

BEFORE THE APPELLATE AUTHORITY FOR ADVANCE
RULINGS FOR THE STATE OF UTTARAKHAND GOODS &
SERVICE TAX, E-BLOCK, NEHRU COLONY,
DEHRADUN-248001

PRESENT:

Shri P.k. Goel (CGST Member)

Dr. Ahmed Iqbal (SGST Member)

The 10th day of March, 2022

Appeal No. UKGSTARA02/02/13.12.21/2021-22

1.	Name and Address of Applicant	M/S Corbett Nature Reserve, Ramnagar Nainital.
2.	Name and Address of Respondent	Uttarakhand Advance Ruling Authority, Commissioner State Tax Office, Dehradun
3.	Appeal No/Date	UKGSTARA02/02/13.12.21/2021-22
4.	Order No.	03/2021-22/10.03.2022
5.	Date of Personal hearing	05-01-2022
6.	Concerned Officer	Smt Preeti Manral, Deputy Commissioner State Tax, Department, Dehradun
7.	Jurisdictional Officer	CGST- Range IV, Ramnagar SGST- AC Ramnagar
8.	Applicant Represented by	Mr. Pawan Kumar Nath (C/A)
9.	Date of Reg. of Appeal	13-12-2021

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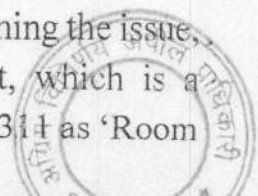
(Proceedings under Section 101 of Central Goods & Service Tax Act, 2017 and Uttarakhand Goods & Service Tax Act, 2017 in the matter of M/s Corbett Nature Reserves, Ramnagar, Nainital Uttarakhand)

The present appeal has been filed under Section 100 of the Central Goods & Service Tax Act, 2017 and Uttarakhand Goods & Service Tax Act, 2017 (in short the CGST Act and UKGST Act) by M/s Corbett Nature Reserves, Ramnagar, Nainital Uttarakhand (herein after referred to as 'Applicant') against the Advance Ruling Order 05/2021-22 dated 08-10-2021 passed by Authority of Advance Ruling of Uttarakhand in an application made by them.

At the outset, we would like to make it clear that the provisions of the CGST Act and UKGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to CGST Act would also mean a reference to the same provisions under the UKGST Act.

Brief facts of the case

- i. The applicant is registered with the GSTIN having Registration No.05AAGFC3157J1ZJ and seek advance ruling on the following question:
"Whether "The Centre" of the applicant is eligible to get the benefit of entry No.74 of exemption Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, classified under SAC Heading 9993".
- ii. The applicant is running a Resort namely "Aahana- The Corbett wilderness" and also runs an independent unit namely "Aahana Naturopathy Centre" (also referred to as "the Centre"), wherein they are providing various services in the form of Nature cure (drugless cure) & Yoga therapies (Health care services), which are not restricted only to the in-house customers, but also open to all.
- iii. The applicant's unit is registered under the Clinical establishment Act, 2010 vide reg No उ०नै०स्था०/ नैनी०/अनन्तिम/ 018/2016 Dated 07/10/2016 as "Naturopathy Centre", and that the said health care services (Naturopathy) provided by "The Centre" are exempt from the levy of GST under Notification No. 12/2017- Central Tax (Rate) under Entry 74 (SAC Heading 9993), which pertains to Services by way of health care services by a clinical establishment, an authorized medical practitioner or para-medics.
- iv. The Authority for Advance Ruling, Uttarakhand, after examining the issue, observed that the supply of services provided by the applicant, which is a composite supply, is rightly classifiable under sub-heading No. 996311 as 'Room



or unit accommodation services provided by Hotels, Inn, Guest House, Club and the like', whereas, the exemption at Entry No. 74 of exemption Notification No. 12/2017-Central Tax (Rate), dated 28-6-2017 is applicable to services falling under the SAC 9993. Therefore, the AAR held that the applicant is not eligible to get the benefit of Entry No. 74 of Exemption Notification No. 12/2017-Central Tax (Rate), dated 28- 6-2017.

v. Being aggrieved with the said Ruling, the applicant has filed the present appeal before AAAR and the appeal is registered as Appeal No. UKGSTARA 02/02/13.12.21/2021-22 dated 13.12.2021 seeking classification of services provided by "the Centre" under SAC 9993 in as much as, the said centre viz "Aahana Naturopathy Centre" provides healthcare services which attract nil rate of tax in terms of entry no. 74 of exemption notification no. 12/2017-Central Tax (Rate), dated 28- 6-2017.

Personal Hearing

In the instant case, the personal hearing was fixed on 05-01-2022 and it was attended by Shri Pavan Kumar Nath, Chartered Accountant on behalf of the applicant, who reiterated the submissions made in the memorandum of Appeal. Ms. Preeti Manral, concerned officer from state authority of Uttarakhand was also present during the hearing proceedings. She presented her facts and requested the authority to decide the appeal on merits.

Discussion & Findings

We have gone through the facts placed on record, the Ruling of AAR, Memorandum of Appeal along with grounds of Appeal and submissions made at the time of personal hearing. Now we proceed as under:

- i. The moot issue to be decided is whether "The Centre" of the applicant is eligible to get the benefit of entry No.74 of exemption Notification No.12/2017-Central Tax (Rate) dated 28.06.2017, classified under SAC Heading 9993".
- ii. The applicant in his appeal submitted that the health care services under question fall under entry No.74 of exemption Notification No.12/2017-Central Tax (Rate) dated 28.06.2017 on the grounds that: -
 - a. the "Aahana Naturopathy Centre" is an independent clinical establishment;
 - b. the applicant has appointed an authorized medical practitioner in their Naturopathy centre.



iii. To appreciate the law position in this regard, we reproduce the relevant portion of the Act as under:

- a. As per Section 2(30) of the Act *ibid*, "Composite Supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;
- b. Further, as per Section 2(90) of the Act *ibid*, "Principal Supply" means the supply of goods or services which constitutes the predominant element of a composite supply and to which any other supply forming part of that composite supply is ancillary;
- c. As per Section 8 of the Act *ibid*, the tax liability on a composite or a mixed supply shall be determined in the following manner, namely:
 - (i) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
 - (ii) a mixed supply comprising two or more supplies shall be treated as a supply of that supply which attracts the highest rate of tax.

d. As per Section 7 (1) of the CGST Act, 'Supply' includes all forms of supply of goods or services or both such as sale, barter, transfer, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business, including activities specified under Schedule I which are made or agreed to be made without consideration.

iv. On perusal of records, we find that in the instant case the applicant has advertised and marketed their accommodation service as their main service and Naturopathy as additional service. Thus, the accommodation service and other services including Naturopathy rendered during the course of said service is covered under composite service and the accommodation service constitutes the predominant element and therefore, becomes the "principal supply" and other services including Naturopathy shall form the part of that composite supply. On true and fair analysis of the aforesaid Notification, the conclusion is compelling that all services provided in relation to or in addition to accommodation service are liable to GST applicable to 'Accommodation Service' in as much as, all such ancillary/additional activities having a proximal nexus with accommodation service.

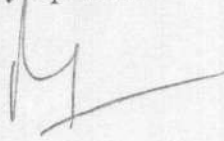
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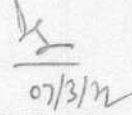


Ruling

In view of the above discussion & findings, the Ruling No. 05/2021-22 dated 08.10.2021 passed by the Authority of Advance Ruling of Uttarakhand is hereby upheld.



(P.K.GOEL)
CGST MEMBER



(Dr. AHMED IQBAL)
SGST MEMBER

I am directed to transmit herewith a certified copy of the order passed by the Appellate Authority for Advance Ruling for the State of Uttarakhand, Goods & Service Tax under Section 101 of the CGST/SGST Act 2017.

Copy To:- 7376/10.03.2022

Regd. Office
AAAR Uttarakhand
अप्रीलिअ प्ररधरकररी
03.22

1. The Chief Commissioner, CGST, Meerut Zone , Meerut.
2. The Commissioner, CGST, Commissionerate Dehradun.
3. The Commissioner, SGST, Uttarakhand.
4. Members of the Advance Ruling Authority.
5. Concerned Officer, State Tax, Dehradun.
6. Jurisdictional Officers
7. Appellant M/s Corbett Nature Reserve, Ramnagar, Nainital.
8. Guard File.

