

18% GST is applicable on Alcohol based Hand Sanitizers: Goa

Applicant –Springfields (India) Distilleries

Case No. – GOA/GAAR/1of 2020-21

Date – 29.06.2020

Fact of the Case

- The applicant, Springfields (India) Distilleries is a registered partnership firm manufacturing Hand Sanitizers vide License issued by Directorate of Food and Drug Administration.
- The applicant has asked for Advance ruling on the issue as to the classification of the Goods namely “Hand Sanitizer” and rate of GST to be applied.
- The applicant sought the opinion of AAR on whether Hand Sanitizers supplied by them are classifiable as essential commodities and to be exempt from GST.
- The applicant is of the opinion that Hand Sanitizers are covered under HSN 30049087 and to be taxed at the rate of 12% under GST.

Decision of the Case

- As far as exempting hand sanitizers as an essential commodity since it is classified as such by Ministry of Consumer Affairs, Food, and Public Distribution, this Authority is of the view that Exempted goods are covered by Notification no.2 /2017/- Central Tax (Rate) dated 28/06/2017.
- Merely classifying any goods as essential commodities will not be the criteria for exempting such Goods from GST
- The Authority ruled that Alcohol-Based Hand Sanitizers manufactured by the applicant are covered by HSN 3808 and are accordingly taxable at the rate of 18%.

For details, please click on - <http://gstcouncil.gov.in/sites/default/files/ruling-new/Goa AAR 01 2020-21 29.06.2020 SID.pdf>