

MAHARASHTRA AUTHORITY FOR ADVANCE RULING
GST Bhavan, 1st floor, B -Wing, Mazgaon, Mumbai – 400010.
(Constituted under section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

- (1) Shri B. Timothy, Addl. Commissioner of Central Tax, (Member)
(2) Shri B. V. Borhade, Joint Commissioner of State Tax, (Member)

GSTIN Number, if any/ User-id		27AAATT2628P1ZZ
Legal Name of Applicant		Terna Public Charitable Trust
Registered Address/ Address provided while obtaining user id		Plot No 12, Sector 22 Terna Engineering College Nerul West Navi Mumbai Maharashtra Raigad 400706
Details of application		GST-ARA, Application No. 135 Dated 16.03.2019
Concerned officer		State Tax Officer (C-002), Raigad division,
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Service Provision, Retail Business
B	Description (in brief)	The applicant M/s. Terna Public Charitable Trust, is a holder of GSTIN 27AAATT2628P1ZZ, (hereinafter referred to as 'the Applicant' for the sake of brevity) is having its office address as given above. The Applicant runs a hospital and Research Centre under the name and style 'Terna Specialty Hospital & Research Centre' at the address Plot No.12, Sector 22, Nerul (West), Navi Mumbai, PIN- 400706 (hereinafter referred as 'hospital for the sake of brevity).
Issue/s on which advance ruling required		(i) Classification of goods and/or services or both (ii) Applicability of a notification issued under the provisions of this Act (v) Determination of the liability to pay tax on any goods or services or both
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.

PROCEEDINGS

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

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as “the CGST Act and MGST Act” respectively] by M/s **Terna Public Charitable Trust**, seeking an advance ruling in respect of the following questions.

- Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy, as well as food, room on rent to the in-patients is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?
- Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy to the out-patients, is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

2. **FACTS AND CONTENTION - AS PER THE APPLICANT**

The submissions, as reproduced verbatim, could be seen thus-

"Statement of relevant facts having a bearing on the question(s) raised

The applicant M/s. Terna Public Trust, is a holder of GSTIN 27AAATT2628P1ZZ, (hereinafter referred to as 'the Applicant' for the sake of brevity) is having its office address as given above. The Applicant runs a hospital and Research Centre under the name and style 'Terna Specialty Hospital & Research Centre' at the address Plot No.12, Sector 22, Nerul (West), Navi Mumbai, PIN- 400706 (hereinafter referred as 'hospital' for the sake of brevity).

The hospital owns and runs a pharmacy. During the course of treating the in-house patients admitted in the hospital, medicines, surgical items, implants, consumables and allied items are used. For proper care and watch by doctors/ nurses a room on rent and food from Hospital Canteen under the supervision of dietician is provided to the in-house patients as a part of overall health care.

GST is not charged on the medicines, surgical items, consumables and allied items used for treating such in-house patients. Further, a room provided on rent and food provided from Hospital Canteen to the in-house patients is also not charged to GST.

However at present the GST is charged to out-patients, (OPD patients) treated by Hospital who buy medicines, surgical items, consumable, implants and other allied items for their use. Further very few walk-in customers with prescriptions of outside doctors/Hospitals also buy medicines & allied items from hospital owned Pharmacy which are also charged GST.

The Applicant herein applies for advance ruling whether the supply of medicines surgical items, implants and other allied items supplied through the pharmacy of the hospital run by the applicant as well as room provided on rent and food supplied to the patients attracts liability under GST as regards inpatients as well as out-door patients (OPD Patients treated by the Hospital)?

B) **Brief Facts:-**

The applicant is rendering medical services with professionals like doctors, nursing staff, lab technicians etc. mostly on charitable basis. In GST regime, the applicant believes that the health care services by a clinical establishment, an authorized medical practitioner or Para-medicals have been exempted vide classification 9993.

2. Medicines are supplied to customers who consult Hospital doctors either as in-patient or as out-patient or walk-in customers. Medicine sale through Pharmacy owned & run by Hospital is restricted largely to the patients who take registration in the hospital. A very few outsiders

also sometimes buy medicines on the prescription given by the outside doctors/outside hospitals. Presently they are charged with GST.

3. The medicines, surgical items and other allied items supplied through the pharmacy is incidental to the health services rendered in the hospital. The pharmacy is meant largely for dispensing medicine and consumables to the inpatients or outpatients of the hospital.

4. Under pre-GST period there were several decisions pertaining to the point that the supply of medicines, surgical items, x-ray etc. to the patients in the course of treatment by hospital cannot be said to be sale.

5. As per the GST Act the 'clinical establishment' means a hospital, nursing home, clinic, sanatorium or any other institution by whatever name called, that offers services or facilities requiring diagnostics or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases.

6. Hospital owned Pharmacy is an outlet to dispense medicines, surgical items and other allied items based on prescriptions.

7. Patients are admitted to a hospital only when they are extremely ill or have severe physical trauma. As far as an inpatient is concerned, hospital is expected to provide lodging, care, medicine, surgical items, other allied items and food as part of treatment under supervision till his/her discharge from the hospital.

8. **In-house patients (Admitted Patients):-** The in-house patients are those who are admitted into the hospital for the required treatment. The inpatients are provided with stay facilities, medicines, consumables, implants, dietary food and other surgery items required for treatment. In-patients receive medical facility as per the scheduled procedure and have strict restriction to ensure quality/quantity of items for consumption. The medicines, implants, surgical items and other allied items, dietary food advised by nutritionist etc. and room provided on rent used in the course of providing healthcare services to the patients admitted for diagnosis or treatment in hospital. The patient is expected to receive best possible healthcare services by proper diagnosis, proper medicines as well as required consumables, food and implants etc. and comfortable stay along with best possible treatment. Hence the medicines, surgical items or other allied items supplied including food supplied and rooms on rent provided to in-patients are indispensable items and it is a composite supply to facilitate health care services.

9. **Out-Patients (OPD Patients):-** The out-patients are those who visit the hospital for routine check-ups or clinical visits. So far as out-patients (OPD patients) are concerned, hospital gives only prescription. There is freedom to procure the medicines or allied items prescribed, either from the pharmacy owned by the hospital or from outside medical stores. Hospital has no control over their continuous treatment. In both cases, medicines are dispensed based on



prescriptions. The out-patient is also expected to receive quality healthcare services by proper diagnosis, proper medicines and care.

10. The applicant is of the view that the health care services provided by a clinical establishment, an authorized medical practitioner or Para-medics are exempted vide Sl.No.74 of Notification No.12/2017-CT (Rate) dated 28.06.2017.

11. Further, the Government of India vide Circular No. 27/01/2018-GST dt. 04/01/2018 has clarified that room rent in hospital is exempted.

12. Further, the clarifications issued based on the approval of 25th GST Council Meeting held on 18-01-2018 [F.No.354/17/2018-TRU Dt.12-02-2018], clarifying that food supplied to the inpatients, as advised by the doctor/nutritionist, is a part of composite supply of health care and not separately taxable.

13. The Applicant is of the view that the medicines, surgical items, implants, consumables and allied items supplied through hospital owned pharmacy to both inpatients and outpatients under the prescription of the doctors are incidental to the health care services rendered in the hospital and beyond the ambit of taxation being health care services. Food supplied & Room provided on Rent to in-house patients is also, according to the applicant, not taxable.

14. Hence the Applicant seeks advance ruling on the liability of hospital under SGST /CGST Act on the supply of medicines and allied items through the hospital owned pharmacy.

15. Enclosures with the application

The following are the enclosure with this application-

- i) Bill of Supply No. PH/HD/200609 dated. 11.02.2019 (for in patients- IPD- in- patient Department- admitted to Hospital and given Room). GST is not charged on these Bills.
- ii) GST Bill No BCRMD/124560 dated. 11.02.2019 (for out patients – OP- Registered and treated by Hospital, but not admitted). GST is charged on these bills at present.
- iii) GST Bill NO BCRMD/124510 dated 11.02.2019 (for General Public not registered as in-patient/Walk-in Customer buying medicines from the Hospital Owned Pharmacy. GST is charged on these bills.

3a. Statement Containing the Applicant's interpretation of law and/or facts, as the case may-

- i) The supply of medicines, consumable, implants and allied items provided by the hospital through the pharmacy, as well as food, room on rent to the in-patients is part of composite supply of health care treatment and hence not taxable under CGST/SGST, being health care services.
- ii) The supply of medicines, implants, surgical items and allied items provided by the hospital through the hospital owned pharmacy to the out-patients is part of supply of health care treatment and hence not taxable under CGST/SGST, being health care services.

C) Advance Ruling Sought on:

In view of the above facts and circumstances, and understanding of the Applicant the following questions are framed by the Applicant herein for advance ruling to the Authority:

Question (1) :-Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy, as well as



food, room on rent to the in-patients is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

Question (2):-Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy to the out-patients, is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

Additional submissions

The applicant M/s. Terna Public Trust, runs a hospital and Research Centre under the name and style 'Terna Specialty Hospital & Research Centre' at the address Plot No.12, Sector 22, Nerul (West), Navi Mumbai, PIN- 400706 (hereinafter referred as 'hospital' for the sake of brevity). The applicant is rendering medical services (health care services) with professionals like doctors, nursing staff, lab technicians etc. mostly on charitable basis.

2. In addition to and in support of its application for advance ruling, the applicant further submits as under,-

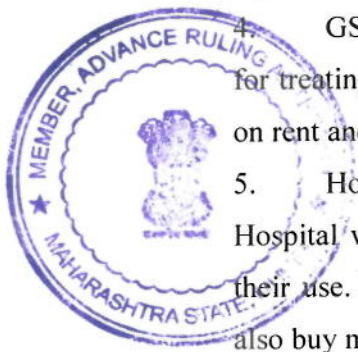
3. The hospital owns and runs a pharmacy. During the course of treating the in-house patients admitted in the hospital medicines, surgical items, implants, consumables and allied items are used. For proper care and watch by doctors/ nurses a room on rent and food from hospital canteen under the supervision of dietician is provided to the in-house patients as a part of overall health care.

4. GST is not charged on the medicines, surgical items, consumables and allied items used for treating such in-house patients (Patients admitted in hospital). Further, for a room provided on rent and food provided from hospital canteen to the in-house patients is also not charged to GST.

5. However, at present the GST is charged to out-patients, (OPD patients) treated by Hospital who buy medicines, surgical items, consumable, implants and other allied items for their use. Further very few walk-in customers with prescriptions of outside doctors/Hospitals also buy medicines & allied items from hospital owned Pharmacy which are also charged GST.

6. The applicant submits that the medicines, surgical items and other allied items supplied through the pharmacy is incidental to the health services rendered in the hospital. The pharmacy is meant largely for dispensing medicine and consumables to the inpatients or outpatients of the hospital.

7. The Applicant submits that the health care services by a clinical establishment, an authorized medical practitioner or Para-medicals have been exempted vide the Notification No. 12/2017-Central Tax(Rate) Dated 28th June, 2017 at serial No.74 heading 9993. As per the definitions given under the said Notification "'clinical establishment' means a hospital, nursing home, clinic, sanatorium or any other institution by whatever name called, that offers services or facilities requiring diagnostics or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases." It is submission of the applicant that the health care services provided by a clinical establishment, an authorized medical



practitioner or Para-medics are exempted vide Serial No.74 of Notification No.12/2017-CT (Rate) dated 28.06.2017. (Copy of Relevant portion of the notification is attached as 'Enclosure-A').

8. Further, the Government of India vide Circular No. 27/01/2018-GST dt. 04/01/2018 has clarified that room rent in hospital is exempted. (Copy of the said circular is attached as 'Enclosure-B').

9. Further, the clarifications issued based on the approval of 25th GST Council Meeting held on 18-01-2018 [F.No.354/17/2018-TRU Dt.12-02-2018], clarifying that food supplied to the inpatients, as advised by the doctor/nutritionist, is a part of composite supply of health care and not separately taxable. (Copy of the said clarification is attached as 'Enclosure-C').

11. The Applicant is of the view that the medicines, surgical items, implants, consumables and allied items supplied through hospital owned pharmacy to both inpatients and outpatients under the prescription of the doctors are incidental to the health care services rendered in the hospital and beyond the ambit of taxation being health care services being composite supply. Food supplied and room provided on rent to in-house patients is also, according to the applicant, composite supply of health care treatment and being health care services exempt form GST and so not taxable.

12. Applicant relies on the following decision of the Kerala Authority for Advance Ruling-

a) M/s. Ernakulam Medical Centre Pvt. Ltd. Advance Ruling No. KER/16/2018 Dt.19.9.2018 (Copy enclosed as 'Enclosure D').

b) M/s. KIMS Healthcare Management Ltd. Advance Ruling No. KER/17/2018 Dt.20.10.2018 (Copy enclosed as 'Enclosure E'). It is held in this decision that the supply of medicines, consumables and implants used in the course of providing health care services to in-patients for diagnosis or treatment are naturally bundled and are provided in conjunction with each other, would be considered as "composite supply" and eligible for exemption under the category 'healthcare services'.

13. Further the Applicant is also of the view that the supply of medicines, implants, surgical items and allied items provided by the hospital through the hospital owned pharmacy to the outpatients is also part of supply of health care treatment and composite supply and hence exempted and so not taxable under CGST/SGST, being health care services."

03. CONTENTION – AS PER THE CONCERNED OFFICER

The submission, as reproduced verbatim, could be seen thus-

"The Applicant M/s Terna Public Charitable Trust runs a hospital at the address: Plot No 12 Sector 22, Nerul West, Navi Mumbai. The applicant is rendering medical services to the patients, as well as run pharmacy in the said premises. Hence the place of business was visited. Then following observation were noticed.

- 1) Hospital and pharmacy are different business verticals.
- 2) Hospital Provide health care service while pharmacy supply medicine which are general marketable goods to both in patient and outpatient irrespective of whether the patient avail healthcare service in hospital or not.

- 3) Hence roll of pharmacy is only to supply goods in respect of all type of patient.
- 4) As per GST Act supply of goods is taxable, irrespective of consumed for hospital services and sold to customers.
- 5) The roll of the pharmacy kept in hospital is only for convenience of patients.
- 6) Patient were liberty to purchase medicine either from in house pharmacy or may purchase from outside services.
- 7) Hence Pharmacy is not integral part of healthcare services and hence does not form composite supply, as supply of Medicine are not naturally bundled with healthcare service.
- 8) The dealer raised bills in two sections, as follows:
 - a) For services provided in the hospital
 - b) Supply of medicine and consumable to patient from pharmacy as "Retail Pharmacy Bill"

This bifurcation in bills indicates the intentions of the dealer to ascertain the medicine and the consumable are used from pharmacy, which is different entity.

On verification of invoices raised for patient it indicate that the intention of the dealer is to collect charges separately from patient for supply of medicine by pharmacy. Hence intention of dealer is clear that in house services and supply of medicine are two different things.

Hence the supply of medicine is liable to pay under GST.

04. HEARING

Preliminary hearing in the matter was held on 09.04.2019. Sh. Ravindra Aluri, CFO appeared and requested for admission of their application. Jurisdictional Officer Sh. Sudhir Tambe, State Tax Officer (C-002) Raigad division, Navi Mumbai also appeared.

The application was admitted and called for final hearing on 06.05.2019, Sh. V. V. Guthe, Advocate, appeared and made an oral and written submissions. Jurisdictional Officer Sh. Sudhir Tambe, State Tax Officer (C-002) Raigad division, Navi Mumbai appeared and requested for time to make written submissions. We heard both the sides.

05. OBSERVATIONS

We have gone through the facts of the case, documents on record and submissions made by both, the applicant as well as the jurisdictional office.

The applicant has submitted that they are running a hospital & Research Centre under the name and style 'Terna Specialty Hospital & Research Centre' at Navi Mumbai, PIN- 400706 and the said hospital owns and runs a pharmacy under the same Tin and are rendering medical services with professionals like doctors, nursing staff, lab technicians etc. mostly on charitable basis. They have further submitted that the Hospital is providing the following services :-

- 1) *treating in- patients*
- 2) *treating out- patients.*

3) *Supplies medicines/goods from own pharmacy, to outside persons as per the prescription of outside Doctors.*

They have submitted that during the course of treating the in-house patients admitted in the hospital, medicines, surgical items, implants, consumables and allied items are provided by them to such patients. For proper care and watch by doctors/ nurses, a room on rent and food from Hospital Canteen, under the supervision of dietician is also provided to the in-house patients as a part of overall health care. Out-patients, (OPD patients) are also treated by the Hospital. These OPD patients buy medicines, surgical items, consumable, implants and other allied items for their use. In addition, the applicant is also selling medicines, etc. to a few walk-in customers who carry prescriptions from outside doctors/Hospitals.

In view of the above they have raised two questions before this authority which are taken up for discussion as below:-

Question No. 1: Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy, as well as food, room on rent to the in-patients is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

In-house patients are patients are admitted by the hospital to receive treatment from disease, illness, etc. Such patients are provided with stay facilities, medicines, consumables, implants, dietary food and other surgery items required for treatment. These patients receive medical facility as per the scheduled procedure and have strict restriction to ensure quality/quantity of items for consumption. These in-patients are provided medicines, implants, surgical items and other allied items, dietary food advised by nutritionist etc. During the course of such treatment after admission in to the hospital they are also provided rooms on rent. Hence such patients live in the hospital,, during the course of provision of healthcare services by the hospital to the patients admitted for diagnosis or treatment in hospital.

We have no doubt that the supply of medicines, consumable, implants and allied items provided by the hospital through the pharmacy, as well as food, room on rent to the in-patients is part of composite supply of health care treatment.

Sr.No. 74, Heading No. 9993 of Notification No. 12/2017-CT(Rate) dated 28.06.2017, exempts services provided by way of health care services by a clinical establishment, an authorized medical practitioner or paramedics. The term 'clinical establishment' has been defined under clause (s) under Definitions in the said Notification and is reproduced as under:-

'clinical establishment' means a hospital, nursing home, clinic, sanatorium or any other institution by whatever name called, that offers services or facilities requiring diagnostics or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized

system of medicines in India or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases.

Thus, subject hospital is considered as a clinical establishment under the GST Laws and since it is providing health care services, such services are exempt in view of Sr. No. 74 mentioned above. The entire supply of services by the hospital, like supply of medicines, surgical items, implants, consumables and other allied items, treatment procedures, diagnostic procedures, supply of food to patients, room on rent **to the in-patients** is part of composite supply of health care treatment. We also agree with the applicant's contention that room rent for patients in hospital are exempted in lieu of Circular No. 27/01/2018-GST dt. 04/01/2018 and that the food supplied to the inpatients, as advised by the doctor/nutritionist, is a part of composite supply of health care and not separately taxable. Their reference to the clarifications issued based on the approval of 25th GST Council Meeting held on 18-01-2018 [F.No.354/17/2018-TRU Dt.12-02-2018] is proper.

We therefore have no doubt that the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy, as well as food, room on rent **to the in-patients** is part of composite supply of health care treatment and hence not taxable under GST Laws.

Question No. 2:- Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy to the out-patients, is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?.

They have submitted that out-patients are those who visit the hospital for routine check-up or clinical visits. So far as out-patients (OPD patients) are concerned, hospital gives only prescription. There is freedom to procure the medicines or allied items prescribed, either from the pharmacy owned by the hospital or from outside medical stores. Hospital has no control over their continuous treatment of such patients. They have also submitted that out-patients are also expected to receive quality healthcare services by proper diagnosis, proper medicines and care.

In so far as outpatients are concerned, we find that the said patients who come to the hospital would probably not be in such a state of ill health so as to be admitted in the hospital. In such a case, the hospital can be seen to be similar to a medical practitioner who also gets patients who come to him for medical diagnosis, treatment, etc. and the medical practitioner, after examining his patients either supplies medicines and/or writes out prescriptions. When the medicines are also supplied the medical practitioner charges fees to the patients for his services, which do not attract GST, medicines being included in the composite supply of health services. However this exemption as per Sr.No. 74 above, is available only when the medical practitioner is authorized to practice medicine. In the subject case the hospital is also supplying health services to its out-patients and in the process diagnoses the illness. However the treatment of

such illness generally has to be done by medication and the prescription for such medication is given by the hospital. To this extent the hospital is providing exempted health services similar to that of an authorized medical practitioner. However, once the prescription is generated and the patients are allowed to purchase medicines from a pharmacy of their choice, then in that case, the health services are rendered only till the point of prescription. In such a case the supply of medicines, surgical items, implants, consumables and other allied items, if purchased by the out-patient from the hospital pharmacy, provided by the hospital through the hospital owned pharmacy to the out-patients, will not be a part of composite supply of health care treatment; and hence will be taxable under CGST/SGST. The applicant themselves have submitted that the pharmacy can sell medicines to any person with a prescription. In the case of in-patients, the medicines are routed from the pharmacy to the patients through the nurses, doctors, etc. The patient does not separately buy the medicine. The hospital disburses the medicine as prescribed by the doctors directly to the patients by way of oral administration or injections, etc which is performed by the nurses on duty, doctors, etc. In the case of out-patients and direct walk-in customers the sale is direct i.e. from the pharmacy to the customers. This is comparable to the sale of medicines, etc by any other pharmacy situated outside hospitals who are liable to pay GST. In the case of out-patients the Hospital reserves no control over his or her continuous treatment. As far as an outpatient is concerned there is no difference in procuring medicine either from the dispensing outlet within the hospital or from outside the hospital. In both places, medicines are dispensed based on prescription. Hence there is no privilege for the hospitals that are dispensing medicine to outpatients. Therefore pharmacy run by hospital dispensing medicine to outpatients or by standers or others can be treated as individual supply of medicine and it is not complete full chain of treatment activity as given to the admitted inpatients for the specific illness by the Doctors or Hospitals. There is major differences are found in connection with in patient and out patients. Hence the criteria given in Sr. No. 74 of Notification No. 12/2017 is not satisfied. Hence sale to out-patients by the pharmacy located in the hospital is not covered under the ambit of health care services. Hence, such supply of medicine and allied goods are taxable. Further, Board's circular also has not considered that such services given to the OPD patients by the Hospitals would be covered under part of composite supply of health care.

In view of the above discussions with respect to the second question, the transaction is not covered under composite supply, and is therefore out of purview of the Sr.No.74 mentioned above and GST is liable to be paid on such sale effected by the pharmacy.

It may also be mentioned here that the Government of India based on the approval of 25th GST Council Meeting held on 18.01.2018 (F.No.354/17/2018-TRU Dt. 12.02.2018), clarified that while food supplied to in-patients is a part of composite supply of health care and

not separately taxable, other supplies of food by the hospital to persons other than in-patients, not admitted, are taxable. We find that the same principle is also applicable in the case of dispensing of medicines.

06. In view of the extensive deliberations as held hereinabove, we pass an order as follows :

ORDER

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

NO.GST-ARA- 135/2018-19/B- *SS* Mumbai, dt. *21/05/2019*

For reasons as discussed in the body of the order, the questions are answered thus –

Question 1:- Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy, as well as food, room on rent to the in-patients is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

Answer :- Answered in the affirmative.

Question 2 : Whether the supply of medicines, surgical items, implants, consumables and other allied items provided by the hospital through the hospital owned pharmacy to the out-patients, is part of composite supply of health care treatment; and hence not taxable under CGST/SGST?

Answer :- Answered in the negative.



sd
B. TIMOTHY
(MEMBER)

sd
B. V. BORHADE
(MEMBER)
CERTIFIED TRUE COPY

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Chief Commissioner of Central Tax, Churchgate, Mumbai
5. Joint commissioner of State Tax, Mahavikas for Website.

Borhade
MEMBER
ADVANCE RULING AUTHORITY
MAHARASHTRA STATE, MUMBAI

Note :- An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India building, Nariman Point, Mumbai – 400021.