F.No.528/72/99-Cus (TU)

Circular No. 48/99-Cus (TU) dated 30/7/1999

Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs, New Delhi

Subject : Eligibility of Human Chorionic Gonadotrophin Inj. as Life Saving Drugs/Medicines Under S.No. 50A of Notification No. 20/99-Cus. dated 28.2.99 - exemption from Customs duty - reg.

I am directed to invite your attention on the above subject and to state that a doubt has been raised as to whether "Human Chorionic Gonadotrophin" would be eligible for exemption from Customs duty as applicable to Life Saving Drugs/Medicines under Notification No. 20/99-Cus. dated 28.2.99 or at the rate of 15% as applicable to veterinary drugs and other goods under the said Notification. The doubt has particularly arisen because, in the List (List II) attached to the said Notification, at S.No. 52, the item mentioned is Chorionic Gonadotrophin, whereas in the List (List I) of veterinary drugs and other goods, at S.No. 14, the item mentioned is Human Chorionic Gonadotrophin Hormone.

2. The matter has been examined by the Board. In Indian Pharmacopoeia, Human Chorionic Gonadotrophin has been described as a dry, sterile preparation of placental glycoprotein and it is administrated to patients by intra-muscular injection. Chorionic Gonadotrophin is extracted from the urine of pregnant women and the material is sterilised by filtration and dried under reduced pressure or freeze-dried. As far as the usage of the product is concerned, available pamphlets/literature suggests that the drug is used by women during the course of their pregnancy.

3. It may be noted that in the Pharmacopoeia referred to above, Human Chorionic Gonadotrophin has been mentioned under the heading Chorionic Gonadotrophin. Human Chorionic Gonadotrophin is thus included under the category of Chorionic Gonadotrophin. Insofar as the issue of exemption is concerned, full exemption is available to Chorionic Gonadotrophin figuring in List II annexed to Notification No. 20/99-Cus. dated 28.2.99 and therefore, there appears to be no reason as to why the same concessional duty should be denied to Human Chorionic Gonadotrophin Hormone merely on the ground that the latter figures in the list of veterinary drugs and other goods in List 1 annexed to the said notification. It is a well settled legal principle that when there are two exemptions available for the same product-one prescribing a lower concessional rate and the other a higher one-the benefit of lower rate should prevail. At any rate, after examination of the issue in all its aspects, Board has felt that exemption to Human Chorionic Gonadotrophin as Life Saving Drugs should not be denied if the same has been certified as applicable for human use by the Drug Controller / Assistant Drug Controller. However, if the same is used in animals i.e. for veterinary use, the concessional duty of 15% will be applicable as per entry No.14 of lost 1 annexed to the said notification.

4. Pending cosignments , if any, lying at the ports/ICDs etc. may be cleared on the basis of the above instructions. In case there is any difficulty in implementing the aforesaid instruction, the same may please be brought to the notice of the Board at an early date.

Sd/
(C.P. Goyal)
Sr. Technical Officer (TU