

**GIB/TN/ROYAL CARE/26-09-2019/AAR-300**

**Advance Ruling Category :** Input Tax Credit

**State :** Tamil Nadu

**Order No.:** GIB/TN/ROYAL CARE/26-09-2019/AAR-300

**Name of Entry :**

Royal Care Speciality Hospital

**Date :** 26-09-2019

**Brief Issue :**

**Facts & Issue of The Case:**

The applicant is registered under GST engaged in health care service sector providing comprehensive patient care for international quality standards across all strata of community with cutting edge technological equipment and by renowned medical specialists. Advance ruling has been sought on the following issues:

- Whether the medicines, consumables, surgical and implants used in course of providing health care services to the patients admitted to hospitals would be considered as “composite Supply” of health care services under GST and consequently exempt under Notification No. 12/2017 read with section 8(a) of GST ?
- Whether ITC Eligible for obligatory services provided to In-Patients through outsourcing ?

**Decision of Advance Ruling Authority :**

**Decision:**

- As classifiable under SAC 999311 medicines, consumables and implants used in the course of providing health care services to in patients by the applicant is a composite supply of Inpatient Service.
- As defined in para 2(zg) of Notification No. 12/2017-C.T. (rate) dated 28.06.2017 as amended and notification No. II (2) /CTR/532(d-15)/2017 vide G.O (Ms) No. 73 dated 29.06.2017, supply of health care services or inpatient services by the applicant is exempted from CGST and SGST as per Sl. No 74 of the above notification respectively.
- The applicant is not eligible for the credit of tax paid on the input services used exclusively for providing exempt services of health services to in patients such as laundry services for in patients.
- For input services such as housekeeping, leasing of equipment used for both exempt supply of health services to in patients and taxable supply of medicines etc. to

outpatients, the appropriate ITC eligible is determined by Rule 42 of the CGST Rules 2017 and TNGST Rules as amended read with section 17(2) of CGST/TNGST Act 2017.