

M/s. Ayushya Ayurvedic and Panchakarma Centre (Padmanabha Pillai Sambhu)

Authority for Advance Ruling — Keralam

ADVANCE RULING No. KER/04/2026

Dated 28.04.2026

Q Questions Before the Authority

- Whether the applicant is eligible to get the benefit of entry No.74 of exemption Notification No.12/2017-Central Tax (rate dated 28/06/2017 of Government of India (Ministry of Finance)?

F Facts

The applicant is an Ayurvedic hospital providing both inpatient and outpatient healthcare services. For inpatients, the applicant provides a consolidated bill covering consultation, medicines, room accommodation, and other procedures as part of a bundled treatment. Outpatients are treated separately, where medicines may be supplied based on prescriptions.

H Ruling

Eligibility for exemption under Entry No. 74 of Notification No. 12/2017-Central Tax (Rate)

Eligible for inpatients (bundled services); not eligible for outpatients (medicines) and room rent exceeding Rs. 5,000 per day.

Exemption for room rent does not apply to ICU/CCU/ICCU/NICU rooms.

The authority ruled that healthcare services provided to inpatients, including medicines and consumables naturally bundled with treatment, qualify for exemption under Entry No. 74. However, the supply of medicines to outpatients is not covered by this exemption and is liable to GST. Additionally, room rent exceeding Rs. 5,000 per day per patient is excluded from the exemption and is taxable.

R Reasoning

The authority applied the concept of **composite supply** under Section 2(30) of the CGST Act, determining that inpatient services are naturally bundled with healthcare as the principal supply. It relied on Entry No. 74 of Notification No. 12/2017-Central Tax (Rate) for the exemption. It further noted that Notification No. 04/2022-Central Tax (Rate) amended the exemption to exclude room rent exceeding Rs. 5,000 per day. Outpatient supplies were deemed independent taxable supplies as they lack the continuous bundled nature of inpatient care.

P Provisions Relied On

Section 2(30) of the CGST Act

Section 97(2) of the CGST Act

Entry No. 74 of Notification No. 12/2017-Central Tax (Rate)

Notification No. 04/2022-Central Tax (Rate)

Circular No. 32/06/2018-GST

! For the Practitioner

This ruling confirms that hospitals can treat inpatient services as **exempt composite supplies** under Entry 74. Practitioners should note that this does not extend to outpatient medicine sales or high-value room rent, which remain taxable. It reinforces the necessity of distinguishing between bundled inpatient care and independent outpatient supplies.

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 -> [ayushya ayurvedic and panchakarma centre.pdf](#)

Prepared 11-10-2026.

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