www.gstpam.org

Ratan Samal & Manohar Samal

The hotel and hospitality industry are one of the most crucial contributors to the Indian economy. With the Indian sub-continent being a preferred destination for tourism, it is estimated that development in the Indian hotel and hospitality industry will continue to trend upwards. Out of the several factors that contribute to the development of a particular industry, taxation continues to remain a significant factor. This means that a smooth and effective tax mechanism can aid a particular industry towards growth whereas an ambiguous and ineffective tax mechanism can result in creating unnecessary woes, especially related to litigation with the tax departments. One of the key areas where the hotel industry currently faces ambiguities is pertaining to blocked credits under Section 17(5) of the CGST/SGST Act, 2017 which will be dealt in detail in this article. Clauses (c) and (d) of sub-section (5) of Section 17 has created several qualms for the hotel industry and has also