

2024 (85) G.S.T.L. 254 (A.A.R. - GST - Telangana)

BEFORE THE AUTHORITY FOR ADVANCE RULING UNDER GST, TELANGANA

S/Shri Sahil Inamdar, Member (Central Tax) and S.V. Kasi Visweswara Rao, Member (State Tax)

IN RE : STANEX DRUGS & CHEMICALS PVT. LTD.

TSAAR Order No. 3/2024, dated 7-2-2024 in A.R.Com/16/2023

Teicoplanin and Caspofungin - Drugs & Medicines - Chapter 30 - Classification - Applicant- assessee is a manufacturer of parental dosage forms i.e. , Drugs & Medicines - Assessee, a pharmaceutical company sought application for advance ruling on tax liability of products i.e. teicoplanin and caspofungin - *HELD* : Said products are taxable at 5% GST as per Sl. No. 180 of Schedule 1 of Notification No. 1/2017-C.T. (Rate), dated 28-6-2017 - Further said commodity name is enumerated in list appended to lists appended to said Schedule - Section 9 of Central Goods and Services Tax Act, 2017 - Section 9 of Telangana Goods and Services Tax Act, 2017. *[paras 7 and 8]*

Ruling in favour of assessee

NOTIFICATION CITED

Notification No. 1/2017-C.T. (Rate), dated 28-6-2017..... [Paras 5, 7]

[Order]. - M/s. Stanex Drugs & Chemicals Private Limited, 16-140/1, Street No. 3 Prashanthi Nagar, Uppal, Hyderabad, Telangana-500039 (36AAICS7104A1ZQ) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.

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

3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST Act. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- under SGST and Rs. 5,000/- under CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided nor are pending before any authority under any provisions of the CGST/TGST Act, 2017. The application is, therefore, admitted after examining it and the records called for and after hearing the applicant as per Section 98(2) of TGST Act, 2017.

4. *Brief facts of the case :*

4.1 M/s. Stanex Drugs and Chemicals Private Limited [Hereinafter called SDCPL] Rep. by K. Bhagavan Reddy, Managing Director, Registered office of the D. No. : 16-140/1, Street No. 3 Prashanthi Nagar, Uppal, Hyderabad, TS-500039, and Manufacturing place of the Plot No. M112, IDS Phase 3, Cherlapally, Hyderabad-500051, and registered under the Goods and Services Tax Act, 2017, and having the following details :

S. NO.	AUTHORITY ISSUED	PARTICULARS
01	GST No.	36AAICS7104A1ZQ
02	ROC CIN NO.	U24239TG2004PTC044988
03	GMP/DRUG LICENCE NO.	28/RR/AP/2009/F/R
04	UDYAM NO. TS-02-0085479	TS-02-0085479

4.2 M/s. SDCPL GST No. 36AAICS7104A1ZQ, is one of the fastest growing pharmaceuticals in India, It was established in the year 2004 and has seen phenomenal growth and is active in developing, Manufacturing & Marketing of Domestic and Export comprehensive range of pharmaceutical formulation such as small value parental. M/s. SDCPL valid manufacturing automation issued by the relevant competitive authorities manufacturing license and issuing authority director of drugs control administration Govt. of Telangana State. M/s. SDCPL is one of the unique infrastructures in India for the manufacture of parental dosage forms. They are in the ceaseless pursuit of versatile and sophisticate product range also the M/s. SDCPL Manufactured products are exported to many of the countries. The M/s. SDCPL types of products currently manufactured on small value parental like liquid indictable (Vials) Pre-filled syringes and lyophilized products.

5. Questions raised :

Determination and of the liability to pay tax on any goods or services or both

S N O	Produ ct Name
1	Teicop lanin

2	Caspo fungin
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M/s. SDCPL the manufacturing of the above products are taxable @ 5% by virtue of Entry Nos. 180 (List-1 Entry No. 103) 181, 181A Schedule-1 of the Notification No. 1/2017-Central Tax (Rate), dated 28-6-2017 Drugs and medicines, formulations and Medicaments comes under HSN Code 3002 and 3004, respectfully submit that seeking the clarification of the above products are comes under 5% or 12%.

6. Personal hearing :

The Authorized representatives of the unit namely Smt. Nitya Kamireddy, Director and Sri M.V.L. Narasimha Rao, Advocate & AR attended the personal hearing held on 6-8-2023. The authorized representatives reiterated their averments in the application. Further, the Authorised Representative/Applicant M/s. Stanex Drugs and Chemicals Private Limited, reiterated that their case/Similar Case is not pending in any proceedings in the applicant's case under any of the provision of the Act and have not already decided in any proceedings in the applicant's case under any of the provisions of the Act.

7. Discussion & findings :

The Applicant is a manufacturer of parental dosage forms *i.e.*, Drugs & Medicines. They have applied for Advance Ruling in order to obtain clarification regarding rate of tax under CGST & SGST Acts for the following commodities :

- (1) Teicoplanin
- (2) Caspofungin

The item Drugs or Medicines is enumerated in Schedule-I of Notification No. 1/2017, dated 28-6-2017 as follows :

S. N o.	Cha pter/ Hea ding/ Sub- head ing/ Tarif f item	Description of Goods
1 8 0.	30	Drugs or medicines including their salts and esters and diagnostic test kits, specified in List 1 appended to

		this Schedule
1 8 1.	30	Formulations manufactured from the bulk drugs specified in List 2 appended to this Schedule or pharmacopoeia
1 8 1 A	30	Medicaments (including those used in Ayurvedic, Unani, Siddha, Homeopathic or Bio chemic systems), manufactured exclusively in accordance with the formulae described in the authoritative books specified in the First Schedule to the Drugs and Cosmetics Act, 1940 (23 of 1940) or Homeopathic Pharmacopoeia of India or the United States of America or the United Kingdom or the German Homeopathic Pharmacopoeia, as the case may be, and sold under the name as specified in such books or pharmacopoeia

These goods are taxable at the rate of 2.5% CGST & 2.5% of SGST further the commodity name is enumerated in the lists appended to this Schedule. The commodities regarding which the clarification sought are enumerated in this list as follows :

Sl. No. in List-1 to Schedule-I	Item
103	Capsosungin acetate
216	Teicoplanin

In the view of the above discussion it is clarified that the above two (2) commodities are taxable at the rate of 2.5% CGST & 2.5% of SGST.

8. In view of the foregoing, we rule as follows :

In view of the above discussion, the questions raised by the applicant are clarified as below :

Questions	Ruling
1. What is the rate of tax on Capsosfungin acetate?	The rate of 2.5% CGST & 2.5% of SGST.
2. What is the rate of tax on Teicoplanin?	The rate of 2.5% CGST & 2.5% of SGST.