

No GST on supply of medicines, consumables, etc. to patients admitted to hospital: The AAR, Madhya Pradesh

Fact of the Case

The applicant was providing health care services to patient admitted in hospital. It filed an application for advance ruling to determine whether the medicines, consumables, Surgical, etc. used in the course of providing health care services to the patient admitted in the hospital for treatment, surgery or diagnosis would be considered as composite supply of health care services.

Decision of the Case

The Authority for Advance ruling observed that for the in-patients, all the medicines, etc. were issued through the in-patient billing series and strictly under the prescription of the doctors aimed at curing, restoring or maintaining the health of a patient, which would be incidental to the health care services rendered in the hospital.

Therefore, if a composite amount would be charged from the patient admitted in the hospital for treatment surgery or diagnosis including for medicines and other goods and services supplied in the course of treatment of the patient and if the amount of such medicines and other goods and services would not be segregable from the composite amount charged from the patient, then it would a composite supply under GST in which health care service would be principal supply. Such composite supply of health care services would be exempt from tax as per Sl. No. 74 of Notification No. 12/2017-CT (Rate), dated 28-6-2017.