

AAR: Supply of medicines to out-patients not part of composite health care service

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REFER THE DECISION OF THE HON'BLE AUTHORITY FOR ADVANCE RULING (AAR), TAMIL NADU IN THE CASE OF

Theni Nattathi Kshatriya Kula Hindu Nadargal Uravinmurai Dharma Fund, In re - [2025] 179 taxmann.com 97 (AAR - TAMILNADU)

Where a hospital supplied medicines to **out-patients (OPD)** in the course of providing health care services, the **Authority for Advance Ruling (AAR), Tamil Nadu** held that such supply **cannot be treated as a composite supply** of health care services. The **supply of medicines** and the **provision of health care** are **independent supplies**, as the patient is free to buy medicines from elsewhere and the hospital separately charges for them.

Accordingly, supply of medicines to out-patients constitutes a taxable supply under GST, distinct from the exempt health care service.

// भगवान महावीर का संदेश //

"जीवो और जीने दो" — यही हो हमारा संकल्प।

🙏 जय जिनेन्द्र 🙏