

M/s TATHAGAT HEALTH CARE CENTRE LLP

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 04 / 2018 dated 21st March, 2018

Dated **21.03.2018**

Q Questions Before the Authority

- Whether GST is leviable on the rent payable by a Hospital, catering life saving services?

F Facts

The applicant is a cardiology specialized hospital operating on premises taken on lease from an existing building. They provide health care services which are exempt from GST. The applicant sought a ruling on whether the rent paid for these premises is subject to GST.

H Ruling

Levy of GST on rent paid by a hospital

GST is leviable

No specific exemption is available for this service

The authority ruled that GST is indeed leviable on the rent paid or payable by the applicant for the leased premises. It concluded that there is no exemption available for this service under the current GST regime.

R Reasoning

The authority defined the service as renting in relation to immovable property under Notification No. 12/2017-Central Tax (Rate). It classified the service under SAC 997212, which is taxable under GST. The authority noted that there is no provision in the Act allowing for an exemption on an input service simply because the output service provided by the taxable person is exempt.

P Provisions Relied On

Section 97 of CGST Act, 2017

Section 98 of CGST Act, 2017

Section 98 of KGST Act, 2017

Notification No. 12/2017- Central Tax (Rate) dated 28.06.2017

! For the Practitioner

This ruling clarifies that hospitals are **liable to pay GST on rent** for leased premises, regardless of the fact that their output health care services are exempt. It confirms that there is no input tax credit mechanism or exemption available to offset the tax burden on such rental inputs. Practitioners should advise clients that rental expenses for commercial premises remain taxable even for exempt service providers.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 04-tathagat_heartcare_centre-aar-order.pdf

Prepared 15-10-2026.

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