



Tamilnadu AAR: Complete gamut of activities required for patient's well-being from admission till discharge a 'composite supply' of health-care service'

Tamil Nadu AAR rules that a complete gamut of activities required for well-being of a patient from admission till discharge, provided by a hospital under the direction of medical doctors is a composite supply of service, classifiable as 'Inpatient health-care services' under SAC 999311; This is however, subject to raising of consolidated bill in the name of patient indicating the supply of medicines and consumables during the provision of health care services; The applicant, running a chain of multispeciality hospitals, provides health-care services (including providing medicines and consumables during the treatment) through establishments in Tamil Nadu and Puducherry to both domestic as well as international patients as also providing international consultancy services online; They also provide pharmacy units at different locations which has common GST registration supplying medicines to both in-patients and out-patients charging GST on MRP against all supplies provided to patients including supplies to inpatients; As for applicability of Exemption Notification, the AAR categorically opines that exemption is applicable to a 'Clinical Establishment' when services by way of diagnosis or treatment or care for illness etc are undertaken...under Sl. No. 74 of Notification No. 12/2017-CTR dated June 28, 2017; However, for the category of out-patients, denies exemption on medicines and consumables supplied by pharmacy unit of the Applicant whilst outlining that a cash bill is raised for consultation and registration and pharmacy bill is raised separately; Besides, notes that "...the pharmacy is an outlet to dispense medicines and consumables based on the prescriptionsit is only advisory in nature....freedom to either buy from the hospital or other pharmacies..."; With this, the AAR demonstrates that, consultation and supply of medicines are not naturally bundled and hence supply of health-care along with medicines cannot be considered as 'composite supply' and are taxable as individual supplies.