

**GIB/WB/State of WB/03-10-2019/SC-15**

**Supreme Court Category :** Others

**State :** West Bengal

**Order No.:** GIB/WB/State of WB/03-10-2019/SC-15

**Name of Entry :**

State of West Bengal & Ors. vs. Calcutta Club Ltd

**Date :** 03-10-2019

**Breif Issue :**

**Issue of the case:**

Appellant Calcutta Club Ltd. charged sales tax on food and beverages supplied to non-members or guests who accompany members, but not on supply of food and beverages to its members. The Revenue Authorities sought to tax the latter category also. The clubs argued that the supply of food and beverages to its members is a supply of goods and services to itself, and it was acting as an agent of its members.

The Revenue Authorities alleged that the doctrine of mutuality was not applicable after the amendment to Article 366(29-A), wherein a deeming fiction was created, holding that the supply of goods by clubs to its members will be treated as a sale for the purpose of levy of sales tax. It further argued that the doctrine of mutuality, as applicable to sales tax, was not applicable to service tax, after the introduction of negative list (in 2012) came into force.

**Decision of Advance Ruling Authority :**

**Decision by SC:**

The Supreme Court held that the doctrine of mutuality continues to be applicable to incorporated and unincorporated member's clubs even after the insertion of Article 366(29A) to the Constitution.