Cliantha Research Limited

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-119/2018-19/B-50, Mumbai, dt. 04/05/2019 Dated **04.05.2019**

Q Questions Before the Authority

- Whether the clinical research services proposed to be provided by the applicant to entities located outside India are liable to CGST, SGST or IGST, or are eligible to be treated as an export of service under Section 2(6) of the IGST Act, 2017.

F Facts

The applicant is a clinical research organisation in India that conducts bioequivalence and bioavailability studies on human volunteers using investigational products (tablets, capsules, syrups and similar forms) supplied by foreign sponsors. The sponsor's product is consumed during the study and is not returned, and the applicant delivers a digital analysis report to the sponsor. The applicant raises invoices in foreign currency and receives payment in foreign currency.

H Ruling

Whether clinical research services to foreign sponsors are an export of service under s.2(6) IGST Act 2017	****Not eligible** to be treated as export of service; liable to CGST and SGST**	The order rests on place of supply under s.13(3)(a) IGST Act, the place of performance being in the same State as the supplier. Other s.2(6) conditions were accepted as met; the place-of-supply condition was not.

The authority held that the services are not eligible to be treated as an export of service under Section 2(6) of the IGST Act, 2017. The services are liable to CGST and SGST because the place of supply under Section 13(3)(a) of the IGST Act is the location where the services are performed, which is the same State as the supplier.

R Reasoning

The authority accepted that the applicant's transaction satisfied conditions (i), (ii), (iv) and (v) of Section 2(6) but held that condition (iii), that the place of supply be outside India, was not met. Section 13(2) would ordinarily place supply at the recipient's location, but Section 13(3)(a) applies where the services are in respect of goods required to be made physically available by the recipient to the supplier. The authority found that the sponsor's investigational product falls within this category and that the clause contains no exception for goods consumed during the study. It also rejected the applicant's reliance on the Tribunal decisions in Advinus, Sai Life and B.A. Research, noting that they were decided under the pre-GST or Rule 4 of the Place of Provision of Services Rules, 2012 regime, and observed that the applicant had itself charged 18% IGST on invoices.

P Provisions Relied On

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 2(6) of the IGST Act, 2017 (definition of export of services)

Section 13(2) of the IGST Act, 2017 (default place of supply)

Section 13(3)(a) of the IGST Act, 2017 (services in respect of goods made physically available by the recipient)

Rule 4 of the Place of Provision of Services Rules, 2012 (cited by the applicant)

Section 8, Explanation 1 (referred to in s.2(6)(v))

! For the Practitioner

This order is useful for testing and clinical research providers in India who work on sponsor-supplied drugs consumed during the study. It indicates that the Section 13(3)(a) goods-based place-of-supply rule will likely displace the export argument even where the report is delivered abroad and paid for in foreign currency. The order binds only the applicant and does not decide cases where the recipient supplies no goods, where the work is performed remotely, or the classification and rate issues. Those points would need separate analysis.

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 -> maharashtra aar 119 2018-19 crl 04.05.19.pdf

Prepared 03-11-2026.

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