



**Pharmacy located in the hospital premises is owned by a separate person then medicines/surgical/consumables supplied by such pharmacy to the in-patient for use in the course of health care service provided by the hospital cannot be termed as composite supply.**

**Madhya Pradesh AAR**

**Re. Daaji Hospitals Pvt Ltd**

Medicines, consumables, Surgical, etc. used in the course of providing health care services if it is provided to the patient admitted in the hospital for treatment, surgery or diagnosis would be considered as composite supply of healthcare services in terms of the Section 2(30) of CGST Act, 2017 if the amount of such medicines, consumables, Surgical, etc. is not segregable from the composite amount charged from the patient for treatment, surgery or diagnosis and is part of the package of the treatment and where principal supply is health care service by a clinical establishment - Exempt from tax as per Sl. No. 74 of Notification No. 12/2017-CT(Rate).

In case pharmacy located in the hospital premises is owned by a separate person then medicines/surgical/consumables supplied by such pharmacy to the in-patient for use in the course of health care service provided by the hospital cannot be termed as composite supply.

Supply of medicines, consumables etc. to the patients admitted in hospitals are exempted in Para 2 (zg) of Notification No. 12/2017-CTR only when it is a composite supply and fulfils the condition given in the said notification.