

GIB/Columbia/12.12.2018/AAAR-41

Appellate Advance Ruling Category : Supply

State : Karnataka

Order No.: GIB/Columbia/12.12.2018/AAAR-41

Name of Entry :

Columbia Asia Hospitals Private Limited

Date : 12-12-2018

Breif Issue :

Facts & Issue Of The Case :

The appellant is registered under GST and is engaged in providing healthcare. services The appellant is a private limited company having an international healthcare group operating a chain of modern hospitals across Asia. The appellant is presently operating across six different states having eleven hospitals out of which six units are in the state of Karnataka.

The appellant filed an application on 14.03.2018 before the Karnataka Authority for Advance Ruling under Section 97 of CGST/KGST Act, 2017 read with Rule 104 of CGST/KGST Rules, 2017 in form GST ARA-01, seeking a ruling on the following question:

Whether the activities performed by the employees at the Corporate Office in the course of or in relation to employment, such as accounting, other administrative and IT System Maintenance for the units located in the other states as well i.e distinct persons as per Section 25(4) of the Central Goods and Services Tax Act,2017 (CGST Act) shall be treated as supply as per Entry 2 of Schedule I of the CGST Act or it shall nor be treated as supply of Service as per Entry I of Schedule III of the CGST Act?

Decision of Advance Ruling Authority :

Decision :

Following AAAR can be referred in context of decision made in the advance ruling authority, Karnataka in case of "Columbia Asia Hospitals – AAR (Karnataka) [GIB/KA/COLUMBIA ASIA HOSPITALS/27.07.2018/AAR-23](#) . The Appellant has placed reliance on a few CESTAT decisions (cited supra) to buttress their case. We have gone through all case laws relied upon and hold that the said decisions will not be applicable to the matter at hand since they were rendered in the context of the Service Tax law. The taxable event under the Service Tax law and under GST are vastly different and hence the ratio of decisions rendered in the light of the taxable event under Service Tax provisions cannot be applied to the transactions under GST regime. As such the case laws relied upon by the Appellant are not of any assistance to this case.

The India Management Office (IMO) of the Appellant is providing a service to its other distinct units by way of carrying out activities such as accounting, administrative work, etc with the use of the services of the employees working in the IMO, the outcome of which benefits all the other units and such activity is to be treated as a taxable supply in terms of the entry 2 of Schedule I read with Section 7 of the CGST Act .