

M/s. Laxmi Health Care Centre & ICCU

Authority for Advance Ruling — Maharashtra

GST-ARA-68/2020-21/B-628

Dated **28.11.2025**

Q Questions Before the Authority

- Whether charges recovered towards pathological test, radiological test and other medical test, bed charges and charges for medicines & other consumables during course rendering medical treatment to in-patients is single supply of healthcare service?
- Whether applicant is eligible for exemption under entry 74 of notification 12/2017-CT (Rate) dated 28th June, 2017 for above charges recovered from in patients under 1 common contract/invoice?

F Facts

The applicant is a nursing home that provides healthcare services to in-patients under the supervision of doctors. They issue a single invoice to in-patients that includes charges for room rent, nursing care, laboratory tests, medicines, and other consumables. The applicant maintains an in-house pharmacy for the supply of medicines to both in-patients and out-patients.

H Ruling

Classification of services to in-patients	Composite supply with healthcare services as the principal supply	Taxable at the rate provided for healthcare services
Eligibility for exemption under entry 74	Exempt, subject to conditions	Room rent charges exceeding Rs. 5000 per day (excluding ICU/CCU/NICU) are taxable

The authority held that the services provided to in-patients constitute a composite supply with healthcare services as the principal supply. While this composite supply is generally exempt, the benefit is subject to a specific proviso regarding room rent charges. Specifically, room rent charges exceeding Rs. 5000 per day (excluding ICU/CCU/NICU) are not exempt from tax.

R Reasoning

The authority relied on the definition of composite supply under Section 2(30) of the CGST Act, 2017, determining that the various services and goods provided to in-patients are naturally bundled. It concluded that healthcare services are the principal supply, which is exempt under Entry 74 of Notification No. 12/2017-CT (Rate). However, it noted that this exemption is not absolute and is qualified by a proviso introduced by Notification No. 4/2022-CT (Rate), which excludes room rent charges exceeding Rs. 5000 per day from the exemption. Therefore, while the overall service is a composite supply of healthcare, the specific component of room rent is taxable if it exceeds the prescribed threshold.

P Provisions Relied On

Section 2(30) of the CGST Act, 2017

Section 8(a) of the CGST Act, 2017

Entry 74 of Notification No. 12/2017-CT (Rate) dated 28.06.2017

Notification No. 4/2022-CT (Rate) dated 13.07.2022

Circular No. 32/06/2018-GST dated 12.02.2018

! For the Practitioner

This ruling confirms that hospital services provided to in-patients are a **composite supply** of healthcare services. It is highly useful for practitioners as it clarifies that the exemption under Entry 74 is **not a blanket exemption** and is subject to the room rent threshold introduced in 2022. It does not provide relief for room rent charges exceeding Rs. 5000 per day, which remain taxable.

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 -> [gst ara order in case of laxmi health care center iccu order 2 11zon compre..](#)

Prepared 14-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com