

12% GST payable on 'Diagnostic and Laboratory reagents: The AAR, Karnataka

Fact of the Case

The Applicant, Bio-Rad Laboratories India is a limited company, registered under the GST Acts (CGST/KGST) 2017, engaged in the business of import and sale of medical & laboratory instruments, laboratory reagents and diagnostic reagents, falling under tariff heading 3822, in India.

The applicant has sought advance ruling in respect of the issue whether 'diagnostic and laboratory, reagents' imported and supplied by the applicant and classified under heading 3822 of the Customs Tariff Act, 1975 are covered under Entry No. 80 of Schedule II to the Notification No. 1/2017 Integrated Tax (Rate) dated 28.06.2017 attracting a levy of Integrated Tax at the rate of 12%.

Decision of the Case

The Coram held that the 'diagnostic and laboratory reagents' imported and supplied by the applicant and classified under heading 3822 of the Customs Tariff Act, 1975 are covered under Entry No. 80 of Schedule II to the Notification No. 1/2017 Integrated Tax (Rate) dated 28.06.2017 attracting a levy of Integrated Tax at the rate of 12%, in terms of the clarification issued vide para No. 10 of the Circular No. 163/19/2021-GST dated 6h October, 2021.

"The CBIC, vide para 10 of the Circular No. 163/19/2021-GST dated 6th October, 2021, clarified the issue of "whether the benefit of concessional rate of 12% would be available to laboratory agents and other goods falling under heading 3822". It is held that the intention of the entry at S. No. 80 of Schedule II of notification No.1/2017- Integrated Tax (Rate) dated 28.6.2017 was to prescribe GST rate of 12% to all goods, whether diagnostic or laboratory reagents, falling under heading 3822. Accordingly, it is clarified that concessional GST rate of 12% is applicable on all goods falling under heading 3822, vide Entry at S. No. 80 of Schedule II of notification No.1/2017-Integrated Tax (Rate) dated 28.6.2017," the AAR observed.

The Karnataka Authority of Advance Ruling (AAR) ruled that 12% GST payable on 'diagnostic and laboratory reagents.