

**GIB/AP/CMC Vellore/17.02.2020/AAR-358**

**Advance Ruling Category :** Taxability

**State :** Andhra Pradesh

**Order No.:** GIB/AP/CMC Vellore/17.02.2020/AAR-358

**Name of Entry :**

M/S CMC Vellore Association

**Date :** 17-03-2020

**Breif Issue :**

**Facts & Issue Of The Case :**

The applicant M/s CMC Vellore Association is a non- profit organization governed by the Christian Medical College Vellore Association, registered under the Societies Registration Act XXI of 1860 and under Section 12AA of the Income Tax Act, 1961. CMC is a Society Registered with the Registrar of Societies Act XXI of 1860. It have a multi-specialty tertiary care hospital providing health care services and categorized the patients as out-patients and In-patients for the administrative convenience. CMC is rendering medical services with professionals like doctors, nursing staff, lab technicians etc.

The applicant, seeking an advance ruling in respect of :

1. Tax liability on the medicines supplied to In-patients through pharmacy.
2. Tax liability on the medicines, drugs, stents, implants etc administered to in-patients during the medical treatment or procedure.

The applicant referred to an order of Authority of Advance Ruling, Kerala No Ker/16/2018 dt: 19.9.2018, which reads as under:

- i) The supply of medicines and allied items provided by the hospital through the pharmacy to the in-patients is part of composite supply of health care treatment and hence not separately taxable.
- ii) The supply of medicines and allied items provided by the hospital through the pharmacy to the out-patients is taxable.

In GST scenario health care services by a clinical establishment, an authorized medical practitioner or para medics have been exempted vide classification 9993.

**Decision of Advance Ruling Authority :**

**Decision :**

The supply of medicines supplied to In-patients through pharmacy are not liable to tax, being a part of the composite supply of health care services under SI. No. 74 Heading 9993 vide Notification No 12/2017 - Central Tax(Rate) Date: 28.06.2017 which are nil rated - medicines, drugs, stents, implants etc administered to in-patients during the medical treatment or procedure are not liable to tax.