

M/s. DR. KAMAKSHI MEMORIAL HOSPITAL PRIVATE LIMITED

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 12/ARA/2026

Dated **09.02.2026**

Q Questions Before the Authority

- Whether supply of medicines and consumables used in the course of providing health care services to In-patients by pharmacy a unit of Dr.Kamakshi Memorial Hospital Pvt. Ltd., for Diagnosis or treatment during the patients' admission in hospital would be considered "Composite Supply of Healthcare Service" under GST and consequently avail exemption under Notification No.12/2017, CT (Rate) read with section 8(a) of the GST Act?

F Facts

The applicant is a multi-speciality hospital that provides healthcare services to in-patients. As part of the treatment, the hospital supplies medicines and consumables to these in-patients, which are billed as a consolidated amount at the time of discharge rather than as distinct sales transactions. The applicant contends that this supply is naturally bundled with the core healthcare services and should be treated as a composite supply.

H Ruling

Classification of supply of medicines and consumables to in-patients	Exempt as a composite supply of healthcare services	Applicable under Entry No. 74 of Notification No. 12/2017-Central Tax (Rate)
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The Authority ruled that the supply of medicines and consumables to in-patients during the course of their treatment is a composite supply of healthcare services. Consequently, this supply is exempt from GST under the relevant notification. The ruling confirms that such supplies are ancillary to the principal supply of healthcare services.

R Reasoning

The Authority relied on the definition of 'Composite Supply' under Section 2(30) of the CGST Act, 2017, noting that the medicines and consumables are naturally bundled with the principal supply of healthcare services. Under Section 8(a) of the CGST Act, the tax liability of a composite supply is determined based on the principal supply. Since healthcare services provided by a clinical establishment are exempt under Entry No. 74 of Notification No. 12/2017-Central Tax (Rate), the entire bundled supply is exempt. The Authority also referenced Circular No. 32/06/2018-GST to support the view that such supplies to in-patients are not separately taxable.

P Provisions Relied On

Section 2(30) of the CGST Act, 2017

Section 8(a) of the CGST Act, 2017

Section 97(2) of the CGST Act, 2017

Notification No. 12/2017-Central Tax (Rate)

Circular No. 32/06/2018-GST

! For the Practitioner

This ruling provides **favorable precedent** for hospitals to treat pharmacy supplies to in-patients as part of an exempt composite supply of healthcare services. It reinforces that such items are not to be treated as separate retail sales if they are part of the treatment process. Practitioners should note that this exemption is specific to **in-patients** and does not extend to out-patient pharmacy sales.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> 2-dr kamakshi memorial aar order.pdf

Prepared 12-10-2026.

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