

AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 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:

Shri C. Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit II Commissionerate, Chennai - 600 034.	Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 7/ARA/2026, Dated 22.01.2026

- 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 which 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 (hereinafter 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		33AAIPB0284D1ZD
Legal Name of Applicant		NARAYANASAMY THANGAIAH RAJENDRAN BALASUBRAMANIAN
Trade Name of Applicant (Optional)		M/s. MURALI PHARMACY
Registered Address/ Address provided while obtaining user id		1, 19/20, Abishek Hospital, Therodum Veethi, Thiruverkadu, Chennai - 600 077.
Details of Application		Application Form GST ARA - 01 received from the applicant on 12.05.2023 online.
Concerned Officer		STATE: Tiruverkadu Assessment Circle Poonamallee Zone Kancheepuram Division CENTRE: Chennai Outer Commissionerate Poonamallee Division.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Retail Business
B	Description (in brief)	<p>1. The applicant is a proprietorship concern and registered under GST vide 33AAIPB0248D1ZD as a dealer running a pharmacy and dealing with regular medicines, lifesaving medicines and other medical related items. The applicant were paying GST and filing the mandatory returns regularly.</p> <p>2. During 2018-19, the aggregate turnover of the applicant was 20 Lakhs. The applicant complied with the provisions of GST, remitted tax & filing returns as the turnover exceeded 20 Lakhs.</p> <p>3. The Government, vide Notification No. 10/2019 dated 07-03-2019, with effect from 01-04-2019, had increased the threshold turnover from 20Lakhs to 40 Lakhs for the purpose of taking GST registration. During the preceding Financial Year, namely 2018-19, the turnover of the applicant was reported as Rs. 36,82,725/-, collected GST and deposited to the government account through cash Ledger and utilizing the input tax credit availed by them during the said period.</p> <p>4. With the increase in the threshold limit, the applicant were eligible to cancel the registration. However, as they were dealing in medicines and life-saving equipment and procuring medicines and medical related items from across the states, they continued their registration.</p> <p>5. During this period, the applicant has not collected tax from the customers as they claimed the threshold exemption and passed on the benefit to the customers though they had remitted tax for the purchases from their suppliers. The</p>

	turnover of the applicant for 2019-20 was Rs. 30,96,227/- which is less than 40 Lakhs.
Issue/s on which advance ruling Required	<ol style="list-style-type: none"> 1) Applicability of a notification issued under the provisions of the Act; 2) Determination of liability to pay tax on any goods or services or both; 3) Whether applicant is required to be registered.
Question(s) on which the advance ruling is required	<ol style="list-style-type: none"> 1. <i>Whether the applicant is liable to pay tax for turnover less than the threshold limit of Rs. 40 Lakhs as per the Notification No. 10/2019-CT dated 07-03-2019?</i> 2. <i>Whether the provisions of exemption as per Notification No. 10/2019-CT dated 07-03-2019 is applicable only to new registrants or applicable to existing registrants under GST, before 01-04-2019?</i>

M/s. Murali Pharmacy, 1, 19/20, Abishek Hospital, Therodum Veethi, Tiruverkadu, Chennai – 600 077 (hereinafter called as 'the Applicant') is engaged in providing supply of medicines, lifesaving equipment and procuring medicines and medical related items from within and across the State. The applicant is a proprietorship concern and registered under GST vide 33AAIPB0284D1ZD as a dealer for providing the above supply. The applicant were paying GST and filing the mandatory returns regularly.

2. Applicant's Statement of facts:

2.1 The applicant is a proprietorship concern and registered under GST vide 33AAIPB0284D1ZD as a dealer running a pharmacy and dealing with regular medicines, lifesaving medicines and other medical related items. The applicant was paying GST and filing the mandatory returns regularly.

2.2 During 2018-19, the aggregate turnover of the applicant was Rs. 20 Lakhs. The applicant complied with the provisions of GST, remitted tax & filing returns as the turnover exceeded Rs. 20 Lakhs.

2.3 The Government, vide Notification No. 10/2019 dated 07-03-2019, with effect from 01-04-2019, had increased the threshold turnover from Rs. 20 Lakhs to 40 Lakhs for the purpose of taking GST registration on supply of Goods. During the preceding Financial Year, namely 2018-19, the turnover of the applicant was reported as Rs. 36,82,725/-, collected GST and deposited to the government account through cash Ledger and by utilizing the input tax credit availed by them during the said period.

2.4 With the increase in the threshold limit, the applicant became eligible to cancel their registration. However, as they were dealing in medicines and life-saving equipment and procuring medicines and medical related items from across the states, they continued their registration.

2.5 During this period, the applicant has not collected tax from the customers as they claimed the threshold exemption and passed on the benefit to the customers though they had paid cost of the product along with the tax for the purchases from their suppliers. The turnover of the applicant for 2019-20 was Rs. 30,96,227/- which is less than 40 Lakhs.

2.6 Placing reliance on Section 22, Section 23, Section 39, Section 7, Section 2(6) and Section 9(1) of the CGST Act, 2017 and relying on some of the case laws, the applicant contended the following.

(a) As per the Notification No. 10/2019 dated 07-03-2019, the applicant contended that the applicant's turnover is less than 40 Lakhs and hence has not collected tax from their customers who purchased the medicines and passed on the benefit to them.

(b) Therefore, the applicant is not liable to pay for the turnover of 2019-20 and 2020-21 as it is less than Rs. 40 Lakhs.

(c) Though the applicant is registered with GST, as the turnover is less than Rs.40 Lakhs, they claim that they are eligible for claiming exemption from GST and not liable to collect from their customers and make payment of the same to the government.

2.7 Now the applicant is seeking clarifications on the following queries raised in their Advance ruling application.

1. *Whether the applicant is liable to pay tax for turnover less than the threshold limit of Rs. 40 Lakhs as per the Notification No. 10/2019-CT dated 07-03-2019?*
2. *Whether the provisions of exemption as per Notification No. 10/2019-CT dated 07-03-2019 is applicable only to new registrants or applicable to existing registrants under GST, before 01-04-2019?*

3. PERSONAL HEARING:

3.1 Dr. S. Sankar Ganesh, Proprietor of M/s. NS Law Firm, Advocate and authorized representative of M/s. Murali Pharmacy attended the personal hearing of Shri. A. Sathceesh Murugan, Advocate and Shri. J. Karthikumar, Advocate and Authorised Representatives (AR) of the applicant appeared for the third personal

hearing as scheduled on 17-12-2025. Earlier, the applicant or his representative have not appeared for the two personal hearings fixed on 07-10-2025 and 11-11-2025. However, written submission dated 07-10-2025 along with documents were submitted by them during the first hearing. In their submission dated 7th Oct, 2025, AR has disclosed the fact that the applicant was issued with a notice which is also adjudicated by the assessing officer and as per the order demands for the year 2019-20 to 2021-22 were raised.

3.2 In addition to explaining the provisions of Section 98, that the application shall not be admitted by the authority where the question raised in the application is already pending or decided in any proceedings under any of the provisions of the Act, the members asked AR to furnish the details of purchase and selling of medicine, Annual Financial Statements for the period from 2017-18 to 2023-24 to ascertain whether there is IGST supply across the state. AR assured to furnish the same at the earliest.

4. DISCUSSION AND FINDINGS:

4.1 Before proceeding to decide the query on merits, the question of admissibility of the application needs to be decided in view of the demand notice issued and order passed by the proper office while making assessment of the mandatory returns filed by the applicant for the period 2019-20 to 2021-22 which covers the period for which the applicant had sought the Advance Ruling.

4.2 The chronology of events needs to be seen for deciding whether the issue raised by the assessing officer is before or after the proceedings.

Sl. No.	Event	Date
1.	Application for Advance Ruling filed by the applicant through online portal	27-04-2023
2.	Acknowledgement generated by the system with ARN: AD3305230196581	12-05-2023
3.	Date of payment of fees made vide CPIN 23043300561656	27-04-2023
4.	First date of communication with the applicant by the department regarding scrutiny & assessment	24-02-2023
5.	Date of issue of ASMT-10	24-02-2023
6.	Date of reply by the applicant for ASMT-10	22-12-2023
7.	Date of issuance of DRC-01A	18-12-2023
8.	Date of reply furnished for the ASMT-10 and DRC-01A	22-12-2023
9.	Date of issuance of DRC-01	28-03-2024
10.	Date of issuance of DRC-07	01-07-2024
11.	Date of manual filing of Application for Advance Ruling	19-06-2025

4.3 From the above chronology of events, it could be seen that the process of assessment and scrutiny in respect of the applicant has been initiated before filing of the Advance Ruling application. Form GST ASMT-10 is issued to the assessee when discrepancies or inconsistencies are identified during the scrutiny of their GST returns namely, GSTR-1, GSTR-3B, GSTR-9/GSTR-9C, by the tax authorities informing them of the issues and seeking an explanation. In the instant case, the date of issue of GST ASMT-10 to the applicant by the assessing officer is on 24-02-2023. Only after the clarification is sought by the tax authorities, the applicant has filed the Advance Ruling application on 27-04-2023 seeking clarity on the queries raised.

5. As a result of scrutiny of the mandatory returns filed by the applicant, three adjudication orders in FORM GST DRC-07 dated 01-07-2024 for the periods from 2019-20 to 2021-22, confirmed the demands raised in DRC-01A. The details of the turnover, demand and interest as per the orders is furnished below.

Financial Year	Total Turnover (Rs.)	Amount of CGST confirmed	Amount of SGST confirmed	CGST Interest	SGST Interest
2019-20	3096227	185774	185774	143101	143101
2020-21	1772257	106335	106335	62769	62769
2021-22	3945268	274021	274021	112431	112431

6. Section 98(2) of the Act, states as follows.

"(2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:

Provided that the Authority shall not admit the application where the question raised in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of this Act:

Provided further that no application shall be rejected under this sub-section unless an opportunity of hearing has been given to the applicant:

Provided also that where the application is rejected, the reasons for such rejection shall be specified in the order."

7. The above provision specifically states that if the question raised is already pending or decided in any proceedings, such application shall not be admitted. Therefore, we have to first ascertain whether the questions raised in the

application is similar or same on which proceedings have been initiated. Second, whether the proceeding precedes or succeeds the application filed by the applicant.

8. Further, after filing the application for Advance Ruling, the applicant has not submitted the application and its enclosures to the Advance ruling authority for processing. Only after being addressed by the authorities on 03-06-2025, that the applicant has submitted the application with enclosures which was taken on record for issuing clarification.

9. Section 98 prescribes procedures to be followed on receipt of the application. Vide Notification No. 55/2017-CT dated 15-11-2017, a new rule 107A was inserted.

Rule 107A. Manual filing and processing. -

Notwithstanding anything contained in this Chapter, in respect of any process or procedure prescribed herein, any reference to electronic filing of an application, intimation, reply, declaration, statement or electronic issuance of a notice, order or certificate on the common portal shall, in respect of that process or procedure, include manual filing of the said application, intimation, reply, declaration, statement or issuance of the said notice, order or certificate in such forms as appended to these rules.

The above rule states that in respect of any process or procedure prescribed in Chapter XII, as per Rule 107A, any reference to electronic filing of an application should also include 'manual filing' of the same for the purpose of ensuring uniformity in the processing.

10. To that effect, CBIC has issued Circular No. 25/25/2017-GST dated 21st Dec, 2017 and prescribed procedures for manual filing of applications for Advance Ruling and appeals before Appellate Authority of Advance Ruling. Para-4 of the circular states that the applicant is required to download and take a print of the challan and file the application with the Authority for Advance Ruling. Para 5 of the circular further states that all the relevant documents accompanying the application should be signed. Only after the insistence of tax authorities, the applicant has filed the application manually along with relevant documents.

11. The first proviso to Section 98(2) restricts admission of application seeking advance ruling where the questions are already pending in any proceedings in the case of an applicant under any of the provisions of the Act. Therefore, the term 'proceedings' assumes immense significance in the context of the instant case.

12. The issue with regard to scrutiny and assessment by the assessing officer is non-payment of GST on the turnover declared in their GSTR-1 return for which the applicant had not made any payment of tax for three consecutive financial years namely, 2019-20 to 2021-22. The applicant replied that they claimed increased threshold exemption provided under Notification No. 10/2019 -CT dated 07-03-2019. The notice in form GST DRC-01 was issued to the applicant since they have not opted out of the scheme and hence, they fall under Section 25(3) as voluntarily registered and person intended to stay under this Act. As they have failed to collect the tax and submit it through GSTR-3B which resulted in the revenue loss to the department and hence demand issued and adjudicated.

13. Further, it is seen that while the application for advance ruling in the instant case was filed by the applicant online on 27.04.2023, the GST ASMT-10 seeking clarification on the mis-match issued by the assessing officer is on 24-02-2023. The manual filing of application for Advance ruling was filed by the applicant on 19-06-2025 only after the department's insistence with a delay of more than two years of filing the same online. The application for clarification filed by the applicant before AAR is only after initiating scrutiny and assessment process by the department against them.

14. Therefore, we are of the considered opinion that the application for advance ruling filed online dated 27.04.2023 and manual filing on 19-06-2025 by the applicant is liable for rejection under the first proviso to Section 98(2) of the CGST / TNGST Acts, 2017, in view of the fact that 'proceedings' on the same issue was already pending against the applicant.

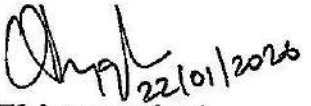
15. In view of the above, we rule as under;

RULING

The advance ruling application is rejected for the reasons discussed supra.


(B. Suseel Kumar)
Member (SGST)




(C. Thiyagarajan)
Member (CGST)

To

M/s. MURALI PHARMACY
(Prop: NARAYANASAMY THANGALAH RAJENDRAN BALASUBRAMANIAN)

GSTIN: 33AAIPB0284D1ZD

1, 19/20, Abishek Hospital,
Therodum Veethi, Thiruverkadu,
Chennai -- 600 077.

(By Speed Post)

Copy submitted to:

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Uthamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise,
Chennai Outer Commissionerate,
Newry Towers, No. 2054, I Block, II-Avenue,
12th Main Road, Anna Nagar, Chennai – 600 040.

Copy to:

1. The Assistant Commissioner (ST),
Tiruverkadu Assessment Circle,
No. 4/109, I Floor, Bangalore Highway Road,
Varadharajapuram,
Nazaratpet, Chennai – 600 123.
2. Master File / Stock File – A1