AUTHORITY FOR ADVANCE RULING, TAMIL NADU
NO.206, 2ND FLOOR, PAPJM BUILDING, NO.1 , GREAMS ROAD,
CHENNAI -600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER SECTION 98(4) OF THE TNGST ACT, 2017.
Members present:

Smt. D. Jayapriya, I.R.S., Additional Commissioner/ Member(CGST), Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -600 034.	Smt. A. Valli M.Sc., Joint Commissioner/Member(SGST), Office of the Commissioner of Commercial Taxes, Tamil Nadu, Chennai-600 006.

Advance Ruling No. 14/ARA/2024 Dated: 11.07.2024

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/ TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed, is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

(a) on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling.
(b) on the concerned officer or the jurisdictional officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

GSTIN Number, if any / User id		33AAATF0061E1ZG
Legal Name of Applicant		M/s. International Institute of Bio Technology and Toxicology
Trade Name of Applicant(Optional)		M/s. International Institute of Biotechnology and Toxicology
Registered Address / Address provided while obtaining user id		No. 3/266, BDO Office Road, Padappai, Kancheepuram, Tamilnadu – 601 301.
Details of Application		Form GST ARA – 01 Application Sl. No. 06/2023/ARA, dated 15.03.2023
Concerned Officer Jursidictional Officer		State: Oragadam Assessment Circle Centre: Chennai Outer Commissionerate Range : Padappai
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provision
B	Description (in brief)	HSN – 9981 – Research and Development Services HSN – 9981113 – Research and experimental development services in medical sciences and pharmacy HSN – 9981114 - Research and experimental development services in agricultural sciences
Issue/s on which advance ruling Required		1) Applicability of a notification issued under the provisions of this Act
Question(s) on which advance ruling Is required		1) Whether Notification No. 04/2019 – Integrated Tax, issued dated 30 September 2019 shall be applicable on the services supplied by the applicant, i.e., research and development services provided in relation to agro-chemical sector?

M/s. International Institute of Bio Technology and Toxicology, No. 3/266, BDO Office Road, Padappai, Kancheepuram, Tamilnadu – 601 301, (hereinafter called as 'the Applicant') is a Society registered under the Tamil Nadu Societies Registration Act, 1975 (Act No. 27 of 1975) bearing Registration No. 313 of 1985. They are registered under the GST Acts with GSTIN: 33AAATF0061E1ZG. They have preferred an application seeking Advance Ruling on the following:

"Whether Notification No. 04/2019 – Integrated Tax, issued dated 30th September 2019, shall be applicable on the services supplied by the applicant, i.e., research and development services provided in relation to agro-chemical sector?"

2.1. The Applicant submitted a copy of challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017.

2.2. In terms of Section 97(2) of the CGST Act 2017/TNGST Act 2017, questions on which advance ruling is sought, falls within the scope of Section 97(2)(b) of the CGST Act/TNGST Act 2017, and therefore the application is admissible.

3. **In the Statement of relevant facts, the Applicant states that -**

1. International Institute of Biotechnology and Toxicology (hereinafter referred as 'IIBAT' or 'Applicant') is a Society registered under the Tamil Nadu Societies Registration Act, 1975 (Act No. 27 of 1975) bearing Registration No.313 of 1985. The Applicant carries on its activities as per its Aims and Objectives thereby **'Serving Society through Science'.** The main object of the Society is to carry out research under laboratory and field conditions, non – clinical health and environmental safety studies among others.
2. The Applicant being a Laboratory / Test Facility has its study scientific/laboratory/field operations in the property situated at Survey No.563 and 564, BDO Office Road, Padappai, Kancheepuram District 601 301, Tamil Nadu, India. The applicant is registered under Goods and Services Tax law (GST) vide Registration number - 33AAATF0061E1ZG.
3. The Applicant is recognized by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, New Delhi as a Scientific and Industrial Research Organization (SIRO) and by the Ministry of Finance under Section 35 (i) (ii) as an Institution engaged in scientific research entitled to exemption Under Section 10 (21) of the Income Tax Act 1961.
4. The Applicant is a 'Test Facility' (TF) as per guidelines of NGCMA (i.e.,) National Good Laboratory Practices Monitoring Authority under the aegis of Department of Science and Technology, Government of India.
5. The Applicant is also certified by TUV NORD, Germany for management systems as per ISO 9001:2015, ISO 45001:2018, ISO 14001:2015, ISO 27001: 2013 and ISO 17025:2017 for the scope of conducting non-clinical health and environmental safety studies in the field of Toxicology, Chemistry (Physical and Chemical Testing, Residue Chemistry, Environmental Fate), Eco-Toxicology, Genetic Toxicology, Bio-Efficacy and Agronomy (Crop protection and Management). Testing of Transport Packaging Materials for chemicals, Pharmaceuticals, Food and Feed additives. Provision of Independent inspections, Quality control and Quality assurance services.
6. In the year 1999, the Applicant had decided to implement the globally accepted standards (i.e.) Good Laboratory Practices (GLP) as per Organization for Economic Co-Operation and Development (OECD) Principles of GLP. The

Applicant had engaged various international experts / consultants / scientists to transfer the Good Laboratory Practices (GLP) technology to the Applicant, to train the staff/scientists adequately and upgrade the facilities to the satisfaction and compliance to the OECD GLP standards /principles.

7. Good Laboratory Practice (GLP) is a quality system concerned with the organisational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, archived and reported. These studies are undertaken to generate data by which the hazards and risks to users, consumers and third parties, including the environment, can be assessed for pharmaceuticals, agrochemicals, cosmetics, food additives, feed additives and contaminants, novel foods, biocides, detergents etc.

8. GLP helps assure Regulatory Authorities that the data submitted is a true reflection of the results obtained during the study and can therefore be relied upon when making risk /safety assessments. Industries /Test Facilities/ Laboratories dealing with above chemicals and looking for approval from Regulatory Authorities before marketing them may apply to National GLP Compliance Monitory Authority for obtaining GLP Certification."

4. Nature of Supply: The Applicant narrated the nature of supply as follows:

4.1. "IIBAT is a globally accredited testing organization which performs testing in compliance with the global good laboratory practices (GLP). Applicant undertakes testing for the products of their clients (hereinafter referred to as 'sponsors'), and the applicant provides the results in the form of a report. Applicant has a standard practice to execute an agreement/document with the sponsor(s).

4.2. The sponsor makes available a certain quantity of material (hereinafter referred to as the "test item") based on the agreement pursuant to which the research, development, testing and analysis will be carried out.

4.3. The research, development and testing methodologies are well documented as per the global guidelines and standards followed by the applicant. The process undertaken by the applicant can be explained in brief as under :-

a. Receipt of Test item from the sponsors

b. Documentation of Test item received for retaining sponsors confidentiality and eliminating bias.

c. Recording the process of conducting the research, development and testing analysis (Protocol).

d. Conducting the research, development and testing analysis.

e. Documentation of the report explaining the methodology used for research, development and testing as well as providing results

f. Submissions of the result/report to the sponsors.

4.4. The Applicant is into providing the above services related to the Agrochemical Sector and Pharmaceutical Sector in the form of major heads as follows:

Sr. No.	Nature of Services	Brief description of Services
	Chemistry	IIBAT offers a broad spectrum of research and development of chemical analysis services including Analytical chemistry, Radioisotopy, Physio chemical testing and Package testing needed for integrated discovery and development and also the registration of molecules, both pharmaceuticals and agrochemicals. These include crop residue studies, Drug metabolism and pharmacokinetics processed fractions, environmental fate, Stability Studies, ecotoxicology, plant/soil metabolism, product chemistry, Bio-equivalence studies, Bio-availability studies, Bio analytical studies and exposure studies using state of the art instrumentation. IIBAT specializes in analytical services for studies, equipped with well trained and experienced personnel; and top-end analytical equipment like, high-end LC-MS/MS, GC-MS/MS, ICP-MS, etc.
2.	Bio-efficacy	IIBAT offers a variety of research and development of scalable integrated and comprehensive evaluations by critical and accurate assessments of pathology endpoints to give accurate, reproducible findings and concise, responsive interpretation and consultation. In agrochemical, bio-efficacy is a measure of the biological efficacy of an active ingredient of agrochemicals such as insecticide etc.
3.	Genetic Toxilogy	IIBAT specializes in this integral component of toxicity evaluation as per regulatory services globally. For identifying the genotoxicity potential of compounds, we offer in vitro (i.e., outside the animal), GLP compliant gene-tox services as recommended by regulatory agencies. This is in vitro research (i.e., outside the animal). An assay is first developed and then the novel chemical is evaluated in the assay under optimized conditions.

		IIBAT offers a range of GLP–Compliant General Toxicology, Ecotoxicology and Risk Assessment processes. Oral, Dermal, Inhalation, Intravenous, Intradermal, Subcutaneous, Intramuscular, Intraperitoneal, Intranasal, and Ocular routes of administration available for Mice, Rats, Guinea Pigs, and Rabbits. Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new chemical and new chemical application. This is in vivo research (i.e., within the animal) and involves development of customized animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease. Ecotoxicology: IIBAT does research and development with aquatic and terrestrial ecotoxicology studies employing various species which are thoroughly characterized.

4.5. During the process of research, development and technical testing, the test items as provided by the sponsors are consumed. In other words, the test items are utilized for preparing the study report after completion of technical testing. Since such items are consumed during the process, they are not returned. The result of the tests represents the findings of the research and development as per the expectation of the global regulatory organizations.

4.6. As per the process undertaken by the applicant, they carry out complete objective of research, development and testing with pre-determined methodology prescribed by reputed organizations based on the protocol agreed in advance with the sponsor. The applicant merely submits the findings of such research and development analysis in the form of a report to the sponsor."

5. Applicant's understanding of applicable rate of GST and its transactions with the sponsors outside India

5.1. "The applicant has been supplying the above services to its sponsors outside India under tax invoice with 18% GST as the applicant's understanding was that the place of supply for such services falls in India under Section 13(3) of the IGST Act, 2017.

5.2. However, the Applicant receives the consideration in convertible foreign exchange for providing these services to sponsors outside India. Further, the place of effective use and enjoyment of the above services is purely in the hands of service recipient who is located outside India.

5.3. The applicant would like to draw reference to Notification No. 04/2019 dated 30 September 2019, issued under Section 13(13) of the IGST Act, 2017. It states that

place of supply for specific list of services related to pharmaceutical sector shall be the location of the recipient of services subject to fulfilment of the following conditions:
a. Supply of services from the taxable territory are provided as per a contract between the service provider located in taxable territory and service recipient located in non-taxable territory.
b. Such supply of services fulfils all other conditions in the definition of export of services, except sub- clause (iii) provided at clause (6) of Section 2 of Integrated Goods and Services Tax Act, 2017

5.4. The applicant stated that they fulfil the conditions as stated in the above notification with respect to the supply of services made outside India and all the services provided by the applicant fall under the categories listed out in the Notification. However, the applicant continued to charge GST on such services at the rate of 18% and has deposited the amount with the Government.

5.5. With reference to the above contentions, the applicant has preferred this advance ruling to seek clarity on the applicability of the notification to specified services provided by the applicant in relation to Agrochemical sector."

6. On interpretation of law, the applicant states that –

Analysis of key Legal provisions and the relevant notifications under various legislations

6.1. The Applicant, prior to examining the issue, requested to take note of the relevant articles of the Constitution of India and the provisions of Goods and Services Tax law applicable to such query:
Article 366(12A) of the Constitution of India defines "Goods and Services Tax". The same has been extracted as follows:

> *"(12A) "Goods and Services Tax" means any tax on supply of goods, or services or both except taxes on the supply of the alcoholic liquor for human consumption;"*

6.2. Section 7 of the Central Goods and Services Tax Act, 2017 ("CGST Act") provides for the Scope of supply as per GST law. The said section is provided as follows:

> *"(1) For the purposes of this Act, the expression - "supply" includes-*
>
> *(a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;*
>
> *(aa) the activities or transactions, by a person, other than an individual, to its members or constituents or vice-versa, for cash, deferred payment or other valuable consideration.*
>
> *Explanation .-For the purposes of this clause, it is hereby clarified that, notwithstanding anything contained in any other law for the time being*

in force or any judgment, decree or order of any Court, tribunal or authority, the person and its members or constituents shall be deemed to be two separate persons and the supply of activities or transactions inter se shall be deemed to take place from one such person to another;

(b) import of services for a consideration whether or not in the course or furtherance of business; 2[and]

(c) the activities specified in Schedule I, made or agreed to be made without a consideration;

(1A) where certain activities or transactions constitute a supply in accordance with the provisions of sub-section (1), they shall be treated either as supply of goòds or supply of services as referred to in Schedule II.

(2) Notwithstanding anything contained in sub-section (1),-

(a) activities or transactions specified in Schedule III; or

(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council, shall be treated neither as a supply of goods nor a supply of services.

(3) Subject to the provisions of 6[sub-sections (1), (1A) and (2)], the Government may, on the recommendations of the Council, specify, by notification, the transactions that are to be treated as -

(a) a supply of goods and not as a supply of services; or

(b) a supply of services and not as a supply of goods."

6.3. Section 9 of the CGST Act provides for the levy and collection of GST. Relevant extract of thesame has been extracted as follows: -

"9. (1) *Subject to the provisions of sub-section (2), there shall be levied a tax called the Centralgoods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed andshall be paid by the taxable person.*

(2) ..... "

6.4. Article 366(26A) of the Constitution of India defines 'Services' to mean *"anything other than goods"*. Further, Section 2(102) of the CGST Act, 2017 defines, 'Services' to mean *"anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination to another form, currency or denomination for which a separate consideration is charged;"*

6.5. In exercise of powers vested under aforesaid Section 9 of the Act, Central Government issued Notification No. 11/2017 – Central Tax (Rate) dated 28th June 2017 prescribing the rates of Central tax for various services. The tariff item relevant for the question under consideration are taxable at the rate of 9%. The relevant extract from the notification is reproduced below:

Sr.no	***Chapter or heading***	***Description of Services***	***Rate (%)***	***Condition***
(1)	*(2)*	*(3)*	*(4)*	*(5)*
19	***Heading 9981***	***Research and Development Services***	***9***	-

6.6. Further, it is relevant to note that export of service is defined under Section 2(6) of the Integrated Goods and Services Tax Act, 2017 (IGST Act) as follows:

> "export *of services" means the supply of any service when, -*
>
> *(i) the supplier of service is located in India;*
>
> *(ii) the recipient of service is located outside India;*
>
> *(iii) the place of supply of service is outside India;*
>
> *(iv) the payment for such service has been received by the supplier of service in convertible foreign exchange [or in Indian rupees wherever permitted by the Reserve Bank of India][2]; and*
>
> *(v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8.*

6.7. Section 16 of IGST Act, 2017 defines Zero rated supply as follows:

> *(1) - zero rated supply means any of the following supplies of goods or services or both, namely: -*
>
> *(a) export of goods or services or both; or*
>
> *(b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.*

6.8. Section 13 of the IGST Act describes the provision for place of supply of services where location of supplier or location of recipient is outside India.

Section 13 (3) of the IGST Act, 2017 states that "*The place of supply of the following services shall be the location where the services are actually performed, namely: -*

a. services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services:

Provided that when such services are provided from a remote location by way of electronic means, the place of supply shall be the location where goods are situated at the time of supply of services:

Provided further that nothing contained in this clause shall apply in the case of services supplied in respect of goods which are temporarily imported into India for repairs or for any other treatment or process and are exported after such repairs or treatment or process without being put to any use in India, other than that which is required for such repairs or treatment or process;]

(b) services supplied to an individual, represented either as the recipient of services or a person acting on behalf of the recipient, which require the physical presence of the recipient or the person acting on his behalf, with the supplier for the supply of services."

6.9. Section 13(13) of the IGST Act, 2017 states that "*In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules, the Government shall have the power to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service."*

6.10. Notification No. 04/2019 – Integrated Tax was issued on 30th September 2019, to notify services under section 13(13) of the IGST Act. The said notification is reproduced below:

In exercise of powers vested under aforesaid Section 13(13) of the IGST Act, the Central Government, on being satisfied that it is necessary in order to prevent double taxation or non- taxation of the supply of a service, or for the uniform application of rules, on the recommendations of the Council, hereby notifies following description of services or circumstances as specified in Column (2) of the Table A, in which the place of supply shall be the place of effective use and enjoyment of a service as specified in the corresponding entry in Column (3), namely:-

Table A

Sl No.	***Description of services or circumstances***	***Place of Supply***
(1)	*(2)*	*(3)*
1.	***Supply of research and development services*** *related to pharmaceutical sector as specified in Column (2) and (3) from Sl. No. 1 to 10 in the Table B by a person located in taxable territory to a person located in the non-taxable territory.*	***The place of supply of services shall be the location of the recipient of services*** *subject to fulfillment of the following conditions: -* *(i) Supply of services from the taxable territory are provided as per a contract between the service provider located in taxable territory and service recipient located in non-taxable territory.* ***(ii)*** *Such supply of services fulfills all other conditions in the definition of export of services, except sub- clause (iii) provided at clause (6) of Section 2 of Integrated Goods and Services Tax Act, 2017 (13 of 2017).*

Table B

Sl. No.	***Nature of Supply***	***General Description of Supply***
(1)	*(2)*	*(3)*
1.	*Integrated discovery and development*	*This process involves discovery and development of molecules by pharmaceutical sector for medicinal use. The steps include designing of compound, evaluation of the drug metabolism, biological activity, manufacture of target compounds, stability study and long-term toxicology impact.*
2.	*Integrated Development*	
3.	*Evaluation of the efficacy of new chemical/ biological entities in animal models of disease*	*This is in vivo research (i.e., within the animal) and involves development of customized animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease.* *In nutshell, this process tries to discover if a novel chemical entity that can reduce or modify the severity of diseases. The novel chemical is supplied by the service recipient located in non-taxable territory.*
4.	*Evaluation of biological activity of novel chemical/ biological entities in in- vitro assays*	*This is in vitro research (i.e., outside the animal). An assay is first developed and then the novel chemical is supplied by the service recipient located in non-taxable territory and is evaluated in the assay under optimized conditions.*
5.	*Drug metabolism and pharmacokinetics of new chemical entities*	*This process involves investigation whether a new compound synthesized by supplier can be developed as new drug to treat human diseases in respect of solubility, stability in body fluids, stability in liver tissue and its toxic effect on body tissues.* *Promising compounds are further evaluated in animal experiments using rat and mice.*
6.	*Safety Assessment/ Toxicology*	*Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new drug and new drug application.* *Toxicology team analyses the potential toxicity of a drug to enable fast and effective drug development.*

7.	*Stability Studies*	*Stability studies are conducted to support formulation, development, safety and efficacy of a new drug.* *It is also done to ascertain the quality and shelf life of the drug in their intended packaging configuration.*
8.	*Bio-equivalence and Bio-availability Studies*	*Bio-equivalence is a term in pharma-cokinetics used to assess the expected in vivo biological equivalence of two proprietary preparations of a drug.* *If two products are said to be bio-equivalent it means that they would be expected to be, for all intents and purposes, the same.* *Bio-availability is a measurement of the rate and extent to which a therapeutically active chemical is absorbed from a drug product into the systemic circulation and becomes available at the site of action.*
9.	*Clinical trials*	*The drugs that are developed for human consumption would undergo human testing to confirm its utility and safety before being registered for marketing.* *The clinical trials help in collection of information related to drugs profile in human body such as absorption, distribution, metabolism, excretion and interaction. It allows choice of safe dosage.*
10.	*Bio analytical studies*	*Bio analysis is a sub-discipline of analytical chemistry covering the quantitative measurement of drugs and their metabolites, and biological molecules in unnatural locations or concentrations and macromolecules, proteins, DNA, large molecule drugs and metabolites in biological systems.*

6.11. Further, the explanatory notes to the scheme of classification provide for indicators with respect to classification of services. Relevant extracts of the same are reproduced below:

"The explanatory notes of the scheme of classification of service indicate the scope and coverage of the heading, groups and service codes of the Scheme of Classification of Services. These may be used by the assessee and the tax administration as a guiding tool for classification of services. However, it may be noted that where a service is capable of differential treatment for any purpose based on its description, the most specific description shall be preferred over a more general description.

SAC Code as per the Explanatory notes:

9981 *- Research and development services*

99811 *- Research and experimental development services in natural sciences and engineering*

998113 *Research and experimental development services in medical sciences and pharmacy*

"This service code includes basic and applied research services and experimental development services related to treatment of diseases, preventive hygiene, pharmacy, etc."

998114 *- Research and experimental development services in agricultural sciences*

"This service code includes basic and applied research services and experimental development services related to agricultural techniques, fruit culture, forestry, stock breeding, fisheries, etc."

7.0. The Applicant stated that Place of effective use and enjoyment is outside India, as follows:

7.1. On a perusal of the aforesaid provisions, the following key principles, relevant to the present issue emerge: -

a. GST is levied on the supply of goods or services at such rates as notified by the Central Government.

b. As per the scope of supply available in section 7 of the CGST Act, and the definition of 'service' as per section 2(102) of the CGST Act, 2017, it may be inferred that the activity undertaken by the applicant involves an activity undertaken for a consideration and carried out in the course or furtherance of business.

c. However, for the levy of taxes under the GST law, there is a need to ascertain whether the supply is rendered in the taxable territory. Thereafter, reference may be made to the rate notifications to ascertain the applicable rate of tax for the said services.

7.2. As per section 2(109) of the CGST Act, *"taxable territory" means the territory to which the provisions of this Act apply.*

7.3. Further, as per Section 2(56) of the CGST Act, *"India" means the territory of India as referred to in article 1 of the Constitution, its territorial waters, seabed and sub-soil underlying such waters, continental shelf, exclusive economic zone or any other maritime zone as referred to in the Territorial Waters, Continental Shelf,*

Exclusive Economic Zone and other Maritime Zones Act, 1976 (80 of 1976), and the air space above its territory and territorial waters;

7.4. To determine whether the services are rendered in the taxable territory, reference needs to be made to the place of supply provisions detailed under the IGST Act. The provisions for place of supply of services are detailed in section 12 and 13 of the IGST Act. Since the location of the recipient of service, i.e., the sponsors, is outside India, reference shall be made to section 13 of the IGST Act in the present case.

7.5. As stated above, section 13(3) of the IGST Act prescribes the place of supply where the service relates to goods which have to be made physically available to the supplier of service. In the present case, the samples with respect to which the activities of testing, analytical studies, clinical trials are performed are physically made available by the sponsors in India, i.e., the taxable territory. In such case, place of supply shall be deemed to be the location where the services are actually performed.

7.6. However, reference also needs to be made to section 13(13) of the IGST Act with regard to the services rendered by the Applicant to the sponsors outside India. The intention of this provision was to avoid double taxation of services in cases where the place of effective use and enjoyment was outside India. The Government may notify any description of services or circumstances under section 13(13) of the IGST Act, wherein the place of supply shall be the place of effective use and enjoyment of a service.

7.7. Notification no. 04/2019 – Integrated Tax dated 30th September 2019 was provided to notify the list of services for which the place of supply of service shall be the place of effective use and enjoyment of the service subject to certain conditions and as per the aforesaid notification, place of supply for the Supply of research and development services related to pharmaceutical sector as specified in Column (2) and (3) from Sl. No. 1 to 10 of Table B by a person located in taxable territory to a person located in the non-taxable territory, shall be the location of the recipient of service, subject to certain conditions.

7.8. To state briefly, these conditions are as follows:

a. Supply of service should be from taxable territory

b. Service recipient should be located in a non-taxable territory

c. Such supply should fulfil all other conditions of 'export of service' except for the condition of the place of supply being outside India.

7.9. Based on the facts of the transaction undertaken by the Applicant, the Applicant submits that that the conditions prescribed for export of services as per the IGST Act are satisfied in the present case. The same is enumerated below:

a. the supplier of service, i.e., IIBAT or the Applicant is located in the taxable territory, i.e., India;

b. the recipient of service, i.e., the sponsor(s), are located outside India;

c. the payment for such service has been received by the supplier of service in convertible foreign exchange; and

d. the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8 since they are unrelated entities.

7.10. Therefore, the conditions pertaining listed in the notification are met by the Applicant.

7.11. With respect to the activities listed out in the notification, the Applicant wishes to draw attention to their own business activities. Some of the major activities performed by the Applicant with respect to pharmaceutical and agro-chemical sectors have been mapped with the activities described in the notification as follows:

Sr. No.	Nature of Services	Brief description of Services	Classification as per Notification No. 04/2019
1.	Chemistry	IIBAT offers a broad spectrum of research and development of chemical analysis services including Analytical chemistry, Radioisotopy, Physio chemical testing and Package testing needed for integrated discovery and development and also the registration of molecules, both pharmaceuticals and agrochemicals. These include crop residue studies, Drug metabolism and pharmacokinetics processed fractions, environmental fate, Stability Studies, ecotoxicology, plant/soil metabolism, product chemistry, Bio-equivalence studies, Bio-availability studies, Bio analytical studies and exposure studies using state of the art instrumentation. IIBAT specializes in analytical services for studies, equipped with well trained and experienced personnel; and top-end analytical equipment like, high-end LC-MS/MS, GC-MS/MS, ICP-MS, etc.	Sl. No. 1 – Integrated discovery and development Sl. No. 2 – Integrated Development Sl. No. 5 – Drug metabolism and pharmacokinetics of new chemical entities Sl. No. 07 – Stability studies Sl. No. 08 – Bio-equivalence and Bio-availability studies Sl. No. 10 - Bio analytical studies

2.	Bio-efficacy	IIBAT offers a variety of research and development of scalable integrated and comprehensive evaluations by critical and accurate assessments of pathology endpoints to give accurate, reproducible findings and concise, responsive interpretation and consultation. In agrochemical, bio-efficacy is a measure of the biological efficacy of an active ingredient of agrochemicals such as insecticide etc.	Sl. No. 1 – Integrated discovery and development Sl. No. 2 – Integrated Development Sl. No. 3- Evaluation of the efficacy of new chemical/ biological entities in animal models of disease
3.	Genetic Toxilogy	IIBAT specializes in this integral component of toxicity evaluation as per regulatory services globally. For identifying the genotoxicity potential of compounds, we offer in vitro (i.e., outside the animal), GLP compliant gene-tox services as recommended by regulatory agencies. This is in vitro research (i.e., outside the animal). An assay is first developed and then the novel chemical is evaluated in the assay under optimized conditions.	Sl. No. 1 – Integrated discovery and development Sl. No. 2 – Integrated Development Sl. No. 4 - Evaluation of biological activity of novel chemical/ biological entities in in-vitro assays Sl. No. 6- Safety Assessment/ Toxicology
		IIBAT offers a range of GLP–Compliant General Toxicology, Ecotoxicology and Risk Assessment processes. Oral, Dermal, Inhalation, Intravenous, Intradermal, Subcutaneous, Intramuscular, Intraperitoneal, Intranasal, and Ocular routes of administration available for Mice, Rats, Guinea Pigs, and Rabbits. Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new chemical and new chemical application. This is in vivo research (i.e., within the animal) and involves development of customized animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease. Ecotoxicology :IIBAT does research and development with aquatic and terrestrial ecotoxicology studies employing various species which are thoroughly characterized.	Sl. No. 1 – Integrated discovery and development Sl. No. 2 – Integrated Development Sl. No. 3 - Evaluation of the efficacy of new chemical/ biological entities in animal models of disease Sl. No. 6- Safety Assessment/ Toxicology

7.12. The Applicant is of the view that based on the above table, the nature of activities performed by the applicant are squarely covered under Notification No. 04/2019 - Integrated Tax.

7.13. Stating the above, the applicant inferred that the conditions in the notification have been met by the Applicant and the place of supply in respect of research and development services pertaining to agro-chemical sector rendered by the Applicant shall be the location of the recipient (i.e. sponsor), i.e., outside India.

8.0. Recommendations of the Fitment Committee in the 37th GST Council Meeting

8.1. The Applicant submitted that the issue of Notification No. 04/2019 – Integrated Tax stemmed from the proceedings of the 37th GST Council meeting where the request for clarification on GST related to export of services in the pharmaceutical sector was considered. It was brought to notice of the council that the pharma sector in India is made to pay GST of 18% on services given to foreign clients due to lack of clarity on place of supply of pharma R&D Services. Indian pharma companies were losing competitiveness as pharma R&D services given to foreign clients were not treated as exports. This had led to loss in export contracts as service providers in other countries were more cost effective. Due to this, the Government was also losing export revenue amounting to Rs. 170 Crores per year.

8.2. The relevant extracts of the minutes of the meeting with respect to this issue are provided below for reference

> *"4. In pharma R&D services, client provides reference materials, sample drugs, reagent etc. All these R&D services are administered on the materials supplied at the laboratory of the pharmaceutical industry. Further it is to say that, such materials supplied by the client gets consumed in the process.*
>
> *5. It is important to determine whether service provided fall within the meaning of "goods that are made physically available, by the receiver to the service provider", under section 13(3)(a) of IGST Act, 2017. Education Guide of Service Tax released by CBEC answers the questions as below:*
> *-Services that are related to goods, and which require such goods to be made available to the service provider or a person acting on behalf of the service provider so that the service can be rendered, are covered here. The essential characteristic of a service to be covered under this rule is that the goods temporarily come into the physical possession or control of the service provider, and without this happening, the service cannot be rendered. Thus, the service involves movable objects or things that can be touched, felt or possessed. Examples of such services are repair, reconditioning, or any other work on goods (not amounting to manufacture), storage and warehousing, courier service, cargo handling service (loading, unloading, packing or unpacking of cargo), technical testing/inspection/certification/ analysis of goods, dry cleaning etc. It will not cover services where the supply of goods by the receiver is not material to the rendering of the service e.g. where a consultancy report commissioned by a person is given on a pen drive belonging to the customer. Similarly, provision of a market research service to a manufacturing*

firm for a consumer product (say, a new detergent) will not fall in this category, even if the market research firm is given say, 1000 nos. of 1 kilogram packets of the product by the manufacturer, to carry for door-to-door surveys.

6. The above clarification implies that samples given by foreign clients to Indian pharma companies should be goods and such goods should temporarily come into the physical possession or control of the service provider, and without this happening, the service cannot be rendered.

7. As is evident from judicial precedents ***[Vikas Sales Corporation Vs. Commissioner of Commercial Taxes],*** *in order to be considered "goods", the article under consideration shall be a "marketable commodity", i.e. having the following features – (i) It should have an intrinsic value; (ii) It should be freely transferable. As samples provided by oversea clients are in the nature of chemical or biological molecules which are not marketable commodities. Such samples are consumed in order to develop final product by the foreign clients. Even if we consider such sample molecules as goods, as per the Education Guide of Service Tax, provision of a market research service to a manufacturing firm for a consumer product (say, a new detergent) will not fall in the category of Section 13(3)(a) of IGST Act, even if the market research firm is given say, 1000 nos. of 1 kilogram packets of the product by the manufacturer, to carry for door-to-door surveys.*

8. Prima facie, few samples given by foreign clients to Indian pharma do not make place of supply of specific R&D services as location of service provider as per Section 13(3)(a) of IGST Act and hence such specific services rendered by Indian pharma qualify as 'export of services'

9. On 27.04.2018, the Finance Secretary observed in the file F.No. 345/58/2018-TRU that "We must follow the best international practice in this. We must change IGST law for this if need be. India has a great potential for service export and we must not let it lose competitive edge. Please find a way out." An OM dated 14.05.2018 was sent from TRU to GST Policy Wing accordingly. But no reply has been received on the matter.

10. Section 13(3)(a) was amended vide IGST(Amendment) Act, 2018 to exclude goods 'for any other treatment or process' without being put to use in India other than required for such treatment or process. Sample molecules used in pharma R&D are sent by foreign clients but used in the process of R&D activities undertaken by Indian pharma companies. Such sample molecules are not used in India for any other purpose.

11. Instead of tweaking IGST Act which may have implication for place of supply of other intermediary services too, as there is a provision under Section 13(13) of IGST Act which empowers the Central Government to notify any service or circumstances in which the place of supply shall be the place of supply of effective use or enjoyment of service in order to prevent double taxation or non-taxation of the supply of service, we may issue a notification under Section 13(13) of IGST Act, to notify the place of supply of specific R&D services as listed in para 2 when provided by Indian pharma companies to foreign service recipients, to be the place of effective use and enjoyment of a service i.e. location of the service recipient."

8.3. Based on the above, the applicant stated that the intention of the law was to tax such services at the place of effective use and enjoyment of the service. Therefore, it would not be incorrect to conclude that the same set of research and development services provided in respect of agro- chemical sector should be eligible to apply the same principles of determining place of supply and consequent taxability.

8.4. Further, drawing reference from the Education Guide of Service Tax, the applicant has pleaded that the place of supply cannot be determined based on section 13(3) of the IGST Act since it will not cover services where the supply of goods by the receiver is not material to the rendering of the service e.g., where a consultancy report commissioned by a person is given on a pen drive belonging to the customer and contended that the place of supply of the research and development services pertaining to agro- chemical sector shall be determined based on the place of effective use and enjoyment of the service, and notification no. 04/2019 – Integrated Tax shall be applicable to the services rendered by the Applicant.

9.0. The Applicant has explained the Nexus among agrochemical and pharmaceutical sector as follows:

9.1. "India is an agrarian country, where more than 50% people are dependent on agriculture for their livelihood and is the largest producer of spices, pulses, milk, tea, cashew and jute & the 2nd largest producer of wheat, rice, fruits and vegetables, sugarcane, cotton and oilseeds. Currently, India is the world's 4th largest producer of agrochemicals after United States, Japan and China and has emerged as the 13th largest exporter of pesticides globally.

9.2. Pharmaceuticals products are a compound manufactured for use as medicinal drug used to diagnose, cure, treat, or prevent disease. It means any substances resulting from preparing, preserving or compounding of medicinal drugs, vitamins or other materials used to enhance personal health. Pharmaceuticals products are finally sold to end consumer.

9.3. Agrochemicals are chemical products used in agriculture. They comprised of fertilizers, plant-protection chemicals or pesticides, and plant-growth hormones which are designed to protect crops from insects, diseases and weeds by controlling pests that infect, consume or damage the crops. Agrochemicals refers to pesticides including insecticides, herbicides, fungicides and nematicides. Agrochemical products are finally used by farmers.

9.4. Pharmaceuticals and Agro chemical products both undergo a similar research, development and testing process. Indeed, both are chemical compounds that can have adverse effects and, if misused, will have detrimental effects on human health and/or the environment. As per the scope of document no. 1 of OECD principles of GLP as revised dated 1997 (ENV/MC/CHEM(98)17) – *(enclosed as **annexure 3**), "Principles of Good Laboratory Practice(GLP) should*

be applied to the non-clinical safety testing of test items contained in pharmaceutical products, pesticide products, cosmetic products, veterinary drugs as well as food additives, feed additives, and industrial chemicals. These test items are frequently synthetic chemicals, but may be of natural or biological origin and, in some circumstances, may be living organisms. The purpose of testing these test items is to obtain data on their properties and/or their safety with respect to human health and/or the environment. Non-clinical health and environmental safety studies covered by the Principles of Good Laboratory Practice include work conducted in the laboratory, in greenhouses, and in the field. Unless specifically exempted by national legislation, these Principles of Good Laboratory Practice apply to all non-clinical health and environmental safety studies required by regulations for the purpose of registering or licensing pharmaceuticals, pesticides, food and feed additives, cosmetic products, veterinary drug products and similar products, and for the regulation of industrial chemicals"

10.0. The Applicant narrated the similarities with regard to the Research and Development process for Agro-Chemical and Pharma products as follows:

10.1. Starting from the beginning, the early-stage process for discovering new pesticides or new drugs is very similar. Usually, a target or a mechanism of action is identified, and a screening is performed with a library of chemical compounds.

10.2. Applicant submits that the physicochemical parameters used by industry as an initial estimate of the probability of a molecule being a good pharmaceutical or pesticide are very similar. In fact, few of the most common chemical side chains of pharmaceutical molecules are the same as those for pesticides and are found in about the same relative frequency. The molecular weight range of pesticides and pharmaceuticals is also very similar.

10.3. Further, applicant states that with respect to the toxicology testing is quite similar: acute and chronic testing, reproductive and developmental toxicity, mutagenicity, and others specific testing that will depend on the molecule properties. It is to be inferred that most of the research, development and testing activities depend on the molecule properties of the chemical rather than the chemical getting defined under Pharmaceutical or Agro chemical product.

10.4. Environmental Risk Assessment has to be performed in respect of both set of Agro chemical and Pharmaceutical products. Similarly, metabolites and impurities have to be controlled and tested if they are above a particular threshold. Applicant is of the view that it can be concluded by saying that with respect to Research, Development and Testing process, the activities carried out by both the industries are inter linked with each other and in few cases, the Research, development, testing and analysis are the same.

11.0. The applicant placed reliance on the following Judicial precedents :

11.1. "The Applicant would like to draw reference to certain advance rulings related to the present issue to bring to light the provisions that existed prior to issue of Notification No. 04/2019 – Integrated Tax dated 30 September 2019. Place of supply for services of research and development in respect of pharmaceutical sector was not explicitly provided in the IGST Act. The Applicant submits that although the provision existed under section 13(13) of the IGST Act, 2017, to prescribe the place of supply based on the place of effective use and enjoyment of a service, there were no specific services notified under the said sub-section for a long time.

11.2. In the case of **Lambda Therapeutic Research Limited (Admission Order No. GUJ/GAAR/ADM/2018/34, dated 30-8-2018 in Application No. Advance Ruling/SGST&CGST/2018/AR/35)**, the applicant was engaged in providing services of scientific testing and technical analysis where the pharmaceutical products for testing were sent to the applicant from outside India. The applicant carried out the testing and issued reports to the person outside India. Payment for the said services were received in convertible foreign currency. The question under consideration was whether these services shall be considered as export of services since all other conditions for export of service were satisfied. The Gujarat Authority for Advance Ruling held that the said activity was a supply of service under the GST law. However, no ruling was given on the question whether the transaction qualifies as "export of service" as the same involves the determination of place of supply.

11.3. The applicant referred the decision pronounced in the case of ***M/s. Krish Biotech Research Pvt. Ltd. (Advance Ruling No. KAR ADRG 110/2019, dated 30-9-2019),*** wherein the Karnataka AAR refused to answer the question of whether the transaction qualifies as export of services.

11.4. Further, in certain other rulings, for instance in the case of **Bilcare Ltd. (Order No. GST-ARA- 117/2018-19/B-45-Mumbai, dated 26-4-2019)**, the place of supply was determined based on section 13(3) of the IGST Act. It was inferred that place of supply where the goods are required to be made physically available by the recipient of service to the supplier of service, then the place of supply is the place where such services are actually performed.

11.5. The applicant has stated that the notification relating to place of supply of specified services of research and development rendered in respect of pharmaceutical sector was provided only in September 2019 after a long period of wait and upon witnessing multitude of advance ruling applications and representations from taxpayers.

11.6. The Applicant is of the view, as the intention was to avoid double taxation in respect of research and development services and to tax them at the place of effective use and enjoyment of these services, being the set of services pertaining

to pharmaceutical sector were notified, the fact that agro-chemical sector was omitted appears to be merely an oversight.

11.7. The Applicant claimed that considering the similarities between pharmaceutical and agro-chemical sectors discussed earlier and the research and development services provided by the applicant squarely falls under the various types of services provided in the notification, it is most logical that such services with respect to agro-chemical sectors also ought to be treated at par with pharmaceutical sector as the same set of activities are carried out by the applicant in respect of both sectors and therefore, the Applicant is of the view that place of supply in respect of research and development services for agro-chemical sector shall be the location of recipient of service, i.e., the sponsors located outside India.

12.0. The applicant described as to how the levy of 18% GST, on the services rendered by them hampered competitiveness and export capability for Indian entities, as follows:

12.1. The Applicant submits that levy of GST at the rate of 18% on the services has a significant impact on the final cost to the consumer. It is common business practice to prefer the most competitive solution for their use. Cost advantages determine the competitive positions and clients preferences in the long run and increase in cost due to GST by a mammoth 18% has proven to be detrimental to the export revenues of the Applicant. The Applicant stated that they have observed significant downtrend in the revenue of the Applicant due to the increase in GST costs.

12.2. The applicant has also stated that this downward trend is not only hampering the revenue and competitiveness of the Applicant but also the much-needed foreign currency inflows to the country and keeping the principles of ease of doing business and encouraging exports, and to ensure healthy competition, it is necessary that a level playing field be provided to all. The intention to promote Indian exports is clear from the direction of the Finance Secretary in the file F.No. 345/58/2018-TRU stating that *"We must follow the best international practice in this. We must change IGST law for this if need be. India has a great potential for service export and we must not let it lose competitive edge. Please find a way out."*

12.3. Stating the above grounds, the applicant pleaded that the activities undertaken by the applicant are exactly the same as listed out in Notification No. 04/2019, where the place of effective use and enjoyment is the location of the sponsors, i.e., outside India. Further, there are similarities between the agrochemical and pharmaceutical sectors and hence, provisions shall also apply to the activities undertaken by the applicant with respect to agrochemical sector.

13. The State jurisdiction Officer viz. the Assistant Commissioner (ST), Oragadam Assessment Circle in his remarks has stated that the Applicant has compared notification 4/2019 dated :30.09.2019 with the business activity done by them in above Point No .B and has requested to provide clarification on whether notification No.4/2019 – Integrated Tax dated 30 September 2019 shall be applicable to the research and development activities undertaken by the applicant with respect to agrochemical sector and submitted that the description of services as per notification and appellants own business actually looks like identical but there is no description of services under agro chemical sector is mentioned. Further, the Appellant has stated that the notification relating to place of supply of specified services of research and development rendered in respect of pharmaceutical sector was provided only in September 2019 after a long period of wait and upon witnessing multitude of advance ruling applications and representations from taxpayers, from the above point itself it is to be noted that for pharmaceutical sector only notification issued and not covers agrochemical sector, therefore the notification 4/2019 is not applicable to agrochemical sector.

14. The Joint Commissioner (ST), Intelligence-II has also furnished the remark to the effect that no proceeding is pending in their jurisdiction on the subject matter.

15. The jurisdictional Centre authority vide letter GEXCOM/TECH/GST/1436/2023-TECH dated 14.06.2024 has submitted that the question raised by the Applicant is neither pending nor decided in any proceedings in the case of the applicant.

16. **Personal Hearing**

16.1. The Applicant, after consent, was given an opportunity to be heard in person on 12.01.2024. Mr. Arun Rajkumar Frederick, President cum Secretary and Mr. P.K. Sarangi, Director of M/s. International Institute of Biotechnology & Toxicology, along with Mr. G. Baskar, Advocate, Mr. I. Dinesh, Advocate and Mr. Deepak Kumar, Chartered Accountant appeared as Authorized Representatives (AR) for the Personal Hearing held on 12.01.2024. They stated that they were filing additional submission in the form of a paper book containing the details/documents relating to (i) Good Laboratory Practice (GLP) certificates issued by BFR, (ii) GLP certificates issued by NGCMA (iii) List of sponsors for export service and (iv) List of GLP Certified test facilities of NGCMA, India.

16.2. During the personal hearing, the AR explained that International Institute of Biotechnology and Toxicology, basically is a society registered under the Tamil Nadu Societies Registration Act, 1975, and recognized as a Scientific and Research Organisation by Department of Scientific and Industrial Research, Ministry of Science and Technology, New Delhi. Further they are aiso recognized by the Ministry of Finance under Section 35(i)(ii) as an institution engaged in scientific

research entitled to exemption under Section 10(21) of the Income Tax Act, 1961. The main object of the society is to carry out research under laboratory and field conditions, non-clinical health and environmental safety studies among others.

16.3. When the members enquired as to whether they import any equipment or other materials, chemicals etc., without payment of duties/taxes, the AR replied that they carry out import of goods in relation to research and development under exemption vide Customs Notification No.51/96 - Customs dated 23.07.1996 and they undertook to provide sample copies of the import documents to the authorities for advance ruling within a weeks' time.

16.4. The members observed that while the R&D activities that were carried out by them is in the nature of goods/materials relating to 'Agro Chemical Sector', how is it that they relate their activities to 'Pharmaceutical Sector'? The AR replied that under the principles of 'Good Laboratory Practice (GLP)', the GLP applies to all non-clinical health and environmental safety studies required by regulations for the purpose of registering or licensing pharmaceuticals, pesticides, food and feed additives, cosmetic products, etc. They further stated that under paras 2.24 to 2.30 of the Exhibit-III (Statement containing the applicant's interpretation of law or facts), they have clearly brought out the nexus between the agrochemical sector and the pharmaceutical sector. Apart from the same, they reiterated that out of the ten 'Description of supplies' specified in Table-B of the Notification No.04/2019 - Integrated Tax dated 30.09.2019, almost eight of such supply description matches with R&D activities related to Agrochemical sector, though the said notification refers only to the pharmaceutical sector.

16.5. The members took note of the list of sponsors for whom they render R&D services, and requested the AR to provide the nature of testing activities carried out in respect of each sponsor. The AR replied that they would furnish the same in a weeks' time, along with a brief write-up linking the R&D process involving Agrochemical and Pharmaceutical sectors. The AR also stated that they have filed an application on 29.12.2023 to include pharmaceutical products in their R&D activities, a copy of which they undertook to produce before the authorities for advance ruling.

16.6. Accordingly, the Applicant has filed additional documents vide letter dated 30.01.2024, including a copy of the GLP Application dated 29.12.2023, filed by the Applicant before the National Good Laboratory Practice (GLP) Compliance Monitoring Authority and requested for another personal hearing to clarify and explain the information in the additional documents submitted. Considering the Applicant's request another personal hearing was provided on 26.03.2024, during which Mr. Arun Rajkumar Frederick, President cum Secretary, and Mr P.K. Sarangi, Director of M/s IIBAT, along with Mr. I. Dinesh, Advocate and Mr. Deepak Kumar, Chartered Accountant appeared as Authorized Representative of the Applicant. The Authorized Representative stated that as undertaken by them during the original personal hearing held on 12.01.2024, they are furnishing the requisite details along with a brief write-up linking the R & D process involving

Agrochemical and Pharmaceutical sectors. The AR reiterated the submissions made in the previous personal hearing and in the additional submissions made by them.

17. DISCUSSION AND FINDINGS:

17.1. We have carefully considered the submissions made by the applicant in the Advance Ruling application, the submissions made during the personal hearing dated 12.01.2024, the additional submissions filed in pursuant to the above mentioned Personal hearing, vide letter dated 30.01.2024 and the submissions made during the personal hearing conducted on 26.03.2024.

17.2. As observed from the facts of the case put forth by the Applicant, the Applicant undertakes testing for the products of their clients (hereinafter referred to as 'sponsors'), and the Applicant provides the test results in the form of a report. Applicant has a standard practice to execute an agreement/document with the sponsor(s). The sponsor makes available a certain quantity of material (hereinafter referred to as the "test item") based on the agreement pursuant to which the research, development, testing and analysis will be carried out and methodologies adopted for the research, development and testing are well documented as per the global guidelines and standards. After completion of the work entrusted, documentation of the report/results explaining the methodology used for research, development and testing carried out and same is submitted to the sponsors. During the process of research, development and technical testing, the test items as provided by the sponsors are consumed. Since such items are consumed during the process, they are not returned and they have rendered the above services in the form of major heads viz, Chemistry, Bio-efficacy and Genetic Toxicology.

17.3. The applicant has been supplying the above services to its sponsors outside India under tax invoice with 18% GST as the applicant's understanding was that the place of supply for such services falls in India under Section 13(3) of the IGST Act, 2017.

17.4. It is also observed from the statement of facts that the Applicant is recognized as the 'Test Facility' (TF) as per guidelines of NGCMA (i.e.,) National Good Laboratory Practices Compliance Monitoring Authority, which is an Authority constituted based on the Good Laboratory Practices (GLP) as per Organization for Economic Co-Operation and Development (OECD) Principles of GLP. The Applicant has pointed out that Good Laboratory Practice (GLP) is a quality system concerned with the organizational process and the conditions under which non-clinical health and environmental safety studies are planned, performed, monitored, recorded, archived and reported. These studies are undertaken to generate data by which the hazards and risks to users, consumers and third parties, including the environment, can be assessed for pharmaceuticals, agrochemicals, cosmetics, food additives, feed additives and contaminants, novel foods, biocides, detergents etc.

17.5. The Applicant stated that they receive the consideration in convertible foreign exchange for providing these services to sponsors outside India and

further, the place of effective use and enjoyment of the above services is purely in the hands of service recipient who is located outside India. The Applicant claimed that they fulfill the conditions as stated in the Notification No.04/2019 – Integrated Tax, with respect to the supply of services made outside India and all the services provided by the applicant fall under the categories listed out in the Notification No. 04/2019 – Integrated Tax and sought for this Advance Ruling on the applicability of the notification to specified services provided by the applicant in relation to **'Agrochemical sector'**.

17.6. Under the interpretation of law by the Applicant, they have stated that Section 13(3) of the IGST Act prescribes the place of supply where the service relates to goods which have to be made physically available to the supplier of service. In the present case, the samples with respect to which the activities of testing, analytical studies, clinical trials are performed are physically made available by the sponsors in India, i.e., the taxable territory. In such cases, place of supply shall be deemed to be the location where the services are actually performed.

17.7. The Applicant has also stated that, as per section 13(13) of the IGST Act, 2017, the Government may notify any description of services or circumstances under wherein the place of supply shall be the place of effective use and enjoyment of a service. Accordingly as per the Notification No. 04/2019 - Integrated Tax dated 30 September 2019, place of supply for the Supply of research and development services related to **'Pharmaceutical sector'** as specified in Column (2) and (3) from Sl. No. 1 to 10 of Table B by a person located in taxable territory to a person located in the non-taxable territory, shall be the location of the recipient of service, subject to certain conditions, viz.,

a. Supply of service should be from taxable territory

b. Service recipient should be located in a non-taxable territory

c. Such supply should fulfill all other conditions of 'export of service' except for the condition of the place of supply being outside India.

17.8. Based on the facts of the transaction undertaken by them, the applicant has stated that the conditions prescribed for export of services as per the Section 2(6) of the IGST Act are satisfied in the present case. The same are enumerated below:

a. the supplier of service, i.e., IIBAT or the Applicant is located in the taxable territory, i.e., India;

b. the recipient of service, i.e., the sponsor(s), are located outside India;

c. the payment for such service has been received by the supplier of service in convertible foreign exchange; and

d. the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in section 8 since they are unrelated entities.

17.9. We find that, in so far as activities listed out in Table B of the notification are concerned, the Applicant has attempted to establish that the services rendered by them also fall within the scope of the 'Pharmaceutical services' as notified in the Notification 4/2019, IGST Act, by mapping certain major activities performed by them with respect to 'Agro-chemical sector' with the activities described in the notification and claimed that the nature of activities performed by them are squarely covered under Notification No. 04/2019 – Integrated Tax and thereby they are of the view that conditions in the notification have been met by the Applicant and the place of supply in respect of research and development services pertaining to agro-chemical sector rendered by the Applicant shall be the location of the recipient (i.e. sponsor), i.e., outside India.

17.10. To drive home the point, the applicant has made reference to the recommendations of the Fitment Committee in the 37th GST Council meeting, and stated that based on the above, it is evident that the intention of the law was to tax such services at the place of effective use and enjoyment of the service. Therefore, it would not be incorrect to conclude that for the same set of research and development services provided in respect of 'Agro-chemical sector', the same principles of determining place of supply and consequential taxability should be applied.

17.11. The applicant reiterate their stand by explaining the nexus between the agro-chemical and pharmaceutical sectors, and that both Pharmaceuticals and Agro chemical products undergo a similar research, development and testing process. Indeed, both are chemical compounds that can have adverse effects and if misused, will have detrimental effects on human health and/or the environment. As per the scope of document No.1 of OECD principles of GLP as revised dated 1997 (ENV/MC/CHEM(98)17), "Principles of Good Laboratory Practice(GLP) should be applied to the non-clinical safety testing of test items contained in pharmaceutical products, pesticide products, cosmetic products, veterinary drugs as well as food additives, feed additives, and industrial chemicals. These test items are frequently synthetic chemicals, but may be of natural or biological origin and in some circumstances, may be living organisms. The purpose of testing these test items is to obtain data on their properties and/or their safety with respect to human health and/or the environment. Unless specifically exempted by national legislation, these Principles of Good Laboratory Practice apply to all non-clinical health and environmental safety studies required by regulations for the purpose of registering or licensing pharmaceuticals, pesticides, food and feed additives, cosmetic products, veterinary drug products and similar products, and for the regulation of industrial chemicals" and they have claimed that considering the same, Agrochemical services shall be treated on par with the Pharmaceutical Services.

17.12. The Applicant also lists out the similarities between the pesticides and drugs to substantiate their stand that starting from the beginning, the early-stage process for discovering new pesticides or new drugs is very similar. Usually, a

target or a mechanism of action is identified, and a screening is performed with a library of chemical compounds and the applicant states that the physicochemical parameters used by industry as an initial estimate of the probability of a molecule being a good pharmaceutical or pesticide are very similar. In fact, few of the most common chemical side chains of pharmaceutical molecules are the same as those for pesticides and are found in about the same relative frequency. The molecular weight range of pesticides and pharmaceuticals is also very similar. Under these circumstances, the Applicant is of the view that with respect to Research, Development and Testing process, the activities carried out by both the industries are inter linked with each other and in few cases, the Research, development, testing and analysis are the same and considering the similarities between pharmaceutical and agro-chemical sectors, the research and development services provided by the applicant squarely falls under the various types of services provided in the notification. Stating the same, the applicant has claimed that such services with respect to agro-chemical sectors are also to be treated at par with pharmaceutical sector as the same set of activities are carried out by the applicant in respect of both sectors and therefore, the Applicant is of the view that place of supply in respect of research and development services for agro-chemical sector shall be the location of recipient of service, i.e., the sponsors located outside India.

17.13. With the above back drop, the Applicant is before us seeking Advance ruling on the Query "Whether Notification No. 04/2019 – Integrated Tax, issued dated 30th September 2019 shall be applicable on the services supplied by the Applicant, i.e., research and development services provided in relation to agrochemical sector?.

17.14. The Applicant also filed copies of agreement entered into with various sponsors available at non-taxable territory as well as taxable territory as follows vide paper book dated 25.03.2024

List of Agreements filed by the Applicant

Table-1

Sl. No	P.No of the Typed Set	Service Recipient	Country	Date of Contract	Agreement is for the purpose/ Nature of Service
1	3	Malaria Consortium	London, U.K	Contract no 16.05.2023	Provision of Laboratory Service with regard to alpha-cypermethrin
2	28	UNOPS	Cambodia	Purchase Order date 24/04/2021	Purchase Order for quality control testing services of LLIN
3	30	Cinemonics	Kenya	Work Order date 15.03.2024	Work Order for quality control testing services of LLIN(Long Lasting Insecticidal Nets)

4	33	Fujian Yamei Industry &Trade Co Ltd	China	Agreement date 20.03.2023	Bio assay – tunnel test services on alpha cyper methrin+ chlorfenapyr
5	37	Indian Council of Social Science Research	New Delhi	Award Letter date 08.07.2019	Geographical Information of Hydrofluorosis in TamilNadu
6	38	Baba Atomic Research Centre, Nuclear Agriculture and Biotechnology Division	Mumbai	Ref letter dated 05.01.2018	To generate the data on toxicity and environment safety of Trichoderma koningiopsis
7	41	ICAR	Lucknow	Service Work Order date 09.03.2020	Services of toxicological analysis of Trichoderma reesei
8	44	ICAR Indian Institute of Horticultural Research	Bengaluru	Ref date 31.01.2020	Generating toxicological data on "A second set of intraperitonal pathogenicity and eye irritation test"
9	46	CSIR-National Botanical Research Institute, Lucknow	Lucknow	Purchase Order date 14.03.2022	Container content compatability SAC code 998114
10	49	ISRO Propulsion Complex	Mahendiragiri	Purchase Order date 13.07.2022	Toxicity evaluation of fuel blend
11	51	Faculty of Agriculture, AAU(Jorhat)	Jorhat-13	Ref date 31.03.2022	Toxicity Study of two biopesticides as a part of PG research of the Dept of plant pathology

17.15. On perusal of the abovementioned agreements, it is seen that the entries at serial Nos.5 to 11, are pertaining to the purchase order / Award letter/ Service Work Order entered into by the Applicant with certain Government Organizations located within the Taxable Territory. Hence, we are of the opinion that any discussion about the supply of such services rendered within the Taxable Territory is not relevant to the issue in question. However, it is important to delve into the Agreements executed by the IIBAT /Applicant with the sponsors located outside India, in order to ascertain the applicability of the Notification 4/2019, on the facts of the applicant's case.

18.0. **Discussion on Agreements Entered into with Foreign Service Recipients by the Applicant:**

18.1. On Perusal of the agreement dated 16.05.2023 entered into with the sponsor viz Malaria Consortium, an U.K based Company to ascertain the nature of service rendered by the Applicant, it is seen that the contract is for the provision of Laboratory service for **chemical analysis of Mosquito Net, besides furnishing of certified test results for all samples** and **certified professional advice/feedback on sample compliance with reference/ standards**.

18.2. As observed from the Service description and scope of work, the service provider shall receive and store one thousand (1000) samples of BPO nets (30 cm x 30cm each) cut out from two hundred (200) nets according to standard protocols.

18.3. The service provider shall determine the alpha-cypermethrin active ingredient content of pooled samples of each net in grams per kilogram and mg/M^2 of net according to the test method CIPAC 454/LN/M/3.2 (Hand Book M, p41) and the service provider shall determine the BPO active ingredient content of pooled samples of each net in g/kg and mg/M^2 of net according to the test method CIPAC extension of 33/LN/M/3 (HandBook N, p112).

18.4. As observed from the description and scope of work as stated above, it is inferred that the Applicant has to analyse the test sample, i.e., in this case, the Mosquito net, received from the service recipient and determine the weight in grams of the alpha-cypermethrin active ingredient content in one kilogram of the **Mosquito net (test sample)** and weight in milligram of the same in one square meter of the Mosquito net (test sample) and similarly, has to determine the weight in grams of the BPO active ingredient content of pooled samples present in one kilogram of the test sample as well as weight in milligram of the same in one square-meter of the test sample. The standard analytical procedures to be followed for the quantification of the said parameters would be furnished by the sponsor. Mosquito net (test sample) on which the analyses to be conducted are physically made available to the Applicant. The most important condition is that service provider shall follow international best practice guidelines to ensure reliability of results and the personnel involved in the activities should be trained in concerned diagnostic chemical science.

18.5. With regard to the second contract made with UNOPS / Cambodia, for Purchase Order date 24/04/202, which is for conducting quality control testing services, in **respect of LLIN, otherwise known as Long Lasting Insecticidal Nets.**

18.6. With regard to the third contract entered with Cinemonics/Kenya for Work Order, date 15.03.2024, the Applicant is undertaking quality control testing services of **LLIN (Long Lasting Insecticidal Nets)**

18.7. In respect of fourth contract Agreement dated 20.03.2023 with Fujian Yamei Industry &Trade Co Ltd, a China based Company, Bio assay – tunnel test services on alpha cyper methrin+chlorfenapyr.

18.8. On detailed examination of nature of test activities undertaken by the Applicant, as seen from the copies of agreements, it is noticed that the Applicant is involved in the quality analysis of **Long Lasting Insecticidal Nets (LLIN Mosquito Net),** by determining the quantity of alpha-cypermethrin and BPO content impregnated in the Mosquito Net. Whereas, it is known that Alpha Cypermethrin **is a synthetic pyrethroid insecticide and Piperonyl butoxide (PBO) is a man-made pesticide.**

18.9. It is the contention of the Applicant that in the above said services wherein the location of the service recipient is outside India, the consideration is received in convertible foreign Exchange and they have satisfied all other conditions, but not fulfilled the condition in respect of place of supply, enumerated under clause (iii) of Section 2 (6) of the IGST Act, to qualify for the export of Service to avail the benefits granted by the Government in terms of Zero Rate Sale, vide Section 16 of the IGST Act, owing to the reason that the Section 13(3) of the IGST Act, prescribed that the place of supply shall be the location where the services are actually performed, relating to services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services.

18.10. It is also pertinent to notice that, earlier the Applicant themselves were of the opinion that the place of supply of service rendered by them falls under Section 13(3) of the Act, i.e., where services are actually performed and discharged the tax liability accordingly. Post the issue of the Notification 4/2019, by the Central Government, the applicant has claimed that the activities undertaken by the applicant are exactlythe same as listed out in Notification No. 04/2019 – Integrated Tax, where the place of effective use and enjoyment is the location of the sponsors, i.e., outside India.

18.11. However, a plain reading of the Notification No. 04/2019 – Integrated Tax dated 30.09.2019, reveals that the said Notification is applicable to research and development services related to 'Pharmaceutical sector' only, as specified in Column (2) of Table-A (Description of services or circumstances), that reads as,

> *"Supply of research and development services* ***related to pharmaceutical sector*** *as specified in Column (2) and (3) from Sl. No. 1 to 10 in the Table B by a person located in taxable territory to a person located in the non-taxable territory."*

And the relevant entries in Table-B are as reproduced below :-

Table B

Sl.	Nature of Supply	General Description of Supply
(1)	(2)	(3)
1	Integrated discovery and Development	This process involves discovery and development of molecules by **pharmaceutical sector for medicinal use**. The steps include designing of compound, **evaluation of the drug metabolism biological activity**, manufacture of target compounds, stability study and long-term toxicology impact.
2	Integrated development	
3	Evaluation of the efficacy of new chemical/ biological entities in animal models of disease	This is in vivo research (i.e. within the animal) and involves development of customized **animal model diseases and administration of novel chemical in doses to animals to evaluate the gene and protein expression in response to disease**. In nutshell, this process tries to discover if a novel chemical entity that can reduce or modify the severity of diseases. **The novel chemical is supplied by the service recipient** located in non-taxable territory.
4	Evaluation of biological activity of novel chemical/ biological entities in in-vitro assays	This is in vitro research (i.e. outside the animal). An assay is first developed and then the **novel chemical is supplied by the service recipient located in non-taxable territory** and is evaluated in the assay under optimized conditions.
5	Drug metabolism and pharmacokinetics of new chemical entities	This process involves investigation whether a new compound synthesized by supplier can **be developed as new drug to treat human diseases** in respect of solubility, stability in body fluids, stability in liver tissue and its toxic effect on body tissues. Promising compounds are further evaluated in animal experiments using rat and mice.

6	Safety Assessment/ Toxicology	Safety assessment involves evaluation of new chemical entities in laboratory research animal models to support filing of investigational new drug and new drug application. Toxicology team analyses the potential **toxicity of a drug to enable fast and effective drug development**.
7	Stability Studies	Stability studies are conducted to support formulation, development, safety and efficacy of a new drug. It is also done to ascertain the **quality and shelf life of the drug in their intended packaging configuration.**
8	Bio-equivalence and Bio-availability Studies	Bio-equivalence is a term in pharmacokinetics used to assess the expected in vivo biological equivalence of two proprietary preparations of a drug. If two products are said to be bioequivalent it means that they would be expected to be, for all intents and purposes, the same. Bio-availability is a measurement of the rate and extent to which a **therapeutically active chemical is absorbed from a drug product into the systemic circulation and becomes available at the site of action.**
9	Clinical trials	The drugs that are developed for human consumption would undergo human testing to confirm its utility and safety before being registered for marketing. **The clinical trials help in collection of information related to drugs profile in human body such as absorption, distribution, metabolism, excretion and interaction.** It allows choice of safe dosage.
10	Bio analytical studies	Bio analysis is a sub-discipline of analytical chemistry covering **the quantitative measurement of drugs and their metabolites,** and biological molecules in unnatural locations or concentrations and macromolecules, proteins, DNA, large molecule drugs and metabolites in biological systems.

18.12. Thus, on careful reading of the list of services enumerated, it is seen that every line entry of the Table 2 of the Notification No.4/2019, involves research and development services in **pharmaceutical Sector in connection with study of drugs or disease**. But, on perusal of the services rendered by the Applicant from the copies of the agreement filed in paper book, as discussed in para 18.0 to 18.8, we have no doubt that the said services are not circumscribed under the services enumerated as supply of research and development services related to pharmaceutical sector as specified in the Table B of the notification, but **found to be relating to the quality studies in respect of long lasting insecticide infused Bed Nets,** which are used to give better protection from mosquitoes, bedbugs, cockroaches, houseflies by keeping them away or by killing them. But, the services enumerated under the Notification No. 04/2019 – Integrated Tax, pertaining to research and development in the field of pharmaceutical sector are with the aim of producing new and potential drugs into the market, ensuring the safety and validity of medical drugs and in the evaluation of safe drugs, which enable quicker patient recovery from diseases. Hence, by any stretch of imagination, the test services provided by the Applicant, in relation to the analysis of quantity of pesticides/insecticide available in the Mosquito Net, cannot be equated to the research and development services related to pharmaceutical sector as enlisted in the Notification No. 04/2019 – Integrated Tax.

18.13. The Applicant has also admitted this fact and pleaded that owing to the similarities between the agrochemical and pharmaceutical sectors, as the same set of activities are carried out by the applicant in respect of both sectors, it is most logical that such services with respect to agro-chemical sectors also ought to be treated at par with pharmaceutical sector. Further, by drawing reference from the extract of the 37th GST Council Meeting minutes with respect to the issue of Notification No. 04/2019 – Integrated Tax, the Applicant has stated that the intention of the law was to tax such services at the place of effective use and enjoyment of the service and pleaded that it would not be incorrect to conclude that the same set of research and development services provided in respect of agro-chemical sector should also be eligible for consideration for the purpose of determining place of supply and consequent taxability. With regard to the above, we are of the view that the Central Government is categorical, in notifying the services in relation to the Pharmaceutical Sector only, vide Notification 4/2019. Such power of issue of Notification to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service, lies with the Government, in terms of Section 13(13) of the IGST Act, which is reproduced below for ease of reference:

> *(13) In order to prevent double taxation or non-taxation of the supply of a service, or for the uniform application of rules,* ***the Government shall have the power*** *to notify any description of services or circumstances in which the place of supply shall be the place of effective use and enjoyment of a service.*

The phrase employed in the Section viz "the Government shall have the power" clearly proves the same.

18.14. Further, when the Notification No. 04/2019 – Integrated Tax, with clear and unambiguous language, granted the benefit to the research and development services related to pharmaceutical sector only, benefit shall not be extended to Agrochemical services which admittedly deals with pesticides including insecticides, herbicides, fungicides and nematicides. In this regard, reliance is placed on the orders of the Hon'ble Supreme Court of India in SLP(C) 306/2022, wherein the Hon'ble Supreme Court in the case of Authority for Clarification and Advance Ruling Vs Aakavi Spinning Mills Pvt Ltd, the said judgment was rendered in the context, when exemption on the Hank Yarn was denied by citing the Budget Speech, has observed that *"The exemption entry being **clear and unambiguous**, no external aid for interpretation is called for, whether in the form of Budget Speech, or any other notification under any other enactment".*

18.15. Furthermore, in Union of India and another vs. Hansoli Devi and others 2002(7)SCC (vide para 9), the Hon'ble Apex Court observed :

> *"It is a cardinal principle of construction of a statute that when the language of the statute **is plain and unambiguous**, then the court must give effect to the words used in the statute and it would not be open to the courts to adopt a hypothetical construction on the grounds that such construction is more consistent with the alleged object and policy of the Act."*

18.16. With regard to the Advance Ruling on which the applicant has placed reliance, it is to be noted that the said rulings are having binding effect on the applicant who had sought it and on the concerned officer or the jurisdictional officer in respect of the applicant, only and that too shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

18.17. Furthermore, we are of the view that in order to comply the condition mentioned in the Agreement that "service provider shall follow international best practice guidelines to ensure reliability of results and the personnel involved in the activities should be trained in concerned diagnostic chemical science" and also to qualify for rendering the above service as per contract, the Applicant should be recognized by the National Good Laboratory Practice (GLP) Compliance Monitoring Authority ***(NGCMA).*** Further, in our view, in order to ensure accuracy of the test results, a Good Laboratory shall maintain the standardization of chemical solutions involved, Calibration of instruments with standardized solutions and the personnel concerned shall be trained and expertise for the analytical techniques as well as in operating the sophisticated instruments and equipment. The Government of India by recognizing the need to have Good Laboratory Practice (GLP) system and implemented the GLP, by following principles evolved by Organization for Economic Co-operation and Development (OECD) and the purpose of the GLP Certification is for *"Capacity Building, Infrastructure development as per the Government of India, Department of Science and technology".* Hence, the Applicants claim that "as they are recognized by the National Good Laboratory Practice (GLP) Compliance

Monitoring Authority (NGCMA) and they also fall within the Scope of the Notification No. 04/2019 – Integrated Tax is untenable, as the *NGCMA* ***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 and has no nexus with the* Notification No. 04/2019 – Integrated Tax. The Central Government by Notification No. 04/2019 – Integrated Tax, with clear and unambiguous language notified that the place of supply will be the location of recipient of service, only in respect of the supply of research and development services related to pharmaceuticals Sector. Merely for the reason that the Applicant claims to be capable of undertaking/ performing services in relation to pharmaceuticals Sector and that they are recognized by NGCMA, would not be sufficient to cover the services rendered by them in relation to Agrochemical sector, so as to fall within the scope of the said exemption Notification. In this regard, it is important to take note of the fact that the Applicant admittedly have filed GLP Application themselves dated 29.12.2023 before the National Good Laboratory Practice (GLP) Compliance Monitoring Authority for Pharmaceutical Services, to get their test items under the Pharmaceutical sector to be incorporated under GLP Certification.

18.18. In view of the above discussions, we are of the considered opinion that the place of supply in the instant case continues to be covered under Section 13(3) of the IGST Act, 2017 and are accordingly taxable. Further the provisions of Notification No. 04/2019 – Integrated Tax, dated 30th September 2019 are applicable to research and development services related to 'Pharmaceutical sector' only and shall not be applicable on the services supplied by the applicant, in terms of the agreements entered into with the foreign Service recipients, as there are no provisions to include or consider 'Agro-chemical sector' within the ambit of the impugned notification.

19. Based on the above discussions, we rule as under:

RULING

The Notification No. 04/2019 – Integrated Tax, issued dated 30th September 2019 **shall not be applicable** on the services supplied by the applicant, i.e., research and development services provided in relation to 'Agro-chemical sector'.

11/7/2024

(A. VALLI)
Member (SGST)

AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICE TAX
TAMILNADU

11/07/2024.

(D. JAYAPRIYA)
Member (CGST)

To

M/s. International Institute of Bio Technology and Toxicology,
No. 3/266, BDO Office Road, Padappai,
Kancheepuram,
Tamilnadu - 601 301.

Copy submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,
   26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

2. The Commissioner of Commercial Taxes,
   2nd Floor, Ezhilagam, Chepauk, Chennai – 600 005.

3. The Commissioner of GST & Central Excise,
   Chennai Outer Commissionerate,
   Annanagar, Chennai 600 040.

Copy to:

1. The Assistant Commissioner (ST),
   Oragadam Assessment Circle,
   Varadharajapuram, Chennai – 600 123.

2. Master File/ Spare – 2.