

TAX INFO

Dated 11.11.2021

Latest update on GST Law: Information regarding **Application of GST on services provided by wellness centres** as given in **Ruling by AAR-Gujarat**.

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In today's busy world, we're pulled in many directions at once. We have responsibilities at home and at work. Sometimes it all just becomes too much. These days, residential wellness programs are the path to improved well beings. **Let us consider application of GST on services provided by such wellness centres vide Advance Ruling given by AAR, Gujarat.**

Name of Applicant	M/S. Oswal Industries Ltd.
Authority	GST AAR Gujarat
Date of Ruling	09.07.2020
Ruling No.	GUJ/GAAR/R/25/2020

Facts:

Nimba Nature Cure Village ('Nimba') is a unit of M/s. Oswal Industries Ltd. ('the Applicant') which is a Naturopathy Centres and offers physical, psychological and spiritual health overhaul with the help of power of nature. Further, the Applicant provides different types of wellness facilities at Nimba such as naturopathy, ayurveda, yoga and meditation, physiotherapy and special therapy. The packages offered by the Applicant from their website is strictly on a residence basis and the consideration is solely dependent on the type of room opted by the customer.

Issue:

Whether the supply is composite supply so as to get the benefit of exemption of health care services under Sl. No. 74 of Notification No.12/2017-Central Tax (Rate) dated June 28, 2017 ('Services Exemption Notification')?

Ruling:

It was held that, the supply of services provided by the Applicant is a composite supply wherein the principal supply is accommodation since the therapy can in no way be administered without accommodation. Further, there is no option available for the customer to avail the wellness package without opting for the accommodation. Therefore, it is classifiable under sub-heading 996311 under 'Room or unit accommodation services provided by Hotels, Inn, Guest House, Club and the like' and not under Sl. No. 74 of Services Exemption Notification which is applicable to services falling under the Heading 9993 i.e., health care services. Hence, the Applicant is not eligible for the exemption under Sl. No. 74 of Services Exemption Notification.

Therefore, the question being asked:

Whether GST is applicable on wellness facilities provided by wellness centres? Answer: YES

My view point

Somehow I feel personally that whatever services, a person is taking from wellness centres are in the nature of healthcare services only. None is interested in accommodation as such but incidentally accommodation is used in availing such a services so I feel that the services obtains by a person is in the nature of healthcare services and are exempts under GST.

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