

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

STARRED QUESTION NO.*93

TO BE ANSWERED ON MONDAY THE 26TH JULY, 2021
SRAVANA 4, 1943 (SAKA)

GST ON HAND SANITISER

***93. DR. G. RANJITH REDDY:**

Will the Minister of FINANCE be pleased to state:

(a) whether it is true that the Tax Department is classifying hand sanitiser as 'disinfectant' and not as 'medicament' thereby imposing 18 per cent Goods and Services Tax (GST) thereon;

(b) if so, the details thereof;

(c) whether it is not true that hand sanitiser manufacturers are pleading that since it is crucial for fighting against COVID-19, this should be equivalent to 'medicament';

(d) if so, the details thereof; and

(e) the constraints which the Ministry has to face for considering hand sanitiser as 'medicament', at least, during pandemic period?

ANSWER

MINISTER OF FINANCE
(Ms. NIRMALA SITHARAMAN)

(a), (b), (c) (d) and (e) : A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.93 RAISED BY DR. G. RANJITH REDDY FOR 26TH JULY, 2021 ON GST ON HAND SANITISER

(a) and (b): Harmonised System of Nomenclature (HSN), as used globally, is the basis of classification of goods in GST and Customs (for international trade). As per the HSN Classification reference, for Covid-19 medical supplies, prepared jointly by the World Customs Organization and World Health Organization, 'Hand sanitizers' have been classified HS sub-heading 3808 94, describing it as – 'A liquid or gel generally used to decrease infectious agents on the hands, alcohol-based type'. Therefore, "Hand Sanitizers" are globally classified under this sub-heading as disinfectant. The corresponding entry in Indian Tariff, at 8-digit level, is at tariff item 3808 94 00.

(c) and (d) There have been certain representations from industry bodies to consider Hand Sanitizer as 'medicament' as well as to consider reduction of rate of GST from 18%. However, GST Council has not recommended any change to the present classification that is based on globally followed HSN system.

(e) On the recommendations of the GST Council, in its 44th meeting held on 12th June, 2021, for Covid relief, the GST rate on Hand Sanitizer has been reduced from 18% to 5% with effect from 14th June and upto 30th September, 2021.
