

AUTHORITY FOR ADVANCE RULING – CHHATTISGARH
3rd& 4th Floor, VanijyikKar GST Bhawan, North Block Sector-19,
Atal Nagar, District-Raipur (C.G.) 492002
Email ID – gst.aar-cg@gov.in

PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING
U/s. 98 OF THE CHHATTISGARH GOODS AND SERVICES TAX ACT, 2017

Members Present are

Smt. Sonal K. Mishra
Joint Commissioner
O/o Commissioner, State Tax
(CGGST), Raipur, Chhattisgarh.

Shri Rajesh Kumar Singh,
Additional Commissioner,
O/o Principal Commissioner,
CGST & Central Excise, Raipur (C.G.)

Subject :- Chhattisgarh GST Act, 2017 – Advance Ruling U/s 98 Chhattisgarh GST Act, 2017 –

Advance Ruling U/s 98 sought by M/s. Goel Medico 25- Medical Complex, Ajeet Hotel, Telipara, Bilaspur Chhattisgarh, the applicant, a registered Service provider, GSTIN- 22AHYPG0949B1ZH regarding GST rate on SAC 995464 i.e.

- Installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospital, homes etc;
- Connection of other gas-operated equipment; done for Government hospital covid care ward.

Read :- Application dated 22-09-2021 from M/s. Goel Medico 25- Medical Complex, Ajeet Hotel, Telipara, Bilaspur Chhattisgarh GSTIN- 22AHYPG0949B1ZH.

PROCEEDINGS

[U/s 98 of the Chhattisgarh Goods & Services Tax Act, 2017 (herein- after referred to as CGGST Act, 2017)]

No.STC/AAR/09/2021

Raipur Dated 12-12-2021....

M/s. Goel Medico 25- Medical Complex, Ajeet Hotel, Telipara, Bilaspur, [hereinafter also referred to as the applicant] has filed an application U/s 97 of the Chhattisgarh Goods & Services Tax Act, 2017 seeking advance ruling as to the GST Rate on SAC 995464 i.e. Installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospital, homes etc; and connection of other gas-operated equipment; done for Government hospital covid care ward.

2. Facts of the case:- The applicant, is a service provider engaged in the activity of supply, installing, testing and commissioning of oxygen pipe line system in Government



hospital Covid Care Ward. According to the applicant, with reference to the work order(s) received, they are engaged in the composite supply covered under SAC 995464 in government hospital covid care ward, Raipur. The applicant desires a ruling regarding the rate of GST on their work /services.

3. Contentions of the applicant:- The applicant has informed that they are engaged in the activity of supply, installing, testing and commissioning of oxygen pipe line system in Government hospital Covid Care Ward, and accordingly they are of the opinion that their activity falls under SAC 995464. They have also submitted a copy of work order no. 4319/Nirman/2021, dated 24/08/2021 issued by Chhattisgarh Medical Services Corporation Ltd. Raipur. They also want to know any GST exemption available, if any, with regard to the services provided by them.

4. Personal Hearing:- Keeping with the established principles of natural justice, personal hearing in the matter was extended to the applicant, as requested by them and accordingly, Shri Ranjan Mishra, C.A. & authorized representative of the applicant appeared before us for hearing on 27.09.2021 in person. They reiterated their earlier contention as made in the application. During the hearing they also expressed their opinion that their activity is exempted vide Notification no. 05/2021-Central Tax (Rate) Dated: 14th June, 2021.

5. The legal position, analysis and discussion:- At the very outset, we would like to make it clear that the provisions for implementing the CGST Act and the Chhattisgarh GST Act, 2017 [hereinafter referred to as "the CGST Act and the CCGST Act"] are similar and thus, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the CCGST Act, 2017. Now we sequentially proceed to discuss the issues involved in the ruling sought by the applicant and the law as applicable in the present case.

5.1 Section 96 of CGST Act, 2017, Authority for advance ruling, stipulates as under:-

Subject to the provisions of this Chapter, for the purposes of this Act, the Authority for advance ruling constituted under the provisions of a State Goods and Services Tax Act or Union Territory Goods and Services Tax Act shall be deemed to be the Authority for advance ruling in respect of that State or Union territory.

Section 97(2) of CGST Act, 2017 stipulates that:-

The question, on which the advance ruling is sought under this Act, shall be in respect of—

(a) classification of any goods or services or both;

(b) applicability of a notification issued under the provisions of this Act;



- (c) determination of time and value of supply of goods or services or both;
- (d) admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) determination of the liability to pay tax on any goods or services or both;
- (f) whether applicant is required to be registered;
- (g) whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.

Further 103 of CGST Act, 2017 stipulates about the ruling pronounced as under: -The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only -

- a. On the applicant who had sought it in respect of any matter referred to in sub-section (2) of section 97 for advance ruling;
- b. On the concerned officer or the jurisdictional officer in respect of the applicant.

Thus in view of the above section 103 of CGST Act, 2017, the ruling so sought by the Applicant would be binding only on the Applicant and on the concerned officer or the jurisdictional officer as stipulated above.

5.2 As per Section 7 (1) of CGST Act

For the purposes of this Act, the expression "supply" includes—

- (a) all forms of supply of goods or services or both such as sale, transfer, barter, 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;
- (b) import of services for a consideration whether or not in the course or furtherance of business;
- (c) the activities specified in Schedule I, made or agreed to be made without a consideration;
- (d) the activities to be treated as supply of goods or supply of services as referred to in Schedule II.

5.3 In the instant case, the applicant has informed that they are engaged in the activity of supply, installation, testing and commissioning of oxygen pipe line system in Government Hospitals and it has been their contention that the said activity is classifiable under SAC 995464 and they have sought ruling regarding the tax rate for the said SAC 995464 viz. Installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospital, homes etc; Connection of other gas-operated equipment; done for Government Hospital covid care ward.



[Handwritten signature]

5.4 Section 2(30) of the Central Goods and Services Tax Act, 2017 defines the expression 'composite supply' as 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.

Thus from the above it follows that the ingredients of a supply that renders it a composite supply are -

- There should be a supply made by a taxable person;
- The supply should be made to a recipient;
- The supply should consist of two or more taxable supplies of goods or services or both, or any combination thereof.
- The supply of goods or services or both should be naturally bundled and supplied in conjunction with each other in the ordinary course of business.
- One of the supply of goods or services or both should be a principal supply.

5.5 We also find that the applicant have also furnished a copy of tender for the rate contract of supply, installation, testing & commissioning of medical gas pipe line for hospitals in various locations at Chhattisgarh issued by Chhattisgarh Medical Services Corporation Ltd. (a Government of Chhattisgarh undertaking) first-second floor, North west, Commercial complex, sector-27, Atal nagar, Raipur. They have also furnished copy of work orders relating to the said work of Oxygen Gas Pipe connection at various hospitals in Chhattisgarh. From the documents placed before us, it is evident that the activity of the applicant is a supply consisting of two or more taxable supplies of goods or services or both and its combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, supply and installation of medical gas pipe line being the principal supply.

5.6 Section 2(90) of the Central Goods and Services Tax Act, 2017 defines the expression 'principal supply' as 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.

5.7 Section 8 of the Central Goods and Services Tax Act, 2017 provides that if a composite supply comprising two or more supplies, one of which is a principal supply, it shall be treated as a supply of such principal supply and the tax liability shall be determined on the principal supply.

5.8 Thus we come to the considered conclusion that the activity of the applicant falls under Services Accounting Codes (SAC Codes) 995464 which includes installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospitals, homes etc; connection of other gas-operated equipment, attracting 18% GST (9% CGST & 9% SGST).



5.9 During personal hearing, the applicant also contended that the work contract service i.e. Installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospital, homes etc; and connection of other gas-operated equipment; done for Government hospital covid care ward, done by the applicant should be covered under Notification No. 05/2021-Central Tax (Rate) | Dated: 14th June, 2021.

5.10 This authority would like to refer to the Notification No. 05/2021-Central Tax (Rate) | Dated: 14th June, 2021, cited by the applicant during the course of Personal hearing.

In this context, it is observed that CBIC stipulated concessional rate of CGST on Covid-19 relief supplies of goods, up to and inclusive of 30th September 2021 vide Notification No. 05/2021-Central Tax (Rate) | Dated: 14th June, 2021 supra, which reads as under:-

G.S.R....(E).- In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the goods specified in column (3) of the Table below, falling under the tariff item, subheading, heading or Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), as the case may be, as specified in the corresponding entry in column (2), of the Table below, from the so much of the central tax leviable thereon under section 9 of the said Act, as in excess of the amount as specified in corresponding entry in column (4) of the aforesaid Table, namely:-

TABLE

Sl. No.	Chapter, Heading, Sub-heading or Tariff item	Description of Goods	Rate
(1)	(2)	(3)	(4)
1	2804	Medical Grade Oxygen	2.5%
2	30	Tacrolimus	Nil
3	30	Amphotericin B	Nil
4	30	Remdesivir	2.5%
5	30	Heparin (anti-coagulant)	2.5%



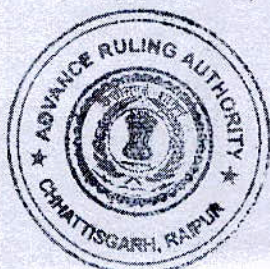
[Handwritten signature]

6	3002 or 3822	Covid-19 testing kits	2.5%
7	3002 or 3822	Inflammatory Diagnostic (marker) kits, namely IL6, D-Dimer, CRP (C-Reactive Protein), LDH (Lactate Dehydrogenase), Ferritin, Pro Calcitonin (PCT) and blood gas reagents	2.5%
8	3804 94 3808 94	Hand Sanitizer	2.5%
9	6506 99 00	Helmets for use with non-invasive ventilation	2.5%
10	8417 or 8514	Gas/Electric/other furnaces for crematorium	2.5%
11	9018 19 or 9804	Pulse Oximeter	2.5%
12	9018	High flow nasal cannula device	2.5%
13	9019 20 or 9804	Oxygen Concentrator (general)	2.5%
14	9018 or 9019	Ventilators	2.5%
15	9019	BiPAP Machine	2.5%
16	9019	(i) Non-invasive ventilation nasal or oronasal masks for ICU ventilators (j) Canula for use with ventilators	2.5%
17	9025	Temperature check equipment	2.5%
18	8702 or 8703	Ambulance	6%

This notification shall remain in force upto and inclusive of 30th September, 2021

Thus the above notification provides for concessional tax rate / exemption to the goods specified in column (3) of the Table below, falling under the tariff item, subheading, heading or Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). In other words the aforesaid Notification provides exemption to goods viz. only to the Covid related items specified therein in the table and not to the work contract services in which the applicant is engaged in. Thus this Notification is found not to be of any help to the applicant.

6. Having regard to the facts and circumstances of the case and discussions as above, we pass the following order:-



ORDER

(Under section 98 of the Chhattisgarh Goods and Services Tax Act, 2017)

No.STC/AAR/09/2021

Raipur Dated ... 17.12.2021

The ruling so sought by the Applicant is accordingly answered as under:

RULING

The activity of the applicant of supply, installing, testing and commissioning of oxygen pipe line system in Government hospital merits classification under SAC 995464 i.e. Installation services of parts and equipment for the supply or conduct of oxygen and other gases used in hospital, homes etc; and connection of other gas-operated equipment done for Government hospital is liable to 18% GST (9% CGST & 9% SGST).



sd/-
Sonal K. Mishra
(Member)

sd/-
Rajesh Kumar Singh
(Member)

TRUE COPY

[Signature]
17/12/21
MEMBER
ADVANCE RULING AUTHORITY
CHHATTISGARH, RAIPUR

TRUE COPY

[Signature] 17/12/2021
MEMBER
ADVANCE RULING AUTHORITY
CHHATTISGARH, RAIPUR