

12% GST on Supply and Import of Pharmaceutical Reference Standards prepared Laboratory Reagents: AAR

Fact of the Case

The applicant, Kaustubha Scientific Research is a registered person under the provisions of the Central Goods and Services Tax Act, 2017 as well as the Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act" and the "KGST Act/SGST Act respectively engaged in the distribution of Pharmaceutical Reference Standards from Pharmacopoeias like European Pharmacopoeia (EP), British Pharmacopoeia (BP), Indian Pharmacopoeia (IP), Japanese Pharmacopoeia (JP).

The applicant is seeking advance ruling on the applicability of entry Notification No. 01/2017-IT (R) for their product prepared laboratory reagents/ Pharmaceutical Reference Standards. The applicant has sought the advance ruling on the issue whether the applicable entry for prepared laboratory reagents/ Pharmaceutical Reference Standards in the Notification No. 01/2017-IT (R) is Sr. No. 80 of Schedule II, attracting a levy of 12% or Sr. No. 453 of Schedule III attracting a levy of 18 %.

The applicant has sought the advance ruling on the issue whether the applicable entry for prepared laboratory reagents/ Pharmaceutical Reference Standards in the Notification No. 01/2017-IT (R) is Sr. No. 80 of Schedule II, attracting a levy of 12% or Sr. No. 453 of Schedule III attracting a levy of 18 %.

Decision of the Case

The Coram ruled that the Pharmaceutical Reference Standards (Prepared Laboratory Reagents) imported and supplied by the Appellant and classified under Tariff Item 3822 00 90 of the Customs Tariff Act, 1975 is covered under Entry No. 80 of Schedule-II to Notification No. 1/2017-Integrated Tax (Rate), dated 28th June 2017 attracting a levy of Integrated Tax at the rate of 12%.

The Karnataka Authority of Advance Ruling (AAR) ruled that 12% GST is applicable on supply and import of Pharmaceutical Reference Standards prepared Laboratory Reagents.