

M/s Laurus Labs Limited

Authority for Advance Ruling — Andhra Pradesh

Order No. AAR/AP/03(GST)/2018

Dated 28.03.2018

Q Questions Before the Authority

- Whether the applicant is eligible to claim the benefit of lower rate of GST i.e., 5% under Sl. No. 180 of Schedule-I of the rate schedule under Notification No. 01/2017- Central Tax(Rate) dated 28.06.2017 read with the corrigendum dated 30.06.2017 on supply of 1. EFAVIRENZ, EMTRICITABINE, SUNTINIB MALATE, RALTEGRAVIR POTASIMUM, LATANOPROST, which also falls under Sl. No. 40 of Schedule III.

F Facts

The applicant is engaged in the manufacturing of pharmaceutical products, specifically bulk drugs and intermediates. They manufacture products including Efavirenz, Emtricitabine, Sunitinib Malate, Raltegravir Potassium, and Latanoprost. A question arose whether these bulk drugs are eligible for the concessional GST rate of 5% applicable to specified drugs under Schedule I or if they attract 18% GST as organic chemicals under Schedule III.

H Ruling

Supply of Efavirenz, Emtricitabine, Sunitinib Malate, Raltegravir Potassium, and Latanoprost

Eligible for 5% GST under Sl. No. 180 of Schedule-I of Notification No. 01/2017-Central Tax (Rate)

Applies to bulk drugs covered under List 1 appended to Schedule I

The Authority held that the applicant is eligible to claim the lower GST rate of 5% under Sl. No. 180 of Schedule-I of Notification No. 01/2017-Central Tax (Rate) read with corrigendum dated 30.06.2017. The Authority ruled that the **specific entry overrides the general entry**, thereby entitling the specified bulk drugs to the lower rate.

R Reasoning

The Authority observed that the specified items are explicitly listed under List 1 appended to Schedule I (Sl. No. 180) of Notification No. 01/2017-Central Tax (Rate). The word 'drug' in the entry is not restricted by terms like 'formulation' or 'bulk', thereby covering bulk drugs as well. Applying the principle that a **specific entry overrides the general entry**, the specific listing under List 1 of Schedule I prevails over the general classification of organic chemicals under Sl. No. 40 of Schedule III.

P Provisions Relied On

Sl. No. 180 of Schedule-I to Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017

Corrigendum dated 30.06.2017 to Notification No. 01/2017-Central Tax (Rate)

List 1 appended to Schedule-I of Notification No. 01/2017-Central Tax (Rate)

Sl. No. 40 of Schedule-III to Notification No. 01/2017-Central Tax (Rate)

! For the Practitioner

This ruling establishes that bulk drugs enumerated in List 1 of Schedule I qualify for the **concessional GST rate of 5%**, even if they are active pharmaceutical ingredients classifiable under Chapter 29. It settled that the entry for 'drugs or medicines' is broad enough to cover bulk forms unless explicitly excluded.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> ap 03-2018 28-03-18 laurus labs.pdf

Prepared 16-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com