

GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX D/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	
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ADVANCE RULING NO. GUJ/GAAR/R/38/2021

(IN APPLICATION NO. Advance Ruling/SGST&CGST/2021/AR/21)

Date: 30-07-2021

Name and address of the applicant	:	M/s. Romano Drugs Pvt. Ltd., 9/B, Trimul Estate, P.O. Khatraj, Nr. Lincoln Pharma, Ta-Kalol, District- Gandhinagar, Gujarat-392110
GSTIN/ User Id of the applicant	:	24AAACR9722P1ZX
Date of application	:	18-6-21
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(a), (b) & (e)
Date of Personal Hearing	:	27-7-21(through Video Conferencing)
Present for the applicant	:	Shri Dharmendra Shah, CA

BRIEF FACTS

The applicant, M/s. Romano Drugs Pvt. Ltd. has submitted that they are providing job work services on Diphenylmethoxy'N, N - diethylaminethanol HCI (Job work of pharmaceutical Drugs).

2. The applicant submitted that Section 2(68) of the CGST Act, 2017 defines job work as '*any treatment or process undertaken by a person on goods belonging to another registered person*'. The job worker is required to carry out the process specified by the principal on the goods owned by him. Sl. No. 26 of the Notification No. 11/2017-CT (Rate) dated 2-6-2017 defines the GST rates to be charged on manufacturing services on physical inputs (goods) owned by others. That the Notification No.11/2017 dated 28-06-2017 was amended vide Notification No.20/2019 dated 30.09.2019, and the following entry was inserted at serial number-26 namely "*(id) Services by way of job work other than (i), (ia), (ib) and (ic) above*", which is chargeable to CGST at the rate of 6% and *(iv) Manufacturing service on physical inputs(goods) owned by others other than specifically specified*, is chargeable to CGST at the rate of 9%.

3. The applicant has submitted that as per the CBIC Circular, if any service provided by way of treatment or processing undertaken by a person on goods belonging to another registered person will be considered under the Job work service and is liable @ 12% GST.

Question on which Advance Ruling sought

1. What is rate of tax applicable to the Services by way of job work on Diphenylmethoxy'N' N- diethylaminethanol HCI (Job work of pharmaceutical Drugs) , undertaken by the supplier (applicant) as per CBIC issued clarification on Job work vide circular No.126/45/2019- GST dated 22.11.2019 i.e., whether the GST rate 18% or 12% is to be charged by the supplier?

2. CBIC amends notification No.11/2017- Central Tax (Rate) so as to notify CGST rates of various services as recommended by GST Council in its 37th meeting held on 20-09-2019 vide Notification No.20/2019-Central Tax (Rate) dated 30th September,2019 as there is no clarification given on these notification on job work of Pharmaceutical Drugs

on which we seek your clarification regarding rate of tax applies to our job work services on Diphenylmethoxy'N, N- - diethylaminethanol HCl.

Personal Hearing

4. Shri Dharmendra Shah, CA appeared for the hearing (Video conference) on 27-7-21 and reiterated the contents of the application. To specific question whether all customers of applicant in subject matter were registered under GST, he submitted that they receive goods from Registered Persons only for subject matter.

FINDINGS

5. We have considered all the submissions made by the applicant and find that subject activity merits to be covered at entry 'id' of Heading 9988 at Sl. No. 26 of Notification No. 11/2017-CT (R) dated 28-6-17, as amended, as in subject matter, applicant supplies services by way of jobwork on goods belonging to another registered person.

RULING

GST is leviable at 12% .

(SANJAY SAXENA)

MEMBER (S)

(ARUN RICHARD)

(MEMBER (C))