

TELANGANA STATE AUTHORITY FOR ADVANCE RULING
CT Complex, M.J Road, Nampally, Hyderabad-500001.
(Constituted under Section 96(1) of TGST Act, 2017)

Present:

Sri B. Raghu Kiran, IRS, Additional Commissioner (Central Tax)
Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Tax)

A.R.Com/05/2021

Date:15.07.2022

TSAAR Order No.46/2022

[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]

1. M/s. Incnut Lifestyle Retail Private Limited, Office No.G-3, Ground Floor,, Modern Profound Tech Park, Kondapur, Serlingampally, Hyderabad, Rangareddy, Telangana - 500084 (36AAECI8820M1Z6) 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/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided by nor are pending before any authority under any provisions of the GST Act. The application is therefore, admitted.

4. Brief facts of the case:

The applicant M/s. IncNut Lifestyle Retail Private Limited is in the business of manufacturing hair oil, shampoos etc., some of which are cosmetics and others Ayurvedic medicaments. They have obtained AYUSH license for each of their product. They are desirous of ascertaining whether the products manufactured by them (52 in number) are cosmetics or medicaments. Hence this application.

5. Questions raised:

Whether the products manufactured by him under the licences issued by AYUSH department of Government of Telangana and sold as Ayurvedic products fall under HSN No. 30.04 or under HSN 3304 of the GST Tariff?

6. Personal Hearing:

The Authorized representatives Sri C.S. Srinivas, Senior Consultant and Sri Balasai Krishna J.Consultant attended the personal hearing held on 27.04.2022. The authorized representatives reiterated their averments in the application submitted and contended as follows:

1. That, the product sold by them is certificate issued by the Ayush Department, Government of Telangana and therefore that it is an Ayurvedic product and is eligible for concessional rate of tax of 12% under HSN 30049011 enumerated at Sl.No.63 of Schedule-II of Notification 1 of 2017.
2. That, they relying on a catena of case law regarding the same of which emphasis is placed on 2015 (323) ELT 209 (SC) wherein the Hon'ble Supreme Court of India while deciding the case of Hindustan Ltd., has ruled that Vaseline is medicament. They also submitted a tribunal order in the case of Aswini Home Pharmacy wherein it was ruled that Arnica Hair Oil is a medicament.

7. Discussion & Findings:

The applicant claims to be manufacturing Ayurvedic products under licenses issued by AYUSH Department of Government of Telangana. The applicant therefore is of the opinion that all the products manufactured by the applicant can be classified as Ayurvedic medicaments under chapter sub-heading '**30049011**' @12% under GST.

In the statement of relevant facts annexed to the application, the applicant has categorized the products manufactured by him into (6) broad types of Ayurvedic products. These are:

A. For treatment of Hair:

- a) Tavas Non-Sticky Hair Fall Oil
- b) Viruj Hair Fall Oil for Normal Oily Scalp
- c) Shvedan Hair Fall Oil- Non-Frizz Oil- For Dry Scalp
- d) Vapra Root Stimulating Hair Oil
- e) Niryath Root Stimulating Hair Oil
- f) Vanya Root Stimulating Hair Oil
- g) Praya Root Stimulating Hair Oil
- h) Jeevath Root Stimulating Hair Oil
- i) Ahuta Root Stimulating Hair Oil

B. For treatment of dandruff and other hair disorders:

- a) Dhavath Hairfall Shampoo (men care)

- b) Vikleda Deep Conditioning Shampoo for Dry Hair (men care)
- c) Dhavath Hairfall Shampoo
- d) Vikleda Deep Conditioning Shampoo for Dry Hair
- e) Vartha Hydrating No Frizz Hair Conditioner
- f) Rachan Intense Hydration Leave-In Conditioner
- g) Paristar Super Shield Sub Block Leave-In Condition
- h) Sushant No-Frizz Moisture Solution Leave-In Conditioner

C. For treatment of facial disorders:

- (a) Ekansh Hydro Tonic Moisturizing Face Cream
- (b) Kavan Hydralite Moisturising Face Gel
- (c) Siddh HydraPlenish Moisturizing Face Lotion
- (d) Anudha Glow Restore Moisturizing Face Lotion
- (e) Sthavi Hydroplenish Moisturizing Face Cream
- (f) Niraj HydroMatte Oil Free Face Gel

D. For treatment of mouth and oral disorders:

- (a) Shastra Oil Pulling Oral Care Oil
- (b) Shuchit Oil Pulling Oral Care Oil
- (c) Varta Oil Pulling Oral Care Oil 12.8.

E. For treatment of hair disorders:

- (a) Prachay Serum- for moderate hair fall
- (b) Pragath Serum- for severe hair fall
- (c) Rudhi Serum-for intense hair fall
- (a) Suyam Hair Growth with Dandruff Care Serum- for moderate
- (b) dandruff
- (d) Paratitih Hair Growth with Dandruff Care Serum-for severe dandruff
- (e) Vithan Pro Hair Growth Serum
- (f) Nuyantra Pro Hair Growth Serum with Dandruff Care
- (g) Samroha Advance Hair Growth Serum
- (h) Nibhida Advance Hair Growth Serum with Dandruff Care
- (i) Prabhav Intense Hair Regrowth Serum
- (c) Vardhan Pro Hair Regrowth and Anti Dandruff Serum
- (d) Avi PureGlow Antioxidant Face Serum
- (e) Arin Collagen Booster Face Serum
- (f) Irya Spot Correcting Face Serum
- (g) Prakhya Acne Rescue Face Serum
- (h) Aloka VC Brightening Face Serum
- (i) Prastha Firm Restore Face Serum
- (j) Avas Spot Correcting Face Serum

- (k) Nipun Lotus Infused Skin Clarifying Face Serum
- (l) Tarunya Basil Infused Skin Tightening Face Serum
- (m) Nishkruth Instense Spot Rectifying Face Serum
- (n) Rakshith Vitc-C Adv Anti Tan Formula

F. For treatment of facial skin disorders:

- a) Rejat Brightening Clay Mask for Tanned Skin
- b) Samdha Firming Facial Clay Mask for Ageing Skin
- c) Avasya Clarifying Clay Mask for Acne Prone Skin
- d) Dhaval Skin Radiance Facial Clay Mask for Pigmented Skin

It is the contention of the applicant that they manufacture Ayurvedic products using Ayurvedic ingredients which are helpful in the treatment of specified disorders and that their products are primarily to prevent, control, cure or mitigate skin and hair related problems and that these medicaments have prophylactic properties also.

They contended that these products are to be used for a specific period prescribed and that there is no requirement to continue the same once the physiological disorder is addressed. They contended that these products are purchased online by the customer after verifying the information, ingredients and usage of the products. The applicant contends that all the goods manufactured by them are sold as medicaments and therefore are eligible to be taxed as Ayurvedic medicaments i.e., under HSN '30049011'.

The commodity medicaments & skin care products are enumerated in Notification No. 01/2017 dt. 28.06.2017 under different schedules of the said notification as follows:

Schedule No.	S.No in the Schedule	Chapter/Heading /Subheading/ Tariff item	Description of Goods	Rate of CGST
I	178	30	Medicaments (including veterinary medicaments) used in bio-chemic systems and not bearing a brand name	2.5
	180	30 or any Chapter	Drugs or medicines including their salts and esters and diagnostic test kits, specified in List 1 appended to this Schedule	2.5
	181A	30	Medicaments (including those used in Ayurvedic, Unani, Siddha,	2.5

			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]	
II	62	3003	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale, including Ayurvedic, Unani, Siddha, homoeopathic or Bio-chemic systems medicaments	6
	63	3004	Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale, including Ayurvedic, Unani, homoeopathic siddha or Bio-chemic systems medicaments, put up for retail sale	6
III	58	3304	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure 12 preparations [other than kajal, Kumkum, Bindi, Sindur, Alta]	9

Further the explanation to Notification No. 01/2017 elaborates the procedure to interpret the entries in the schedules of the Notification as follows:

"Explanation –

(1) In this Schedule, "tariff item", "heading", "sub-heading" and "Chapter" shall mean respectively a tariff item, heading, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(2) The rules for the interpretation of the First Schedule to the said Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification."

A survey of the material submitted by the applicant reveals that the issue to be determined is whether the products manufactured by them fall under chapter '33' or chapter '30' of the customs tariff code as these products have the shades or qualities of both skin care/cosmetic as well as cure of certain ailments.

The Hon'ble Supreme Court of India in the case of Commissioner of Central Excise, Mumbai IV Vs Ciens Laboratories (2013) 14 SCC 133 formulated the following principles for determining the nature of a product as to whether it is a medicament or a cosmetic:

"Firstly, when a product contains pharmaceutical ingredients that have therapeutic or prophylactic or curative properties, the proportion of such ingredients is not invariably decisive. What is of importance is the curative attributes of such ingredients that render the product a medicament and not a cosmetic.

Secondly, though a product is sold without a prescription of a medical practitioner, it does not lead to the immediate conclusion that all products that are sold over/across the counter are cosmetics. There are several products that are sold over-the-counter and are yet, medicaments.

Thirdly, prior to adjudicating upon whether a product is a medicament or not, Courts have to see what the people who actually use the product understand the product to be. If a product's **primary function is "care" and not "cure", it is not a medicament**. Cosmetic products are used in enhancing or improving a person's appearance or beauty, whereas medicinal products are used to treat or cure some medical condition. A product that is used mainly in curing or treating ailments or diseases and contains curative ingredients even in small quantities is to be branded as a medicament."

Further the Hon'ble Apex Court of India in the case of Commissioner of Central Excise vs. Hindustan Lever Ltd. (25.08.2015 - SC) (2015) 10 SCC 742 has addressed this issue as follows:

“To put it in a nutshell, if a particular product is substantially for the care of skin and simply because it contains subsidiary pharmaceutical or antiseptic constituents or is having subsidiary curative or prophylactic value, it would not become medicament and would still qualify as the product for the care of the skin.

There would be certain products which would be purely for the care of skin and certain other products would be clearly medicament and such cases may not pose any problem.

The issue of determination as to whether a particular product falls in Chapter 33 or Chapter 30 would arise in those cases where certain products have the shades or qualities of both, namely, skin care as well as cure of skin diseases. In such cases, the necessary exercise requires to be undertaken.

Whenever product has curative or prophylactic value as well, but the Department still wants the said product to be brought under Chapter Heading 3304.00, onus is on the Department to show that it is not medicament. For this, it will have to demonstrate that curative or prophylactic value is only subsidiary in nature or that the product is covered by the description under chapter notes 5, namely, either it is chiropody or barrier cream to give protection against skin irritants. If the Department fails to discharge this onus, the product has to be treated as medicament and would be covered under Chapter 30.”

The Hon’ble Apex Court in the above case also observed that “What is more relevant is the purpose for which the product is used namely, functional test”.

In Commissioner of Central Excise v. Wockhardt Life Sciences Limited (2012) 5 SCC 585 the Hon’ble Apex Court while discussing the Interplay of Chapter 30 vis-à-vis Chapter 34 (which deals with detergent products), observed that:

“In our view, as we have already stated, the combined factors that require to be taken note of for the purpose of the classification of the goods are the **composition, the product literature, the label, the character of the product and the use to which the product is put.**”

Drawing from the above and based on the information submitted by the applicant, the undersigned authority for advance ruling propose to classify the products either as a cosmetic whose primary function is care and not cure which is used for enhancing-improving a person’s appearance -beauty or on the other hand a medicament used to treat or cure a medical condition by adopting the following parameters:

- a) The product should have a drug license.
- b) The Composition of the product should have medical ingredients.
- c) The product label/character should indicate the function or the purpose for which it is used.

It is seen that all the products mentioned above have a drug license and have Ayurvedic ingredients, but the purpose and function as seen from the literature submitted differ therefore a conclusion for each of the products are made as follows:

A. For treatment of Hair:

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Vapra Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
2	Niryath Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
3	Vanya Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
4	Jeevath Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
5	Praya Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
6	Ahuta Root Stimulating	Hair Oil	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
7	Tavas Non Sticky Hairfall Oil	For Oily Scalp	Controls Hairfall	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Promotes New Hairgrowth		
			Suitable for Oily scalp		
8	Viruj Hairfall Oil	For Normal Oily scalp	Controls Hairfall	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Promotes New Hairgrowth		
			Suitable for Normal oily scalp		

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
9	Shvedan Hairfall Oil	No-frizz oil for Dry scalp	Controls Hairfall Promotes New Hairgrowth Suitable for dry scalp	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304

B. For treatment of dandruff and other hair disorders:

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Vartha Hydrating No-Frizz	Hair Conditioner	Herbal Ingredients Safe and effective Expert formulated Moisture lock solution No harmful chemicals	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
2	Rachan Intense Hydration	Leave-in-Conditioner	Herbal Ingredients Safe and effective Expert formulated No harmful chemicals	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
3	Paristar Super Shield Sun Block	Leave-in-Conditioner	Herbal Ingredients Safe and effective Expert formulated No harmful chemicals	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
4	Sushanth No Frizz Moisture Solution	Leave-in-Conditioner	Herbal Ingredients Safe and effective Expert formulated No harmful chemicals	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
5	Dhavath Hair Fall Shampoo	Hair Fall Shampoo	Herbal Ingredients Doctor Formulated Sulphate and Paraben Free Safe and Effective	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
6	Dhavath Hair Fall Shampoo (Men care)	Hair Fall Shampoo	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Sulphate and Paraben Free		
			Safe and Effective		
7	Vikleda Deep Conditioning Shampoo for Dry hair	Shampoo for Dry hair	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Sulphate and Paraben Free		
			Safe and Effective		
8	Vikleda Deep Conditioning Shampoo for Dry hair(Men)	Shampoo for Dry hair	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Sulphate and Paraben Free		
			Safe and Effective		

C. For treatment of facial disorders:

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Sthavi Hydro Plenish	Moisturizing Face Serum	Long lasting skin miniaturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
2	Niraj HydroMatte Oil	Free Face Gel	Long lasting skin miniaturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
3	Anudha Glow Restore	Moisturizing Face Lotion	Long lasting skin miniaturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
4	Ekansh Hydro Tonic	Moisturizing Face cream	Provide longlasting skin moisturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
5	Kavan Hydralyte	Moisturizing Face Gel	Provide longlasting skin moisturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
6	Siddh HydraBlemish	Moisturizing Face Lotion	Provide longlasting skin moisturization	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304

D. For treatment of mouth and oral disorders:

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Shastra Oil Pulling	Oral Care Oil	Strenghtens Teeth and Gums	The label indicates treatment /cure of a medical condition.	Medicament falling under HSN 3003.
			Reduces Tooth Sensitivity		
			Improves Oral Hygiene		
			Removes Dental Plaque		
2	Shuchit Oil Pulling	Oral Care Oil	Strenghtens Teeth and Gums	The label indicates treatment /cure of a medical condition.	Medicament falling under HSN 3003.
			Reduces Tooth Sensitivity		
			Improves Oral Hygiene		
			Removes Dental Plaque		
3	Vartha Oil Pulling	Oral Care Oil	Strenghtens Teeth and Gums	The label indicates treatment /cure of a medical condition.	Medicament falling under HSN 3003.
			Reduces Tooth Sensitivity		
			Improves Oral Hygiene		
			Removes Dental Plaque		

E.For treatment of hair disorders:

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Tarunya Basil Infused	Skin Tightening Face Serum	Helps retain moisture in skin	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Reduces fine lines and wrinkles		
			Gives healthy glow to skin		
2	Nishkruth Intense	Spot-rectify face serum	Reduces Post Acne Spots and scars on skin	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Heals post-acne pigmentation		
			Gives healthy glow to skin		
3	Alokha VC Brightening	Face Serum	For lightening tan & Achieving Perfect Skin Complexion	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
4	Prastha firm restore	Face Serum	Improve the visual science of skin Ageing	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Maintains Complexion, Hydration and Skin Elasticity		
5	Avas spot correcting	Face Serum	Lightening blemishes & achieving perfect skin Complexion	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
6	Avi Pure-glow Anti-oxident	Face Serum	Lightening tan and achieving perfect skin complexion	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
7	Arin Collagen Booster	Face Serum	Improving the visible signs of skin ageing, maintains complexion, hydration and skin elasticity	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
8	Irya Spot Correcting	Face Serum	Lightening Blemishes and achieving perfect skin complexion	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
9	Vithan Pro Hair	Growth Serum	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Sulphate free		
			Safe and Effective		
10	Samroha Advanced	Hair Growth Serum	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Sulphate free		
			Safe and Effective		
11	Prachay Serum	For Moderate Hairfall	Reduces Hairfall	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Boosts Volume		
			Improves Hair Texture		
12	Pragath Serum	For Severe Hairfall	Reduces moderate Hairfall	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Restores damaged Hair- Roots		
			Increases Hair Volume		
13	Rudhi Serum	For Intense Hairfall	Reduces moderate Hairfall	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Restores damaged Hair- Roots		
			Increases Hair Volume		

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
14	Vardhan Pro Hair Re-growth & Anti dandruff Serum	Anti dandruff Serum	Herbal Ingredients	The label indicates treatment /cure of a medical condition, i.e., Sedorrhoeic Dermatitis commonly known as Dandruff.	Medicament falling under HSN 3003.
			Doctor Formulated		
			Silicone free		
			Safe and Effective		
15	Nuyantra Pro Hair Growth Serum with Dandruff Care	Hair Growth Serum with Dandruff Care	Herbal Ingredients	The label indicates treatment /cure of a medical condition, i.e., Sedorrhoeic Dermatitis commonly known as Dandruff.	Medicament falling under HSN 3003.
			Doctor Formulated		
			Sulphate free		
			Safe and Effective		
16	Nibhida Advanced Hair growth Serum with Dandruff Care	Hair growth Serum with Dandruff Care	Herbal Ingredients	The label indicates treatment /cure of a medical condition, i.e., Sedorrhoeic Dermatitis commonly known as Dandruff.	Medicament falling under HSN 3003.
			Doctor Formulated		
			Sulphate free		
			Safe and Effective		
17	Pratitih Hairgrowth with dandruff care serum	For Severe Dandruff	Reduces Severe Dandruff	The label indicates treatment /cure of a medical condition, i.e., Sedorrhoeic Dermatitis commonly known as Dandruff.	Medicament falling under HSN 3003.
			Soothes scalp from itching		
			Promotes Hair Regrowth		

S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
18	Nipun Lotus Infused Skin	Clarifying Face Serum	Helps control Acne	The label indicates treatment /cure of a medical condition caused by Acne Vulgaris.	Medicament falling under HSN 3003.
			Fights Acne causing activity on skin		
			Soothes skin and other inflammations		
			Safe and Effective		
19	Rakshith Vit-C Adv	Anti Tan Formula	Heals damage caused due to Sun tan	No indication for curing or treating any ailment or disease.	Not a medicament hence falls under Chapter 3304.
			Protects skin from harmful UV Rays		
			Restores and repairs damaged skin		
			Safe and effective		
20	Prakhya Acne Rescue	Face Serum	Reduces Breakouts	The label indicates treatment /cure of a medical condition caused by Acne Vulgaris..	Medicament falling under HSN 3003.
			Heals existing Acne and Minimize Skin scarring		
21	Suyam Hair Growth with Dandruff Care Serum for moderate Dandruff	For moderate dandruff	Controls moderate Dandruff	The label indicates treatment /cure of a medical condition, i.e., Sedorrhoeic Dermatitis commonly known as Dandruff.	Medicament falling under HSN 3003.
			Restore damage Hair root		
			Promotes Hair Regrowth		
22	Prabhav Intense	Hair Re-growth Serum	Herbal Ingredients	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Doctor Formulated		
			Silicone free		
			Safe and Effective		

F. For treatment of facial skin disorders:

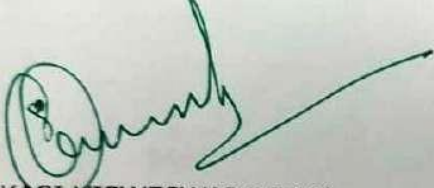
S.NO	PRODUCT NAME	Purpose/ Label	Description of product in the material	Indication for cure/care	Conclusion of AA
1	Rejat Brightening Clay Mask	For Tanned Skin	Reduces Sun Tan	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Makes skin bright and glowy		
			Removes dullness		
2	Samdha Firming Facial Clean Mask	For Ageing Skin	Hydrates skin	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Reduces signs of ageing		
			Improves glow		
3	Dhaval Skin Radiance Facial Clay Mask	For Pigmmented Skin	Evens out skintone	No indication for curing or treating any ailment or disease	Not a medicament hence falls under Chapter 3304
			Lightens Dark Spots and Patches		
			Improves glow		
4	Avasya Clarifying Clay Mask	For Acne Prone skin	Reduces Acne	The label indicates treatment /cure of a medical condition caused by Acne Vulgaris.	Medicament falling under HSN 3003.
			Removes excess oils		
			Hydrates Skin		


8. The ruling is given as below:

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

Questions	Ruling
Whether the products manufactured by him under the licences issued by AYUSH department of Government of Telangana and sold as Ayurvedic products fall under HSN No. 30.04 or under HSN 3304 of the GST Tariff?	The products referred by the applicant are classified as medicament or cosmetic based on the following parameters: a) Whether the product has a drug license; and b) Whether the Composition of the product has medical ingredients; and c) The function or purpose indicated in the label and literature of the product.
	By applying the above parameters, the products which are used for care are treated as 'Cosmetics'

	and therefore taxed @9% CGST & SGST each; the products which are used for cure are treated as 'Medicaments' falling under Serial No. 63 of Schedule II taxable @6% CGST & SGST each. The product wise details are in the above discussion.
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(S.V. KASI VISWESWARA RAO)
ADDL. COMMISSIONER (STATE TAX)


(B. RAGHU KIRAN)
ADDL. COMMISSIONER (CENTRAL TAX)

[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]

To
M/s. Incnut Lifestyle Retail Private Limited,
Office No.G-3, Ground Floor, Modern Profound Tech Park,
Kondapur, Serlingampally, Hyderabad, Rangareddy,
Telangana – 500084

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax), Medchal Commissionerate, 11-4-649/B, 1st, 2nd, 3rd and 4th Floors, Opp. Mehedi Function Palance, Lakdikapool, Hyderabad - 500 004.

Copy to:

3. The Assistant Commissioner (ST) Madhapur –I Circle