M/s. Chromachemie Laboratory Private Limited

Appellate Authority for Advance Ruling — Karnataka

ORDER NO.KAR/AAAR-08//2019-20 DATE:14.01.2020 Dated **14.01.2020**

Q Questions Before the Authority

- Whether the Pharmaceutical Reference Standards (Prepared Laboratory Reagents) imported and supplied by the applicant, classified under Tariff Item 3822 00 90 of the Customs Tariff Act, 1975, are covered under Entry No. 80 of Schedule II to Notification No. 1/2017-Integrated Tax (Rate) dated 28th June 2017, attracting Integrated Tax at 12%?

F Facts

The appellant is a science-based organisation that imports Pharmaceutical Reference Standards from pharmacopoeias such as USP, EDQM and BP and supplies them to major pharmaceutical companies in India. The standards are substances of known purity used for analytical, calibrating or referencing work, not as drugs, and the appellant classifies them as prepared laboratory reagents under Tariff Item 3822 00 90. The question is whether these goods fall within the 12% entry for diagnostic kits and reagents or within the 18% residuary entry.

H Ruling

PRS (prepared laboratory reagents) under Tariff Item 3822 00 90: covered by Sl. No. 80, Schedule II?	**Yes. Covered by Sl. No. 80 of Schedule II; IGST at 12%.**	The advance ruling KAR/ADRG 71/2019 dated 23-09-2019 is set aside. The holding covers laboratory reagents generally within heading 3822, not only diagnostic reagents.

The Appellate Authority held that the Pharmaceutical Reference Standards (Prepared Laboratory Reagents) are covered under **Entry No. 80 of Schedule II** to Notification No. 1/2017-IT(Rate), attracting IGST at **12%** . It set aside the Advance Ruling No. KAR/ADRG 71/2019 dated 23-09-2019 and allowed the appeal.

R Reasoning

The Authority read Entry 80 ("All diagnostic kits and reagents") together with heading 3822 and its HSN Explanatory Notes, which expressly include prepared laboratory reagents and not only diagnostic ones, so the word "reagents" covers all reagents under heading 3822. It rejected the lower authority's use of ejusdem generis, holding that the general word "All" precedes the enumeration and that the rule has no inverse application. It also relied on the Fitment Committee's recommendation of a 12% rate for diagnostic or laboratory reagents, reading the legislative intent as reducing the rate on all reagents. The order does not separately deal with the appellant's delay ground under section 98(6) of the CGST Act and Rule 106 in its findings.

P Provisions Relied On

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 100 of the CGST Act, 2017 and the corresponding KGST Act, 2017 (appeal)

Section 101 of the CGST Act, 2017 and KGST Act, 2017 (proceedings)

Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017, Schedule II, Sl. No. 80

Tariff heading 3822 and Tariff Item 3822 00 90 of the Customs Tariff Act, 1975

HSN Explanatory Notes to heading 38.22

Principle of ejusdem generis (discussed and rejected as applied)

Fitment Committee recommendation of 12% for diagnostic or laboratory reagents (as recorded in the order)

! For the Practitioner

Importers and distributors of laboratory and pharmaceutical reference standards classified under heading 3822 can rely on this order to support the 12% IGST rate under Sl. No. 80, and it rejects the narrow reading confining the entry to diagnostic reagents. The order does not decide the delay point under section 98(6) and does not address reagents outside heading 3822. Its binding effect is limited under the statute, so the practitioner should check whether the jurisdictional officers have accepted it and whether the goods are described the same way as in this case.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> kar_aaar_08_2019-20_14.01.2020.pdf

Prepared 16-11-2026.

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