



**KERALA AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX DEPARTMENT  
TAX TOWER, THIRUVANANTHAPURAM**

**BEFORE THE AUTHORITY OF: Shri. S. Anil Kumar IRS &  
: Shri. B.S. Thyagarajababu B.Sc, LL.M**

Legal Name of the applicant	M/s. Medivision Scan and Diagnostic Research Centre (P) Ltd.
GSTIN	32190000037AR0
Address	Medivision House, Sreekandath Road, Ravipuram, Kochi – 682016.
Advance Ruling sought for	i) Whether diagnostic service provider has to take registration under GST ii) Whether the applicant is exempt from GST considering the exemption provided in the Notification No.12/2017-CT (Rate) dated 28-06-2017.
Date of Personal Hearing	12.04.2019
Authorized Representative	Mr. Shojan K. Antony, Manager (Finance)

**ADVANCE RULING No. KER/ 41 /2019 Dt.12.04.2019**

M/s. Medivision Scan and Diagnostic Research Centre Pvt. Ltd. is a clinical establishment engaged purely in diagnostic services such as clinical biochemistry, micro biology, chemotology, clinical pathology, radiology, ECG, radiometry, pulmonary function test etc. They are coming under the purview of Clinical Establishment Act and are rendering services through qualified laboratory technicians, paramedical technicians, doctors and radiologist. According to them, medical diagnostic service activity will not attract GST either under forward charge or reverse charge mechanism by virtue of Sl. No.74 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017. Moreover, as per Sec.23(1)(a) of the CGST Act, any person engaged exclusively in the business of supplying goods or services or both that are not liable to tax or exempt from tax are not liable to get registration. Therefore, GST registration not required for those persons, who are purely engaged in exempted or NIL rated supply. In the circumstances they sought advance ruling on the following:

- (i) Whether diagnostic service provider has to take registration under GST.
- (ii) Whether the applicant is exempt from GST considering the exemption provided in the Notification No.12/2017-CT (Rate) dtd.28-06-2017.

The authorized representative was heard. It has been pointed out that health care services provided by a clinical establishment, an authorized medical practitioner or para medics are exempted by Notification No.12/2017- Central Tax (Rate) dated 28.06.2017. As per the clause 2 (zg) of the Notification No.12/2017-Central Tax (Rate) dtd.28-06-2017 'health care services' means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India and includes services by way of transportation of the patient to and from a clinical establishment, but does not include hair transplant or cosmetic or plastic surgery, except when undertaken to restore or to reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, injury or trauma. As per Clause 2(s) of the Notification No.12/2017-Central Tax Rate, the word 'clinical establishment' is defined as a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities requiring diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognized system of medicines in India, or a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases. Therefore, a place established as an independent entity or part of an establishment referred above, in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipments, are usually carried on come under the definition of 'clinical establishments'. Hence, all treatment or diagnosis or care for illness, injury, deformity, abnormality or pregnancy by a clinical establishment is covered under health care treatment and are exempted, whether it is provided by a clinical establishment or in their individual capacity.

The matter was examined in detail. As per SRO.No.371/2017 vide sl.no.74, service covered under SAC 9993 in connection with health care by a clinical establishment, and authorized medical practitioner or paramedics is exempted. Services by way of diagnosis come under the category of health care services as per Clause 2(zg) of SRO.No.371/2017. Similarly, a clinical establishment offering services of diagnosis squarely comes under the category of clinical establishment as per Clause 2(s) of SRO.NO.371/2017. In the instant case, the applicant offers services such as medical diagnostic tests to facilitate diagnosis process and, therefore, the services provided by the applicant qualify as health care services. The authority of Advance Ruling in Karnataka has issued a ruling no.KAR/ADRG/5/2018 dtd.21-03-2018 clarifying that diagnosis, pre and post counselling, therapy and prevention of disease by providing tests are qualified to be health care services.

The diagnostic centres are organized facilities to provide diagnostic procedures such as radiological investigation supervised by a radiologist and clinical laboratory services by laboratory specialists usually performed through referrals from physicians and other health care facilities. Clinical / Medical diagnostic laboratory means a laboratory with one or more of the following; where microbiological, serological, chemical, hematological, immune-hematological, immunological, toxicological, cytogenetic, exfoliative cytogenetic, histological, pathological or other examinations are performed of materials / fluids derived from the human body for the purpose of providing information on diagnosis, prognosis, prevention, or treatment of disease. These types of diagnosis or investigations rightly come under the category of health care services and are, therefore, eligible for exemption from GST.

As per Section 22 of State Goods and Services Tax Act, every supplier making a taxable supply of goods or services or both in the State shall be liable to be registered under this Act. As per Sec.23 of State Goods and Services Tax Act, any person engaged exclusively in the business of supplying goods or services or both, that are not liable to tax or wholly exempt from tax under GST Act, are not liable to take registration. Section 24 of the State Goods and Services Tax Act, enlists eleven categories of persons who shall compulsorily obtain registration. In view of the non-obstante clause in Section 24; it is mandatory for the prescribed persons to obtain registration even though the conditions prescribed in Section 22 are not fulfilled. As per Section 24, persons who are required to pay tax under reverse charge shall obtain registration. Therefore, as per Section 24 of the State Goods and Services Tax Act, compulsory registration would be required for persons exclusively engaged in provision of exempt supplies if they receive supplies liable to reverse charge as per notifications issued under Section 9(3) of the State Goods and Services Tax Act.

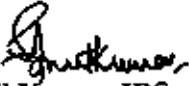
In view of the observations stated above, the following rulings are issued.

- (i) Whether diagnostic service provider has to take registration under GST.

By virtue of Section 23 of State Goods and Services Tax Act, any person engaged exclusively in the business of supplying goods or services or both, that are not liable to tax or wholly exempt from tax under GST Act, are not liable to take registration. However, such persons are liable to obtain registration if they are receiving any goods or services liable to tax under reverse charge as per notifications issued under Section 9(3) of the State Goods and Services Tax Act.

- (ii) Whether the applicant is exempt from GST considering the exemption provided in the Notification No.12/2017-CT (Rate) dtd.28-06-2017.

As per SRO.No.371/2017 vide sl.no.74 (Notification No.12/2017-CT (Rate) dtd.28-06-2017, services by way of diagnosis come under the category of health care services covered under SAC 9993 in connection with health care services provided by a clinical establishment and are, therefore, exempted.



S.Anil Kumar, IRS  
Additional Commissioner of Central Tax  
Member



B.S.Thyagarajababu, B.Sc, LL.M  
Joint Commissioner of State Tax  
Member

To  
M/s. Medivision Scan and Diagnostic Research Centre (P) Ltd.  
Medivision House, Sreekandath Road,  
Ravipuram, Kochi - 682016.