



**BEFORE THE AUTHORITY FOR ADVANCE RULING - ANDHRA PRADESH
Goods and Service Tax**

D. No. 5-56, Block-B, R.K. Spring Valley Apartments, Eedupugallu, Vijayawada-521151

Present

1. Sri. D. Ramesh, Commissioner of State Tax (Member)
2. Sri. A. Syam Sundar, Additional Commissioner of Central Tax (Member)

AAR No.18 /AP/GST/2021 dated:14.07.2021

1	Name and address of the applicant	M/s. Satish Dhawan Space Centre Shar, Falt No.205, Administration Building, Keepakam, First Floor, Keepakam, Sriharikota, SPSR Nellore District-5241244, Andhra Pradesh.
2	GSTIN	37HYDF00385A1DZ
3	Date of filing of Form GST ARA-01	10.05.2021
4	Date of Virtual Hearing	13.07.2021
5	Represented by	Sri Yogesh Kumar, Accounts Officer
6	Jurisdictional Authority - Central	The Superintendent of Central Tax, Sullurpet Range, CGST Nellore Division.
7	Clause(s) of section 97(2) of CGST/SGST Act, 2017 under which the question(s) raised	b) Applicability of the notification issued under the provisions of this Act.

ORDER

(Under sub-section (2) of Section 98 of Central Goods and Services Tax Act, 2017 and sub- section (2) of Section 98 of Andhra Pradesh Goods and Services Tax Act, 2017)

1. The present application has been filed u/s 97 of the Central Goods & Services Tax Act, 2017 and AP Goods & Services Tax Act, 2017 (hereinafter referred to CGST Act and APGST Act respectively) by M/s. Satish Dhawan Space Centre Shar(hereinafter referred to as applicant), registered under the Goods & Services Tax.
2. The provisions of the CGST Act and APGST Act are identical, except for certain provisions. Therefore, unless a specific mention of the dissimilar provision is made, a reference to the CGST Act would also mean a reference to the same provision under the APGST Act. Further, henceforth, for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST or AP GST Act would be mentioned as being under the GST Act.

3. Brief Facts of the case:

The applicant M/s. Satish Dhawan Space Centre, Shar had entered into a contract with M/s Apollo Hospitals Enterprises Ltd.(AHEL), Chennai for Comprehensive Operations & Maintenance of Satish Dhawan Memorial Hospital (SDMH of Satish Dhawan Space Centre (SDSC) SHAR, ISRO by receiving manpower i.e. doctors & other supporting staffs, for a period of 60 months w.e.f.

March 2017 for a total contract value of Rs.35.08crore @ Rs.7.02crore p.a (MoU enclosed). The applicant submits that as per clause 6.3 of the terms & conditions of the contract, the above prices include payment of the then applicable service tax (15%). Later, w.e.f. 01.07.2017 GST was implemented by GoI with a vision of 'One Nation One Tax'. A reference is invited to GST Exemption Notification No.9/2017 - Integrated Tax (Rate) Dt.28.06.2017 wherein the healthcare services vide entry no.77 has been exempted and reproduced as under: *"Health Care Service by a Clinical Establishment or Authorised Medical Practitioner or Para Medics are exempt from GST"*.

The applicant further submits that, however, irrespective of the aforesaid GST Exemption Notification, M/s AHEL has been levying IGST @ 18%, since its implementation, on the bills of all its contractual services, including reimbursement bills of diesel used for power generator & ambulance (though diesel is not under the ambit of GST) rendered at SDMH for the CHSS beneficiaries of the Department. M/s AHEL is claiming IGST under SACs 9985- *Support services* & 9983- *Management consulting & management services including financial, strategic, human resources, marketing, operations & supply management*. Accordingly, the same is being paid by the SDSC, SHAR unaware of the IGST exemption available on such health care services provided by M/s AHEL.

1. IGST is being regularly paid on the O&M bills as raised & claimed by M/s AHEL since inception of GST i.e. July 2017
2. An average of Rs.90lakh p.a.(approx.) is being paid to M/s AHEL towards IGST towards the Operation & Maintenance Services provided by M/s AHEL
3. An average of Rs.2lakh p.a.(approx.) is being paid to M/s AHEL towards IGST towards the diesel bills claimed on reimbursable basis by M/s AHEL.
4. In a different contract to provide Duty Medical Officers on contract basis to work in SHAR Hospital, Sriharikota, M/s Apollo Speciality Hospitals, Nellore have agreed for exemption from GST under Medical Services.

4. Questions raised before the authority:

The applicant had filed an application in form GST ARA-01, Dt:10.05.2021, by paying required amount of fee for seeking Advance Ruling on the following issues, as mentioned below:

1. Whether SAC classification of the health services provided by M/s AHEL under 9983 & 9985 is correct?
2. Whether the cited IGST Exemption Notification is applicable for all or certain items of contractual services rendered by M/s AHEL as per the MoU?
3. If applicable, whether refund of IGST paid so far by SDSC, SHAR can be claimed from M/s AHEL with retrospective effect from July 2017?
4. If refund claim cannot be made with M/s AHEL, what is the relief available to SDSC SHAR for the ineligible financial expenditure incurred towards IGST so far?
5. Whether GST is applicable on diesel bills paid on reimbursement basis for running ambulance/power generator by M/s AHEL at SDMH, Sullurpeta?

5. Virtual Hearing:

Sri P.Yogesh kumar, the authorized representative of the applicant appeared for Virtual Hearing on 13.07.2021 and reiterated the submission already made in the application.

6. Discussion and Findings:

The plea of the applicant was examined in detail. We find that the Advance Ruling sought by the applicant is on the applicability of the notification issued under the provisions of this Act and the determination of the liability to pay tax on goods or services or both. After examining the kind of activities and services the applicant is engaged in, it is made clear that M/s. Satish Dhawan Space Centre, Shar do not make any of the supplies in question, but is in fact the recipient of the various health care services/supplies made to him by the contractor, M/s Apollo Hospitals Enterprises Ltd.(AHEL), Chennai as stated in his application. Thus the questions raised are on the liability to pay tax on the services supplied to them and not on the supplies made by them.

LEGAL PROVISIONS:

Section 95(a) of CGST and APGST Act defines 'advance ruling' as

(a) " advance ruling " means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) Of Section 97 or Sub-section (1) of Section 100, **in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;**

From the above it is evident that an applicant can seek an advance ruling in relation to supply of goods or services or both undertaken or proposed to be undertaken by the applicant. Further, as per Section 103 (1) of the APGST Act such an Advance Ruling is binding only on the applicant and on the Officer Concerned or the jurisdictional Officer in respect of the applicant.

In the present case the applicant is recipient of the services and not supplier of such services. Accordingly the application is not liable for admission and therefore rejected without going in to the merits of the case.

Order

(Under Section 98 of Central Goods and Services Tax Act, 2017 and the Andhra Pradesh Goods and Services Tax Act, 2017)

The application for Advance Ruling of M/s. Satish Dhawan Space Centre Shar is not admitted under sub-section 2 of Section 98 of the CGST Act, 2017 and the APGST Act, 2017.

Sd/-D. Ramesh
(MEMBER)

Sd/- A. Syam Sundar
(MEMBER)

//t.c.f.b.o//




Deputy Commissioner (ST)

DEPUTY COMMISSIONER (ST)

**O/o. Chief Commissioner of State Tax,
Government of A.P., Vijayawada**

TO

- 1) M/s. Satish Dhawan Space Centre Shar, FaltNo.205, Administration Building, Keepakam, First Floor, Keepakam, Sriharikota, SPSR Nellore District-5241244, Andhra Pradesh **(By Registered Post)**.

Copy to

1. The Assistant Commissioner of State Tax, Gudur Circle, Nellore Division. **(By Registered Post)**
2. The Superintendent of Central Tax, Sullurpet Range, CGST Nellore Division. **(By Registered Post)**

Copy submitted to

1. The Chief Commissioner (State Tax), O/o Chief Commissioner of State Tax, Eedupugallu, Vijayawada.
2. The Principal Chief Commissioner (Central Tax), O/o Principal Chief Commissioner of Central Tax & Customs, Visakhapatnam Zone, GST Bhavan, Port area, Visakhapatnam-530035 (A.P) **(By Registered Post)**

Note: Under Section 100 of the APGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under Section 99 of APGST Act, 2017, with in a period of 30 days from the date of service of this order.

DEPUTY COMMISSIONER (ST)
O/o Chief Commissioner of State Tax,
Government of A.P., Vijayawada

