

## GST Saga on Health Care Services - Mixed supply

### Introduction

Good health and good sense are two of life's greatest blessings. The Indian Healthcare Industry is the largest producer for generics and now among of the major sectors with respect to revenue and to employment. The Pharma and Healthcare Industry has grown significantly and enjoys an important position in the global pharmaceuticals and medical field. As the population continues to grow, the need for better Healthcare Services is also growing and the expenditure on the same is increasing, so do revenues from taxes.

In the pre-GST regime, the health care services were not under the scope of levy of Service Tax. In the GST regime, the Government instead of giving full exemption to health care services, minimized the burden of tax by exempting certain health care services as a welfare measures for the citizen of the country.

### Judicial Pronouncements

We bring you a capsule of the important judicial pronouncements under the GST regime related Health Care Services on various topics under the GST.

### Supply of telemedicine with medical kit containing pulse oximeter, glucometer constitutes a 'mixed supply'

#### Facts:

M/s Source of Life Technologies (India) Private Limited ("**the Applicant**"), is engaged in supply of individual and bundled sale of medical kit containing medical equipment like pulse oximeter, scale to measure human weight, blood pressure machine etc. and telemedicine services (medical advice by doctor through online video conferencing).

#### Issue:

What is the rate and classification of the products separately and in bundled supply of such products?

#### Held:

The AAR, Haryana in the matter of *M/S. Source of Life Technologies (India) Private Limited [Advance Ruling No. HAR/HAAR/R/2018-19/16, dated October 9, 2018]* classified the products under *Notification No.1/2017-Integrated Tax (Rate) dated June 28, 2017 (“Goods Rate Notification”)* as under:

<u>Product</u>	<u>Classification</u>	<u>Rate</u>
Telemedicine as individual service	Classifiable under chapter heading 9993 as Human health and social care services	Chargeable to GST @18%
Pulse Oximeter (device to measure O2 in blood)	Classifiable under chapter heading 9018, as instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific apparatus, other electromedical apparatus and sight testing instruments.	Chargeable to GST @ 12%
Weighing scale to measure human weight	Classifiable under chapter heading 8423 as “weighing machinery (excluding balances of a sensitivity of 5 centigrams or better), including weight operated counting or checking machines; weighing machine weights of all kinds”.	Chargeable to GST @ 18%
Blood pressure measurement machine	Classifiable under chapter heading 9018 as instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific apparatus, other electromedical apparatus and sight testing instruments	Chargeable to GST @ 12%
Glucometer to measure blood glucose	Classifiable under chapter heading 9018 as instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientific apparatus, other electromedical apparatus and sight testing instruments	Chargeable to GST @ 12%

Test strips to measure blood glucose	Classifiable under chapter heading 9018 as instruments and appliances used in medical, surgical, dental or veterinary sciences, including scientigraphic apparatus, other elecromedical apparatus and sight testing instruments	Chargeable to GST @ 12%
Android based tablet device for data storage	Classifiable under chapter heading 8471 as “automatic data processing machines and units thereat magnetic or Optical readers, machines for transcribing data on to data media in coded form and machines for processing such data, not elsewhere specified or included”	Chargeable to GST @ 18%
Finger print sensor machine	Classifiable under chapter heading 8471 as “automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data on to data. Media in coded form and machines for processing such data, not elsewhere specified or included”	Chargeable to GST @ 18%
Bundled sale of Medical Kit and Telemedicine	Mixed supply	Attracts the highest rate of tax, i.e. chargeable to GST @ 18%
Bundled sale of Medical Kit (a box) containing medical equipments	Mixed supply	Attracts the highest rate of tax, i.e. chargeable to GST @ 18%

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