

## **18% GST on Isopropyl rubbing alcohol IP & Chlorhexidine Gluconate & Isopropyl Alcohol solution: AAR**

### **Fact of the Case**

- The Applicant, Ce-Chem Pharmaceuticals is a private limited company manufacturing and selling different pharmaceutical formulations comprising Tablets, Capsules, Oral Liquids and Dry Syrups in India and also exporting to various countries across the globe. The Applicant ensures that all its products meet the quality standards as specified by WHO-GMP and ISO certifications. The Applicant is also functioning under licenses issued by the Office of the Drugs Controller for the State of Karnataka.

The applicant has sought advance ruling on the issue Whether Isopropyl rubbing alcohol IP and Chlorhexidine Gluconate and Isopropyl Alcohol solution are to be classified under Chapter Heading 3004 attracting 12% GST, and if not, what would be the appropriate classification and justification for such classification.

### **Decision of the Case**

- The Coram observed that people buy hand sanitizers as an alternative to soap and for disinfecting purposes. In the present case, it is seen that the alcohol-based hand sanitizers, as the name itself suggests is to sanitize the hands and disinfect them and hence cannot be covered under Medicaments.
- The AAR held that the goods covered under heading 3808 are covered entry no. 87 of Schedule III of Notification No.01/2017 Central Tax (Rate) dated June 28, 2017 and are taxable at the rate of 9% under the CGST Act. Similarly, the goods are taxable at the rate of 9% under the KGST Act.

***The Karnataka Authority of Advance Ruling (AAR) ruled that 18% GST is applicable on Isopropyl rubbing alcohol IP and Chlorhexidine Gluconate and Isopropyl Alcohol solutions.***