## MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Old Building, 1st floor, B-Wing, Room No.107, Mazgaon, Mumbai – 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri. D. P. Gojamgunde, Joint Commissioner of State Tax, (Member)

(2) Ms. Priya Jadhav, Joint Commissioner of Central Tax, (Member)

| | | |
|---|---|---|
| **ARN No.** | | **AD270222027038G** |
| GSTIN Number, if any/ User-id | | **27AABCU4383J1Z0** |
| Legal Name of Applicant | | **M/s. EPIGENERES BIOTECH PRIVATE LIMITED** |
| Registered Address/Address provided while obtaining user id | | B BLOCK, KON HOUSE, SUN MILL COMPOUND, SENAPATI BAPAT MARG, LOWER PAREL, MUMBAI, 400013 |
| Details of application | | GST-ARA, Application No. 61 Dated 15.02.2022 |
| Concerned officer | | **Zone-Mumbai, Division-III, Range-II** |
| **Nature of activity(s) (proposed/present) in respect of which advance ruling sought** | | |
| A | Category | **Service Provision** |
| B | Description (in brief) | Applicant is engaged in the following business: -<br>1) Manufacturing and trading of Nutraceutical products<br>2) Provision of Laboratory/ testing/ Diagnostic services |
| Issue/s on which advance ruling required | | ➢ Applicability of a notification issued under the provision of the Act |
| Question(s) on which advance ruling is required | | As reproduced in para 01 of the Proceedings below. |

**NO.GST-ARA- 61/21-22/2024-25B-** 163 **Mumbai, dt.** 27/03/2025

## PROCEEDINGS

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by **M/s. EPIGENERES BIOTECH PRIVATE LIMITED,** the applicant, seeking an advance ruling in respect of the following questions.

1. **Whether the provision of diagnostic services by the applicant would qualify for exemption from GST under entry no. 74 of the Notification no. 12/2017 – CT(R) dated 28th June 2017 (herein after referred to as 'Exemption Notification') and consequently the proposed services would get classified under service accounting code 9993?**
2. **If Service accounting code 9981 would become relevant in case where the proposed services would not qualify for exemption under entry No. 74 of the Notification No.**

**12/2017-CT(R) dated 28th June 2017 in absence of exemption for specified service accounting code.**

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

## 01. FACTS AND CONTENTION – AS PER THE APPLICANT FACTS:

1.1 Epigeneres Biotech Private Limited ('EBPL' or 'Epigeneres' or 'the Company' or 'the Applicant') is an entity incorporated in India having its place of business at B Block, Ikon House, Sun Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Mumbai City, Maharashtra, 400013, India. The Company is registered under GST in the state of Maharashtra vide GSTIN -27AABCU4383J1Z0 and other Indian tax laws (as applicable in India).

1.2 The applicant's business can be bifurcated into two divisions namely:

a. Nutraceutical division - Manufacturing and trading of Nutraceutical products.

b. Diagnostic services division - Provision of Laboratory/ testing/ Diagnostic services.

1.3 For the Nutraceutical division, the applicant is discharging GST on sale of nutraceutical products and accordingly disclosing the same in GST return.

1.4 With respect to diagnostic services division, the applicant is in the process of operationalizing the laboratory wherein using defined standard protocols, blood-based test would be undertaken. The outcome of blood tests would assist in the early detection of cancer.

1.5 For better understanding of the business, we have provided below the key understanding about the diagnostic business operation as follows:

- The diagnosis / testing process / technology is an algorithm-based technology which is operated with the help of next-generation sequencing (NGS) data analysis machines and Real-time PCR (RTPCR) machines.
- Next-generation sequencing (NGS) has been widely implemented for whole-genome sequencing, whole-exome sequencing, transcriptome sequencing, targeted region sequencing, epigenetic sequencing, and other sequencing. With the advent of this technology, there is great potential for NGS application in disease management and treatment, genetic counseling, and risk assessment. From a clinical perspective, the technology can be used for but is not limited to molecular diagnosis of genetic disease

and infectious disease, prenatal diagnosis, carrier detection, medical genetics and pharmacogenomics, cancer molecular diagnosis, and prognosis. Cancer is a heterogeneous disease that arises from accumulation of DNA mutations. New sequencing technologies have a significant impact on cancer diagnosis, management, and treatment. NGS analysis provide a landscape of mutations in cancer genomes across many cancer types. This allows to better understand the molecular mechanism of oncogenesis and the rationale for molecule-guided therapies.

- As per genomics article on next generation 2021, next-generation sequencing (NGS) has transitioned from research to clinical use during past five years. At least 14 countries have created initiatives to sequence large populations and it is projected that more than 60 million people worldwide will have their genome sequenced by 2025. However, there has not been an assessment of global NGS implementation.
- The technology to be used by the applicant is a type of DNA/RNA sequencing/amplification, gene expression profiling testing. By using the specified technology, the result on HrC scale marker would be provided by the applicant which could be used as the base for further treatment of the disease. The testing would involve human intervention to read the HrC scale and identification of disease.
- The report generated would highlight the chances/ possibilities of cancer in human body for next one-year basis the DNA/ RNA genes in the human body.
- The said test will help in detecting if cancer is absent, imminent, or present.

1.6 The lab which is to be set up by the applicant would be at Ikon House, B-Block, Sun Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai, Pin-400013, Maharashtra, India.

1.7 The brief of technical process from extraction of blood to generation of report is as under:

- Blood samples are subjected to RNA extraction using standard protocols.
- This RNA is quantitated and then a fixed amount is subjected to qRT-PCR for specific markers.
- The results are compared between control and cancer patient. Fold change is suggestive of presence of cancer. This data is shared with the patients.

1.8 The summary (i.e., Qualification and Count of current laboratory Staff) is provided as follows:

| Qualification | Count of Employee |
|---|---|
| B.Sc. | 1 |
| BHMS | 1 |
| BSC (Botany) | 1 |

| | |
|---|---|
| BSC. IT | 1 |
| M. Sc. In Bio-medical science | 1 |
| M.Sc. | 2 |
| M.Sc. Biotechnology | 2 |
| M.Sc. Pharmacoinformatic | 1 |
| MTech (Biotechnology) | 2 |
| MSc - Microbiology | 1 |
| Ph.D. (Bioscience) | 1 |
| Ph.D. (Biosciences & Bioengg.) | 1 |
| Ph.D. (Chem. Engg) | 1 |
| Ph.D. (Molecular Oncology) | 1 |
| Ph.D. Post -Doc | 1 |

1.9 There are various machines used for processing of report/ testing process. We have attached list of Machine with this application.

1.10 The applicant has applied for below specified licenses to undertake diagnostic tests, the certificates are attached with this application.

- NABL: National Accreditation Board for Testing and Calibration Laboratories.
- GLP: The Principles of Good Laboratory Practice
- DSIR: Department of Scientific and Industrial Research.

**Machinery/equipment used for processing of report/ testing process**

| Sr. No. | Name of Equipment | Company |
|---|---|---|
| 1 | RTPCR | Thermo Fisher |
| 2 | Qubit | Thermo Fisher |
| 3 | Deep Freezer (-20°C) | Thermo Fisher |
| 4 | Deep Freezer (-80°C) | Thermo Fisher |
| 5 | Centrifuge (Refrigerated) | Thermo Fisher |
| 6 | Biosafety Cabinet (Level | Thermo Fisher |
| 7 | NanoDrop | Thermo Scientific |

| | | |
|---|---|---|
| 8 | Gel Doc | LAS 500 |
| 9 | Water Purifier | Millipore |
| 10 | Pipettes | Eppendorf |
| 11 | Weighing Balance | Sartorious |
| 12 | Refrigerator (+4°C) Large | Bluestar |
| 13 | Agarose Gel Electrophoresis (AGE) | Biorad |
| 14 | Refrigerator (+4°C) Small | Kelvinator |
| 15 | Micro centrifuge | REMI |
| 16 | Microwave | Votas |
| 17 | Thermal cycler | Thermo Fisher |
| 18 | Ice Maker | Labman |
| 19 | Autoclave | Labline |
| 20 | Incubator | Labline |
| 21 | Magnetic Strirrer | Istir |
| 22 | Bacteriological Incubator | Metalab |
| 23 | Static Pass Box | MOC: SS304 |
| 24 | Single Phase Servo Stabilizer | Technova |
| 25 | Laminar Airflow (3ft) | Imset |
| 26 | Vortex Mixer | Tarson |
| 27 | Rotospin | Tarson |
| 28 | Hot waterbath | Labman |



## 02. STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW:

2.1 At the outset, the applicant would like to draw your attention to Section 2(47) of the CGST Act, 2017 which defines "exempt supply" and as per section 11(1) of the CGST Act, 2017, the Government may issue notification exempting a goods or service from tax.

2.2. It may be noted that healthcare services provided by clinical establishment has been exempted under the Notification no. 12/2017 – CT(R) dated 28th June 2017 (herein after referred to as 'Exemption Notification').

2.3. The relevant extract of entry which provides exemption to health care services under the Exemption Notification is as follows:

| Sl No. | Chapter, Section, Heading, Group or Service Code (Tariff) | Description of Services | Rate (%) | Condition |
|---|---|---|---|---|
| 74 | Heading 9993 | Services by way of- (a) health care services by a clinica establishment, an authorise medical practitioner or para medics; | NIL | NIL |

2.4. The term "Health care services" is defined in the said notification vide clause (zg), which is also reproduced hereunder:

*"(zg) "health care services" means any service by way of diagnosis or treatment or care for illness, injury, deformity, abnormality or pregnancy in any recognised 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;"*

2.5. Further, the term "Clinical Establishment" is defined in the said notification vide clause (s), which is also reproduced hereunder:

*"(s) "clinical establishment" means 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 recognised 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;"*

2.6. Further, the term "authorised medical practitioner" is defined in the said notification vide clause (k), which is also reproduced hereunder:

*(k) "authorised medical practitioner" means a medical practitioner registered with any of the councils of the recognised system of medicines established or recognised by law in India and includes a medical professional having the requisite qualification to practice in any recognised system of medicines in India as per any law for the time being in force;*

2.7. It may be noted that similar exemption also exists in state GST law and Integrated GST law vide entry No. 74 of Notification No. 12/2017- State Tax (Rate) and No. 77 of Notification No. 9/2017-Integrated Tax (Rate).

2.8. Theoretically, the person who wishes to claim exemption under above referred needs to fulfil two-fold conditions, which are as follows:

- To provide services by way of Health Care service; and
- To fall under the ambit of Clinical Establishment

The interpretation and analysis of each of the above qualification tests is discussed below in detailed for your reference:

2.9. The term "healthcare services" as defined above can be divided into following branches:

i. It means services provided **by way of diagnosis or treatment or care for illness**, injury, deformity, abnormality, or pregnancy. Further, the said services should be provided **in any recognised system of medicines in India.**

*('Means' part of the definition)*

ii. It **includes** services by way of transportation of the patient to and from a clinical establishment.

*('Inclusionary' part of the definition)*

iii. It **does not** include services of 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.

*('Exclusion' to the definition)*

2.10. Out of above three limbs, the first limb of the definition is read as *"services provided by way of diagnosis or treatment or care for illness..." seems more relevant to the activities to be performed by the company. With the backdrop of the proposed business of the company, the company humbly makes below submission:*

a) It may be noted that the word 'by way of diagnosis' as used in the above-mentioned definition has not been defined in GST law. The general interpretation of the term "by way of diagnosis" could be used to construe it to be wide enough to cover any process intrinsically linked or associated with "diagnosis" or which assist in diagnosis. Hence, it is pertinent to note that the phrase "by way of diagnosis" would also include all activities that preludes a complete diagnosis i.e. prognosis.

b) The word 'treatment or care for illness' as used in the above-mentioned definition has not been defined in GST law. General interpretation of the term "treatment or care for illness" is wide enough to cover any process associated to cure the disease and any of the term treatment is the first stage towards cure of illness.

c) In this context, the applicant believes that that applicant's scope to analyse the disease and stage of cancer through blood test and to know the current medical condition of the patients can be said to fall within the ambit of the term "by way of diagnosis" for the purpose of aforesaid entry in the Notification.

d) It is important to understand that diagnosis is the first and most crucial stage in a patient's journey when he reaches doctor with a complaint. The diagnostic services so rendered by the Company are imperative and must for a comprehensive and accurate diagnosis of the medical condition of the patient. Thus, an act of providing analysis report representing the interior condition of human body or function of some major organs or tissues is a steppingstone for any treatment or cure of the disease.

e) Considering the above, it appears to the applicant that the activity carried out by the applicant qualifies as services provided by "way of diagnosis of disease" for the purpose of healthcare services as defined under the Notification.

f) Thus, the applicant requests your good self to validate and confirm this understanding.

2.11. The first limb of the definition also emphasize that the said services should be provided "in any recognised system of medicines in India". In this regard, the applicant humbly submits that, GST Law do not provide referencing to any recognised system of Medicines in India. It is pertinent to note that, the Molecular Testing is one of the **recognised disciplines of testing in India** as provided in the grouping of medical laboratory division of NABL (discussed in para deals with clinical establishment).

2.12. Further, it is submitted that the definition of clinical establishment (as provided above) can be divided in following two limbs / categories:

I. It means a hospital, nursing home, clinic, sanatorium, or any other institution that offers services or facilities of diagnosis or treatment or care for illness, injury, deformity, abnormality, or pregnancy in any recognised system of medicines in India, OR

II. It means a place established as an independent entity or a part of an establishment to carry out diagnostic or investigative services of diseases.

a) In the above backdrop, the applicant may not fall under the first category since the applicant is not a hospital, nursing home etc. However, the set up under which the applicant would perform diagnostic services may get qualify under second category since the applicant is working as an independent entity at its premises from where the testing/ laboratory services are undertaken.

b) The applicant also bring notice to your good self that they have applied for a licence from National Accreditation Board for Testing and Calibration Laboratories) which is an autonomous body under the aegis of Department of Science and Technology, Government of India which has been authorised as the sole accreditation body for Testing and calibration laboratories. NABL accredits the laboratories that have aligned their quality management system with internationally accepted standards and guidelines i.e., ISO/IEC17025:2005.

c) NABL has further categorised into following three fields:
   i. Testing Laboratories
   ii. Calibration Laboratories
   iii. Medical Laboratories

d) The sub-category of Medical Laboratories as per NABL includes various disciplines, below are relevant to our case:

i. Clinical pathology supports the diagnosis of disease using laboratory testing of blood and other bodily fluids, tissues, and microscopic evaluation of individual cells.

ii. **Molecular Testing, a diagnostic test that detects genetic material from the virus. Reverse Transcription Polymerase Chain Reaction (RT-PCR) is one type of molecular diagnostic test. Nucleic Acid Amplification Test (NAAT) is another type of molecular diagnostic test.**

e) The applicant has also opted for good laboratory practice ("GLP") which is a quality system of management controls for research laboratories and organizations to ensure the uniformity, consistency, reliability, reproducibility, quality, and integrity of products in development for human or animal health (including pharmaceuticals) through non-clinical safety tests; from physio-chemical properties through acute to chronic toxicity tests.

f) Additionally, the company humbly submit that the scope of work of the applicant would, inter alia, include and cover the following:

- Collection of blood sample of the patients at the patient's premise, this can be in-housed or outsourced.
- Processing/ testing the sample to know the disease, if any.
- Preparation of report basis the HrC scale of the patient's condition; and
- Communicating the results to the patients to start the treatment, if required.

g) Further, the services shall be provided by the applicant to the patients on Business to customer model. Separately, the applicant is an independent establishment which shall deploy its own qualified / competent personnel and relevant medical equipment for provision of the above service.

h) Basis above detailed discussion with respect to condition of clinical establishment, the applicant believes that it is a clinical establishment as required by the referred entry.

i) Thus, the applicant requests your good self to validate and confirm this understanding.

2.13. We hereby also attached various news article which were published for the research undertaken by the applicant.

2.14. In view of the above, we would like to draw reference to various rulings:

i. We would like to draw reference to Kerala Advance ruling in case of M/s **Medivision Scan and Diagnostic Research Centre (P) Ltd [KER/41/2019 dated: 12.04.2019]** wherein it has been held that services provided in diagnostic sentinels such as **clinical biochemistry, micro biology**, chemotology, **clinical pathology**, radiology, ECG, radiometry, pulmonary function test qualify as health care services and a diagnostic centre are clinic establishment. The relevant para of the judgement is reproduced as under:

Quote:

*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, immunehematological, 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*

Unquote:

It has been held that the services provided by diagnostic center is a clinical establishment and providing Health Care Service therefore exempted from GST. Further, a place established as an independent entity or part of an establishment 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 equipment's, are usually carried on come under the definition of 'clinical establishments.

ii. In case of **M/s Sayre Therapuetics Private Limited [KAR ADRG 5 / 2018 dated: 21.03.2018]**, it has been held that the services dealing with oncology and immunology therapy and diagnostics related products offered / provided by the Applicant qualify to be Health Care Services. To give brief background, Sayre is involved in the diagnosis, pre and post counselling, therapy and prevention of diseases by providing tests (Tissue of Origin Test, BRCA1 & BRCA2 gene mutation test, CentoDx Plus test & Myeloid Panel test) that are sophisticated and relevant. The relevant para is reproduced as under:

Quote:

*In the instant case the applicant offers services/facilities requiring diagnosis such as patient counselling, suggesting the relevant test for the patient, collecting samples, obtaining the result of the test, sharing the test results and post counselling. The medical team of the applicant discusses with the oncologist/pathologist, takes samples of required tissues and send it for the tests to US/Germany, with regard to the oncology/auto immune diseases. They play the role of referral/physician and also advice doctors for line of treatment to the establishment. They provide the said services in "Allopathy" system of medicines, recognised in India. Therefore, they qualify to be a clinical establishment*

Unquote:

In the given case, the medical team of the applicant is involved in complete cycle of testing process, similar corollary can be drawn in the given case if EBPL would undertake end to end activity till the time reports are being submitted. However, as

per as-is business plan, the outcome of tests undertaken by EBPL would be a first step which may require further assessments to support the outcome of the presence and stage of cancer.

iii. The reference is being drawn to ruling in case of **M/s DKMS BMST Foundation India [KAR ADRG 24/2020 dated: 23.04.2020]**, wherein it has held that Human Leukocyte Antigen (HLA) testing services performed by an overseas laboratory outside India on Human Buccal Swabs sent by a nonprofit organisation in India would be exempted from GST as it would be covered under healthcare services by a clinical establishment. The brief summary of the case is provided as below:

Quote:

*The service of HLA typing is to identify the potential donors and is related directly to a transplantation to be done on a future date to a patient requiring such transplant. Analogous to testing of Blood Group, HLA typing identifies the alleles of the donor and these alleles are matched with the alleles of the recipient of transplant. The applicant gets the HLA of the potential donors typed and uploaded to the databases for the doctors to identify the potential donors. Hence the service is to be received only to shortlist the potential donors and increase chances of getting the perfect donors from a big list of potential donors and going through the entire process of testing ab initio and matching between the patient and the donor individually. This testing is sine qua non for any transplantation of an organ not restricted to blood stem cell transplantation and it is only a preponement of such testing or diagnosis of the potential donor to obtain the blood stem cells which is for the treatment. Other than for obtaining an organ from a potential donor, this HLA testing is not done for any other purpose in clinical set up and hence this is a for the treatment of an illness, the same is covered under "health care services" as per the definition given to it. It is seen that the HLA testing involves various tests which are for the identification of the alleles of the donor cells and also the suitability of the potential donor for treatment of a patient of illness, i.e., blood cancer and other blood disorders. Hence any institution which does these investigative services would be covered under the definition of "clinical establishment" as contemplated in the said definition. Hence, the LSL DE is a clinical establishment under the meaning given to it.*

Unquote:

Other than for obtaining an organ from a potential donor, the specified HLA testing is not done for any other purpose in clinical set up, still it is held by the authorities to construe it for the treatment of an illness covering under the umbrella of "health care services", it appears that the tax officials are considered the definition of "health care services" wider enough to include any act which supports treatment of illness also. Further, the services of HLA Typing received by DKMS BMST Foundation India from the overseas laboratory is covered under the definition of "health care services by a clinical establishment" and thereby is exempted from IGST leviable thereon and accordingly not taxable in the hands of the applicant under reverse charge mechanism.

iv. In case of **M/s J C GENETIC INDIA PRIVATE LIMITED [23/2018 dated 21-01-19]**, it has been held that the services such as activities in the diagnosis pre- and post-counselling therapy and prevention of diseases by providing necessary sophisticated tests are health care services however, the Applicant has failed to prove their legal status as Clinical Establishment and they are merely working as ancillary or sub-contractors to other accredited companies. The relevant para is quoted below:

Quote:

*The applicant also provides required treatment by Physician for oncology, Cardiology, Nephrology, Dermatology, Neurology, Haematology, Rheumatology, Gastroenterology, Immunology, Retinopathy, etc. They also provide sophisticated and relevant tests by sequencing BRCA 1 & BRCA 2 gene mutation tests and also predict patient risk for ovarian cance.*

*It is pertinent to mention here that the exemption for which the instant application has been filed is Service Specific as well as Service Provider Specific. Thus, to qualify for the said exemption an establishment has to satisfy dual conditions of providing Healthcare Service as well as being a Clinical Establishment. Thus, while the service provided by the Applicant may be Healthcare Service, they do not qualify to be a Clinical Establishment as observed supra.*

.....

*Having considered the factual position as detailed by the Applicant, we find that the applicant has categorically mentioned that they have collaboration with companies, which in turn are accredited by NABL and DSIR. We find that the Applicant has neither come forward with the names of such companies with which the Applicant claims to have collaboration, nor have the Applicant produced any document evidencing their own status of accreditation by NABL, which obviously is the sole accreditation body for testing and calibration laboratories. In absence of anything brought on record by the Applicant, we are compelled to believe that the Applicant is making a vain attempt to circumvent the essential condition for qualification of Clinical Establishment. Needless to say, that irrespective of the work being undertaken by the Applicant, we do not have any evidence before us even to indicate that the Applicant is a Clinical Establishment. Mere involvement in sophisticated testing and providing consultancy would not be a sufficient criterion, though necessary, for qualifying as a Clinical Establishment per se.*

Unquote:

In the given case, the Applicant is dealing in genetic testing for prevention, management and precision diagnostics in detecting origin of the Cancer and thereby predicting risk of various diseases and providing precise medicines for the diseases and overall healthcare. The specified services appear to proximate to services proposed by EBPL. The Applicant did not have their own authority for giving clear report/ opinion of their own for the tests, and they have to get all the tests conducted and certified by the said NABL accredited laboratory. To put it in precise words, the Applicant were functioning as sub-contractors to the said accredited companies and not as an independent Clinical Establishment.

2.15. Basis detailed submission, the applicant is of a belief that two-fold conditions i.e. provision of healthcare services by a clinical establishment is being fulfilled. However, to obtain a confirmation on this understanding, the applicant has opted for advance ruling.

2.16. Given the above in-depth discussion and our understanding with respect to qualification for exemption, we hereby kindly draw your attention to the classification of services. It is to be noted that the description of services as provided in the above entry covers service accounting code ('SAC') 9993 within its purview. SAC 999316 i.e. Medical Laboratory and Diagnostic-imaging services is a part of Group 99931 human Health Services which is under Heading 9993 Human Health and Social Care Services.

| Service Accounting Code (SAC) | Particulars/ Description |
|---|---|
| 999316 | Medical laboratory and diagnostic-imaging services |

2.17. The interpretation/ reference is drawn to the "Explanatory Notes to the Scheme of Classification of Services" as issued by the CBIC on their website to further analyze SAC 999316.

*Service Accounting Code 999316 - Medical laboratory and diagnostic-imaging services –*

- *Service Accounting Group Heading "9993" covers all types of* ***'Human health & social care services.***
- *Service Accounting Code "999316", which falls within Group Heading "9993", specifically covers 'Medical Laboratory and Diagnostic-imaging services.*
- *Medical Laboratory and Diagnostic-imaging services have been explained to specifically include 'Analysis and testing services provided by medical laboratories.*

a) Basis the above, it is pertinent to note that to fall within the ambit of SAC 999316, the service is mandatorily required to be provided by the medical laboratories. The term laboratory has nowhere been defined under the GST law. As per general meaning available on Wikipedia, a medical laboratory or clinical laboratory is a laboratory where tests are carried out on clinical specimens to obtain information about the health of a patient to aid in diagnosis, treatment, and prevention of disease. Clinical Medical laboratories are an example of applied science, as opposed to research laboratories that focus on basic science, such as found in some academic institutions.

b) In given case, since the applicant is obtaining licenses / affiliations with the recognised institute of medical science as a medical laboratory in India, the activity performed by the applicant can be said to be falling in the general meaning as per Wikipedia, it can be concluded that the applicant is a medical laboratory in India.

c) Additionally, as discussed in para relevant for "clinical establishment", currently, NABL accreditation is given in the various fields and disciplines. The applicant has applied for "Molecular Testing" & "Clinical Pathology" in Medical Laboratories field.

d) **Therefore, applicant being medical laboratory in India, the belief is formed that 'service accounting code 999316- Medical laboratory and diagnostic-imaging services' shall be applicable. We request your good self to kindly confirm the understanding.**

2.18. Whilst the above classification appears to be relevant along with availability of exemption (as discussed in ensuing paras), we also wish to draw your kind attention to service accounting code 998113 which has come to our notice also appearing to be relevant to the proposed activity:

| Service Accounting Code (SAC) | Particulars/ Description |
|---|---|
| 998113 | Research and experimental development services in medical sciences and pharmacy |

2.19. The interpretation/ reference is drawn to the "Explanatory Notes to the Scheme of Classification of Services" as issued by the CBIC on their website.

*Service Accounting Code 998113 - Research and experimental development services in medical sciences and pharmacy*

- *Service accounting code "998113" which fall within group "9981" i.e., Research and development services, specifically covers '**Research and experimental development services in medical sciences and pharmacy**'*
- *"Research and experimental development services in medical sciences and pharmacy have been explained to specifically include basic and applied research services and experimental development services related to treatment of diseases, preventive hygiene, pharmacy, etc."*
- *Service accounting code "998111" which fall within group "9981" i.e., Research and development services, specifically covers 'Research and experimental development services in natural sciences'.*
- *We hereby borrow the explanation provided for service accounting code "998111" for "Research and experimental development services in natural sciences", it covers basic and applied research services in natural sciences, experimental or theoretical work undertaken **primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts**, without any particular application of use in view and experimental development services involving systematic work, drawing on knowledge gained from research and practical experience, that is directed.*

iv. **in biotechnology related to knowledge requiring one or more of the techniques:**
***DNA/RNA like genomics, pharmacogenomics, gene probes, genetic engineering, DNA/RNA sequencing/synthesis/amplification, gene expression profiling,*** and the use of antisense technology; proteins and other molecules like

sequencing/synthesis/engineering of proteins and peptides (including large molecule hormones); proteomics, protein isolation and purification, signalling, identification of cell receptors.

a) Here, it is to be noted that the activity to be undertaken by the applicant would also include testing relating to DNA/RNA like genomics, DNA/RNA sequencing/synthesis/amplification in medical sciences which in our view is covered in SAC 998111.

b) We hereby draw references to certain definitions:

i. As per UNESCO, the term "Research and experimental development (R&D)" comprise creative and systematic work undertaken to increase the stock of knowledge (including knowledge of humankind, culture, and society). The term R&D covers three types of activity:

i. Basic research.

ii. Applied research; and

iii. Experimental development.

ii. For an activity to be an R&D activity, it must satisfy five core criteria. The activity must be:

i. Novel (to be aimed at new findings)

a. creative (to be based on original, not obvious, concepts and hypotheses)

ii. Uncertain (to be uncertain about the outcome)

iii. Systematic (to be planned and budgeted)

iv. Transferable and/or reproducible (to lead to results that could be possibly reproduced).

Further, basis the UK research and innovation 'Experimental development' means acquiring, combining, shaping, and using existing scientific, technological, business, and other relevant knowledge and skills with the aim of developing new or improved products, processes, or services. This may also include, for example, activities aimed at the conceptual definition, planning and documentation of new products, processes, or services.

d. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes, or services in environments representative of real-life operating conditions.

e. In given case where the testing to be undertaken by EBPL would be newly launched method which would aim at new findings which may be uncertain for each human-being and can be construed to assist in gaining knowledge regarding presence of cancer.

2.20. It is pertinent to note that amongst two Heading 9993 and 9981, the exemption under GST is available only for heading 9993. Hence, it becomes imperative to correlate classification with the exemption.

2.21. Having stated above, Notification No. 12/2017 – Central tax (rate) provide an explanation in Note 3: the relevant extract of which is as under:

3. *Explanation.- For the purposes of this notification,-*

*(i) Reference to "Chapter", "Section" or "Heading", wherever they occur, unless the context otherwise requires, shall mean respectively as "Chapter, "Section" and "Heading" in the scheme of classification of services.*

***(ii) Chapter, Section, Heading, Group, or Service Code mentioned in Column (2) of the Table are only indicative.***

2.22. With the above detailed legal background of classification and relevant notes, the applicant seeks relevant service accounting code for classifying the novel activity which is a non-invasive method to detect early onset of cancer.

2.23. Given the above, the applicant seeks ruling from with respect to services to be rendered by the Applicant to the customers to squarely fall within the scope of aforesaid classification and to qualify in exemption entry no. 74 of Notification No. 12 / 2017 – CT (R).

**PRAYER:**

In light of the above, we respectfully pray for the following:

- To provide clarification w.r.t applicability of exemption under Exemption Notification (which is available for service accounting code 9993) for proposed diagnostics services to be undertaken by EBPL.
- To confirm on the understanding regarding classification of services provided by the applicant as healthcare service.
- To confirm if services provided by the applicant would fall in SAC 999316 or 998113.
- Personal hearing (incl. virtual) should be granted in order to put forth the contentions and explain the submissions (if required).
- Additional information should be allowed to be produced (if required).

**03. CONTENTION – AS PER THE JURISDICTIONAL OFFICER:**

3.1 It is hereby submitted that the applicant broadly seeks to avail:

a) Benefit of exemption vide Sr. 74 (a) of Notification no. 12/2017-Central Tax dated 28.06.2017, which exempts services falling under Chapter heading 9993 provided by way of - 'Health care services by a clinical establishment, an authorized medical practitioner or para-medics'. The applicant have claimed their services to be regarded as that of a 'medical laboratory'.

b) Classification of the proposed services under Service Accounting Code (SAC) 999316 or SAC- 998113 as deemed fit.

3.2 (i) The technology to be used by the applicant is informed to be a type of DNA/RNA sequencing/amplification, gene expression profiling testing. By using the specified technology, the result on HrC scale marker would be provided by the applicant which

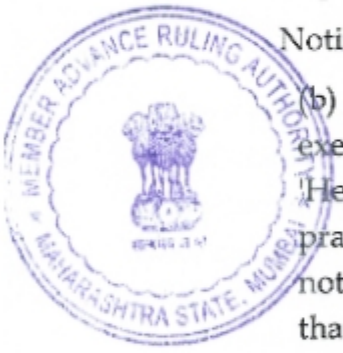
could be used as the base for further treatment of the disease. The testing would involve human intervention to read the HrC scale and identification of disease. The report generated would highlight the chances/possibilities of cancer in human body for next one year basis the DNA/ RNA genes in the human body. The said test will help in detecting if cancer is absent, imminent, or present.

(ii) The applicant has applied for below specified licenses to undertake said tests:

- NABL: National Accreditation Board for Testing and Calibration Laboratories.
- GLP: The Principles of Good Laboratory Practice
- DSIR: Department of Scientific and Industrial Research.

**Comments on the application and** proposed **relief sought by the party are** submitted **as under:**

3.3 (a) It prima-facie appears from the submissions made by the party that they would be carrying out blood-based tests and the outcome of such blood tests would assist in prognosis of cancer. The applicant have sought benefit of exemption under Notification No. 12/2017-Central Tax dated 28.06.2017.




(b) In this regard entry 74(a) of the said notification 12/2017 ibid extends exemption to services falling under Chapter heading 9993 provided by way of - 'Health care services by a clinical establishment, an authorized medical practitioner or para-medics'. Thus to be eligible to avail exemption under the said notification primary conditions viz. Classification of services under SAC 9993 and that the nature of services shall be Health care services and the same shall be provided by a clinical establishment need to be satisfied.

3.4. In this connection it is observed that although in Annexure-4 under Para 12 (d), the applicant have mentioned clinical pathology and molecular testing as their relevant sub-category. which is said to be falling under medical laboratory category; however the copy of specimen Certificate attached by the applicant shows them under 'Testing and calibration laboratories category. Hence, their activity does not appear to qualify within the four corners of "Health care services" to avail the benefit of exemption notification.

(ii) Needless to mention that their above said certificate also describes the scope of activity to be 'Development of Cancer Prognostic Diagnostic Technologies. Building & Commercializing Innovative Test'. Therefore, it seems that the

proposed activity of the applicant for which exemption is being sought is oriented towards 'Research & development of technology' rather than 'Health care'.

(iii) The activity proposed to be carried out by the applicant hints it to be 'Contract research and manufacturing services' whereby they could act as contract research organization (CRO). Furthermore, the submissions of the party itself show that they are in talks with investors to raise funds for clinical trial, which substantiates that the technique is still in experimental stage and does not qualify as diagnostic tests.

(iv) In this regard, as per definition of 'Drug' under Drugs & Cosmetics Act 8[(*b*) "drug" includes-(*iv*) such devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease or disorder in human beings or animals, as may be specified from time to time by the Central Government by notification in the Official Gazette, after consultation with the Board;]. As such, if the purpose of services proposed by the applicant is diagnosis or prognosis of cancer, then it would get regulated under the aforesaid Act.

(v) As per Medical Device Rules, 2017 **"Application for manufacture for sale or for distribution of Class A or Class B and Class C or D medical device."** is covered under Chapter IV; Rules 20/21. Such application needs to be made to the concerned Licensing authority as mentioned therein.

(vi) Also, under **Chapter VII Clinical Investigation** of **Medical Device** And **Clinical Performance Evaluation of New *In Vitro* Diagnostic Medical Device Rule 49. Conduct of clinical investigation,** it is forthcoming that; 'No person or sponsor shall conduct any clinical investigation in respect of investigational medical device in human participants except in accordance with these rules and in accordance with the permission granted by the Central Licensing Authority."

(vii) In this case, no license under the Drugs & Cosmetics Act ibid has been obtained so far, as forthcoming from the documents under submission. Also, it's apparent that permission from the given Central/State Licensing Authority as per Medical Device Rules, 2017 ibid is needed in their case, for it to qualify as diagnostic services by a clinical establishment, which does not seem to have been complied with by the applicant.

(viii) In absence of such permission/license/certificate, the tests proposed to be conducted by the applicant could not be regarded as approved 'diagnostic tests' and hence such tests get more akin to clinical trials for 'Research & Development experiment' purpose rather than 'Health care services' and therefore ineligible for the exemption under Notification 12/2017- C.T ibid.

3.5. (a) Without prejudice to above, it is also interalia observed from literature and other details given under Annex 3 & 4 of the application that they are in talks with investors to raise $200 million to fund large clinical trials, with 10,000-20,000 subjects, in western markets. It is also mentioned under Para 19(a) of Annexure-4 ibid that the proposed activity to be undertaken by the applicant would also include testing relating to DNA/RNA like genomics. DNA/RNA sequencing/synthesis/amplification in medical sciences etc., this activity gets appropriately covered under Service accounting code (SAC) 998111.

(b) Explanation of SAC CODE 998111 is reproduced hereunder; wherein point 4 is particularly indicative that their service deserves to be classified under this SAC itself:

*This service code includes basic and applied research services in natural sciences, experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without* any *particular application of use in view and experimental development services involving systematic work, drawing on knowledge gained from research and practical experience, that is directed.*

1. *to producing new materials, products, and devices; to installing new processes, systems and services; or*
2. *to improving substantially those already produced or installed in physical sciences related to heat, light, electromagnetism, astronomy, etc;*
3. in *chemistry and biology related* to *catalyses, fermentation, physiology and biology of animals and plants, micro-organisms, etc;*
4. in *biotechnology related to knowledge requiring one or more of the techniques: DNA/RNA like genomics, pharmacogenomics, gene probes, genetic engineering, DNA/RNA sequencing/synthesis/amplification, gene expression profiling, and the use of antisense technology; proteins and other molecules like sequencing/synthesis/engineering of proteins and peptides (including large molecule hormones); proteomics, protein isolation and purification, signaling, identification of cell receptors;*
5. *cell and tissue culture and engineering* like cell/*tissue culture, tissue engineering (including disuse scaffolds and biomedical engineering), cellular fusion, vaccine/immune stimulants, embryo manipulation process biotechnology techniques like bioreactor fermentation, bioprocessing, bioleaching, biopulping, biosulphurization, bioremediation, biofiltration, and phytoremediation;*
6. *gene and RNA vectors likegene therapy, viral vectors;*
7. *bioinformatics;*

*nanobiotechnology*

Since the primary activity here is development of Cancer Prognostic and Diagnostic Technologies, it seems to be aptly covered under the SAC

998111/998113 and therefore ineligible for the benefit of exemption under notification 12/2017 ibid and consequently chargeable to GST at the appropriate rate.

3.6 In view of the foregoing, it is concluded that;

(i) the applicant is not qualifying for exemption from GST under Notification No. 12/2017- CT dated 28.06.2017 ibid as claimed and is therefore required to discharge GST at appropriate rate.

(ii) the proposed activity is appropriately classifiable under SAC 9981 for which no exemption is allowed.

## 04. HEARING

Preliminary e-hearing in the matter held on 05.04.2022. Smt. Sakshi Hasija, Learned GST Consultant & Mr. Jigar Doshi, Learned GST Consultant were present, requested for admission of the application. Jurisdictional Officer Mr. Hari Narayan, Superintendent, Mumbai South Division-VIII, Range-II, also appeared.

The application was admitted and called for final hearing on 06.02.2025. Mr. Aman Gurwada, Senior Vice President, Authorized Representative of the applicant, appeared and made oral and written submissions. Jurisdictional Officer, Mr. Ravikiran C Nirhavane, Superintendent, of CGST appeared. We heard both the sides.

## 05. OBSERVATIONS AND FINDINGS:

5.1. We have gone through the records of the case and the submissions made by the applicant at the time of filing the application and the submissions made from time to time including the submissions made at the time of the personal hearing. We have also gone through the submissions made by the jurisdictional officer vide letter dated 23.06.2022.

5.2 We find that the applicant in this case, M/s. Epigeneres Biotech Pvt. Ltd., is engaged in providing services in the field of laboratory/testing/diagnostic services. They conduct blood tests which would assist in early detection of cancer. They claim that their diagnosis process/technology is an algorithm-based technology which is operated with the help of next generation sequencing data analysis machines and real time PCR Machines. Next Generation Sequencing (NGS) has been implemented for various tests such as whole genome sequencing, whole exome sequencing, transcriptome sequencing, targeted region sequencing, epigenetic sequencing and other sequencing. The technology can be used for molecular diagnosis of genetic disease and infectious disease including cancer molecular

diagnosis and prognosis. As per the applicant, Cancer is a heterogeneous disease that arises from accumulation of DNA mutations and new sequencing technologies have significant impact on cancer diagnosis, management and treatment. They claim that NGS has transitioned from research to clinical use during the last five years. However, there has not been a assessment of global NGS implementation. The technology used by the applicant is a type of DNA/RNA sequencing/amplification, gene expression profiling testing. By using the specified technology, the result on HrC scale Marker would be provided by the applicant which could be used as a base for further treatment of the device. The report generated would highlight the chances/possibilities of cancer in human body in next one-year basis the DNA/RNA genes in the human body. They claim that the said test will help in detecting if cancer is absent, imminent or present.

5.3. The process of diagnosis has been mentioned as extraction of blood samples which are then subjected to RNA extraction using standard protocols. The RNA is quantitated and then a fixed amount is subjected to qRT-PCR for specific markers. The results are compared between control and cancer patient. Fold change is suggestive of presence of cancer. They have submitted that they have the following licences:-

i) Certificate of Registration of ethiopacific certification and Inspection ISO 17025:2017 Testing and Calibration laboratories for Development of cancer prognostic diagnostic technologies, building and commercializing innovative test.

ii) Good Laboratory Pactice certificate from Ethiopacific Certification and Inspection, for development of cancer prognostic, diagnostic technologies, building and commercializing innovative test.

They also claim to have applied for a licence from National Accreditation Board for Testing and Calibration Laboratories under the category of medical laboratories and DISR: Department of Scientific and Industrial Research to undertake diagnostic tests.

5.4 The first question on which the applicant is seeking advance ruling is whether the provision of diagnostic services by the applicant would qualify for exemption from GST under Entry No.74 of the Notification No.12/2017 Central Tax (Rate) dated 28.6.2017 and whether the proposed services would get classified under the service accounting code 9993. We find that Sr.no.74 of Notification No.12/2017 CT (R) dated 26.6.2017 provides exemption to services classified under Heading 9993. It provides exemption from GST to services by way of health care services by a clinical establishment, an authorized medical practitioner

or para medics. Clause (zg) of the said notification defines Health care services as under:

-

"(zg) "health care services" means any service by way of diagnosis or treatment of 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".

Further, the term 'Clinical Establishment" is defined in the said notification vide clause (ls) which reads as under: -

"(s) "clinical establishment" means a hospital, nursing home, clinic, sanatorium or any other institution by, whatever name called, that offers services or facilities reuiring 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 carryout diagnostic or investigative services of diseases"

It is in the background of these definitions that we undertake to examine whether the services provided by the applicant fulfill the requirement of a 'health care service' provided by a 'clinical establishment' to enable them to avail the benefit of Notification No.12/2017 Central Tax (R) dated 28.6.2017.

5.5. We find that the applicant provides details of the work done by the applicant in the field of cancer diagnosis which is directly related to the issue in hand i.e. HrC test co-developed by the applicant with Singapore based Tzar Labs Pte. Ltd.

It is observed that said the test claimed to be a diagnostic test by the applicant is still in its developmental stage and is not yet validated by the medical regulatory bodies.

Diagnosis has been described as "pre-existing set of categories agreed upon by the medical profession to designate a specific concern." Any inconclusive research, not agreed to by the medical fraternity nor approved by the regulatory authorities in India such as the DCGI through CDSCO, the ICMR or any other regulatory body under the Drugs & Cosmetics Act, would not qualify as a Health Care Service as envisaged under the Notification No.12/2017. In order to qualify as Health Care Service, the diagnosis should be recognized and validated by the medical fraternity and the Indian regulatory authorities. It is only then that the tests carried out by the applicant would qualify as a health care service. Till that time, it remains under the realm of research and development of new technology in the field of bio technology and medicine.

5.5. We find that the applicant has not produced any license or certificate from the Central Drugs Standard Control Organisation (CDSCO) or the Indian Council for Medical Research validating their research and the resultant test provided by them as a proper diagnostic test for cancer detection. In vitro diagnostics (IVD's) are medical devices used to perform tests on samples of blood, urine, tissue etc., to diagnose diseases or monitor health conditions including cancer biomarker tests. Under Medical Devices Rules, 2017, IVDs are classified as medical devices and regulated by CDSCO. Companies manufacturing or importing IVDs must obtain a licence from CDSCO and must comply with quality standards such as ISO 13485. A Medical Device includes any instrument, apparatus, appliance, implant, material or other article, whether used alone or in combinations, including software or an accessory, intended by the manufacturer to be used specifically for human beings or animals for one or more of the specific purposes of diagnosis, prevention, monitoring or alleviation of any disease or disorder. Software used for medical purposes is explicitly included in the definition. We find that the applicant has not produced any licence or certification from CDSCO for conducting their diagnostic tests nor have they provided any license to function as a Diagnostic Laboratory from CDSCO. They have also not provided copies of any approval from the Indian Council for Medical Research (ICMR) with respect to acceptance of their tests for cancer detection as a valid diagnostic test for the said purpose. In view of the above, we find that the tests carried out by the applicant cannot be treated as a proper diagnostic test but is more in the nature of clinical research and development and as a result it does not qualify as a Health Care Service as envisaged under Notification No.12/2017 Central Tax (Rate) dated 28.6.2017.

5.6. On the other hand, we find that the tests conducted and provided by the applicant is in the nature of clinical trials for 'Research and Development' purposes. It is also seen that at Para 19(a) of Annexure 4 that the applicant would also include testing relating to DNA/RNA like genomics, DNA/RNA sequencing/synthesis/amplification in medical sciences. Such activity gets appropriately covered under Service Accounting Code 998111 under the category of Research and Experimental Development in natural sciences. Explanation of SAC Code 998111 reads as under: -

This service code includes basic and applied research services in natural sciences, experimental or theoretical work undertaken primarily to acquire new knowledge of the

underlying foundations of phenomena and observable facts, without any particular application of use in view and experimental development services involving systematic work, drawing on knowledge gained from research and practical experience, that is directed

i. to producing new materials, products, and devices; to installing new processes, systems and services; or
ii. to improving substantially those already produced or installed in physical sciences related to heat, light, electromagnetism, astronomy, etc;
iii. in chemistry and biology related to catalyses, fermentation, physiology and biology of animals and plants, micro-organisms, etc;
iv. in biotechnology related to knowledge requiring one or more of the techniques: DNA/RNA like genomics, pharmacogenomics, gene probes, genetic engineering, DNA/RNA sequencing/synthesis/amplification, gene expression profiling, and the use of antisense technology; proteins and other molecules like sequencing/synthesis/engineering of proteins and peptides (including large molecule hormones); proteomics, protein isolation and purification, signaling, identification of cell receptors;
v. cell and tissue culture and engineering like cell/tissue culture, tissue engineering (including disuse scaffolds and biomedical engineering), cellular fusion, vaccine/immune stimulants, embryo manipulation process biotechnology techniques like bioreactor fermentation, bioprocessing, bioleaching, bio-pulping, bio-sulphurization, bioremediation, biofiltration, and phytoremediation;
vi. gene and RNA vectors like gene therapy, viral vectors;
vii. bioinformatics; nanobiotechnology



We find that the services provided by the applicant is more in the nature of research and experimental development work undertaken in natural science primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application of use in view and experimental development services involving systematic work, drawing on knowledge gained from research and practical experience in the field of biotechnology, gene and RNA vectors like gene therapy, viral vectors etc. The primary activity is research and experimental development of Cancer Prognostic and Diagnostic Technologies. The said services are aptly covered under SAC 998111 and therefore, the applicant is not eligible for the benefit of exemption Notification 12/2017 Central Rate (Tax) dated 28.6.2017.

**6. In view of the extensive deliberations as held hereinabove, we pass an order as follows:**

ORDER

**(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)**

**NO.GST-ARA- 61/2021-22/** B-163 **Mumbai, dt.** 27/03/2025

For reasons as discussed in the body of the order, the questions are answered thus –

Question 1: - Whether the provision of diagnostic services by the applicant would qualify for exemption from GST under Entry No.74 of Notification No.12/2017 Central Tax (Rate) dated 28.6.2017 and consequently the proposed services would get classified under Service Accounting Code 9993?

Answer: - No.

Question 2: If Service Tax Accounting Code 9981 would become relevant in case where the proposed services would not qualify for exemption under Entry No.74 of Notification No.12/2017 Central Tax (Rate) dated 28.6.2017 in absence of exemption for specified accounting code?

Answer: - Yes.

MEMBER ADVANCE RULING AUTHORITY

**D.P. GOJAMGUNDE**
**(MEMBER)**

**PRIYA JADHAV**
**(MEMBER)**

**PLACE - Mumbai**
**DATE** - 27/03/2025

**Copy to: -**

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint commissioner of State Tax, Mahavikas for Website.

**Note: -**An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on **gst.gov.in** for online appeal application against order passed by Advance Ruling Authority.