E. PERSONAL HEARING**

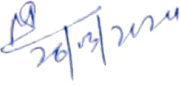
In the matter, personal hearing was granted to the applicant on 15.03.2024. Shri Mr. Bhavesh Agarwal C.A. & Mr. Jawahar Lal Moondra(Director) Authorized Representative appeared for personal hearing. They reiterated the submission already made by them and requested for early disposal of application.



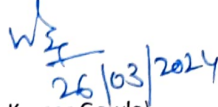
E. FINDINGS, ANALYSIS & CONCLUSION

The Applicant vide their letter dated 15.03.2024 has requested to withdraw the Advance Ruling Application filed before the authority.

Since the applicant has requested for withdrawal of the application therefore, their request to withdraw the application is considered. Hence, no ruling is given.

  
(Mahipal Singh)  
MEMBER  
CENTRAL TAX



  
(Mahesh Kumar Gowla)  
MEMBER  
STATE TAX

F. No. AAR/SF/2023-24 220-223

Date: 26/03/2024

**SPEED POST**

To,

M/s SHAKUN PROPERTIES PRIVATE LIMITED

Ground floor to terrace floor, 29 2-a light industrial area, Jawahar tower,

Iti Choraya - New Power House Road, JODHPUR- 342003, RAJASTHAN

Copy to: -

1. The Chief Commissioner, CGST and Central Excise (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan-302005
2. The Chief Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme, Jaipur-302005.
3. The Pr./Commissioner, CGST and Central Excise, Jodhpur Commissionerate, Jodhpur Rajasthan.

