

M/s. J C Genetic India Private Limited

Authority for Advance Ruling — Madhya Pradesh

Order No. 01/2019

Dated 21.01.2018

Q Questions Before the Authority

- Whether exemption provided under Sr. No. 74 of Notification No. 12/2017 – Central Tax (Rate) dated 28.06.2017 is applicable to the applicant.
- Whether applicant qualifies to be a Clinical Establishment under clause 2(s) of the said Notification.

F Facts

The applicant is a healthcare company providing genetic testing, counseling, and diagnostic services. They claim to collaborate with NABL-accredited and DSIR-certified diagnostic companies to provide these services. The applicant sought an advance ruling on whether their services qualify for GST exemption as healthcare services provided by a clinical establishment.

H Ruling

Exemption under Sr. No. 74 of Notification No. 12/2017	Not applicable	Applicant failed to qualify as a clinical establishment
Status as Clinical Establishment	No	Applicant is a sub-contractor to accredited labs

The authority ruled that the applicant is not entitled to the exemption under the specified notification. It concluded that the applicant does not qualify as a clinical establishment because they failed to provide evidence of their own accreditation or authority to conduct tests independently. The applicant was found to be acting as a sub-contractor to other accredited diagnostic companies rather than operating as an independent clinical establishment.

R Reasoning

The ruling turned on the definition of Clinical Establishment under clause 2(s) of Notification No. 12/2017-Central Tax (Rate). The authority reasoned that the exemption is both service-specific and service-provider-specific, requiring the entity to be a recognized clinical establishment. Because the applicant could not prove they possess the necessary accreditation to issue independent reports and instead relies on third-party labs, they do not meet the statutory criteria. Consequently, the applicant is viewed as an ancillary service provider rather than a clinical establishment.

P Provisions Relied On

Section 97(2) of the CGST/SGST Act, 2017

Section 98 of the CGST/SGST Act, 2017

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Section 103(2) of the GST Act

Section 104(1) of the GST Act

! For the Practitioner

This ruling clarifies that entities providing diagnostic services through sub-contracting arrangements with accredited laboratories may not qualify for the **healthcare service exemption**. It emphasizes that to be a clinical establishment, an entity must possess its own **independent recognition and authority** to conduct tests. Practitioners should note that merely providing healthcare-related services is insufficient if the entity fails to meet the specific **statutory definition of a clinical establishment**.

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 -> [mp-01-2019-jc_genetic_india_pl.pdf](#)

Prepared 13-10-2026.

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