



**RAJASTHAN AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX**

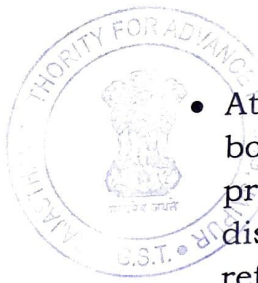
**KAR BHAWAN, AMBEDKAR CIRCLE, NEAR
RAJASTHAN HIGH COURT
JAIPUR – 302005 (RAJASTHAN)**



ADVANCE RULING NO. RAJ/AAR/2020-21/02

J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Sarda Bio Polymers Pvt. Ltd. H-1-105 to 108, 4 th phase, Industrial Area, District-Pali -306401, Rajasthan
GSTIN of the applicant	:	08AARCS9529A1ZZ
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(a)Classification of any goods or services or both;
Date of Personal Hearing	:	04.03.2020
Present for the applicant	:	Sh. Pardeep Jain C.A.(Authorised Representative)
Date of Ruling	:	06.05.2020

Note: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.



- At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".
- The issue raised by M/s Sarda Bio Polymers Pvt. Ltd. H-1-105 to 108, 4th phase, Industrial Area, Pali Marwar-306401(Raj) India. (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (a) given as under: -


(a) Classification of any goods or services or both;

- Further, the applicant being a registered person (GSTIN is 08AARCS9529A1ZZ as per the declaration given by him in Form ARA-01) the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the applicant is admitted to pronounce advance ruling.

1. SUBMISSION AND INTERPRETATION OF THE APPLICANT:

- The applicant is engaged in manufacture of Psyllium Husk Powder in Pali having GST registration number 08AARCS9529A1ZZ. The applicant intends to seek clarification on the classification and rate of GST applicable on the Psyllium Husk Powder.
- The applicant procures Psyllium Husk which is crushed to form Psyllium Husk Powder. Therefore, the present application for advance ruling is being filed to confirm the classification of Psyllium Husk Powder and the rate of GST applicable on it.
- The applicant submits that their product "Psyllium Husk Powder" is not expressly defined anywhere either in the Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 prescribing GST rates for levy of CGST nor in the Notification No. 1/2017-Integrated Tax (Rate) dated 28.05.2017 prescribing GST rates for levy of IGST. Consequently, the rate of GST applicable on the product "Psyllium Husk Powder" is 18% under the residual entry which reads as follows: -

Schedule III of Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 prescribing CGST rate of 9%



S.No.	Chapter Heading/Sub Heading/ Tariff Item	Description of goods
(1)	(2)	(3)
453	Any Chapter	Goods which are specified in Schedule I, II, IV, V or VI.

Schedule III of Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017 prescribing IGST rate of 18%

S.No.	Chapter Heading/Sub Heading/ Tariff Item	Description of goods
(1)	(2)	(3)
453	Any Chapter	Goods which are specified in Schedule I, II, IV, V or VI.

The applicant submits that since their product is not expressly specified under any of the serial numbers in Schedule I, II, IV, V or VI, it is covered under above cited serial no. 453 attracting GST rate of 18%.

- The applicant further submits that according to serial no. 73 of the Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, 2.5% CGST rate has been prescribed. Similarly, as per serial no. 73 of the Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017, Schedule I prescribes IGST rate of 18%. The content of the entry is as follows: -

S.No.	Chapter Heading/Sub Heading/ Tariff Item	Description of goods
(1)	(2)	(3)
73	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy



or for insecticidal, fungicidal or similar purpose, frozen or dried, whether or not cut, crushed or powdered

The applicant submits that their product Psyllium Husk Powder does not fall under the above cited entry as the above entry includes plants and parts of plants including seeds and fruits used in pharmacy whether or not crushed or powdered. It is submitted that the applicant is engaged in the process of crushing and powdering the husk of Psyllium and not its seed. The process begins with cleaning of raw seeds and de-husking. The seeds are crushed and husk is separated. The Psyllium Husk Powder is obtained by crushing the pure husk Psyllium. Therefore, it is clear that the product Psyllium Husk Powder is not covered by the above mentioned serial number and is covered by the residuary serial no. 453 specifying GST rate of 18% as stated in preceding paragraphs.

- The applicant further submits that at times they procure Psyllium Husk Powder from various suppliers and they also charge GST at the rate of 18%. The applicant hereby encloses the specimen copies of invoices wherein GST rate of 18% has been charged. The applicant submits that according to general trade parlance, GST rate of 18% is being charged on supply of Psyllium Husk Powder. Therefore, the applicability of GST rate of 18% should be confirmed on Psyllium Husk Powder.

2. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT

Whether GST rate of 5% or 18% is applicable on Psyllium Husk Powder?

3. PERSONAL HEARING

In the matter personal hearing was granted to the applicant on 04.03.2020 at Room no. 2.29 NCRB, Statue Circle, Jaipur. Shri Pardeep Jain, C.A. (Authorised Representative) for the applicant appeared for PH. During the PH, he reiterated the submissions already made in the application and requested for early disposal of the application.

4. COMMENTS OF THE JURISDICTIONAL OFFICER

The jurisdictional officer (Joint Commissioner) CGST Division-D, Mahaveer Nagar, Pali-306401, Rajasthan has submitted his para wise comments vide letter dated 13.02.2020 which are as under:-

"Para No.1- No Comments.

Para No. 2- Not admitted. As per the flow chart of applicant, they are making Psyllium husk from Raw material (Psyllium Seeds). The Psyllium Husk falls under HSN 12119032.

Para No.3- Not admitted. The contention of the applicant that they are engaged in the process of crushing and powdering of the husk of psyllium and not its seed is not correct. As per their flow chart of manufacturer of PHP, they are making psyllium Husk from raw material (Psyllium seeds) and the same falls under HSN 12119032.

Para.No. 4- No Comments required.”

5. FINDINGS, ANALYSIS & CONCLUSION:

- While going through the submissions, we observe that the applicant is engaged in manufacture of Psyllium Husk Powder from Husk of Psyllium in Pali, Rajasthan and has sought advance ruling to ascertain whether rate of GST on supply of Psyllium Husk Powder.
- What is Psyllium?

As per Wikipedia,

Psyllium /'sɪliəm/, or **ispaghula** (isabgol) /'ɪspə'qu:lə/, is the common name used for several members of the plant genus *Plantago* whose seeds are used commercially for the production of mucilage. Psyllium is mainly used as a dietary fiber.

Collins Dictionary defines Psyllium as

a grain, Plantago psafra, the husks of which are used medicinally as a laxative and to reduce blood cholesterol levels.

- From the above definitions we found that Psyllium (commonly known as Isabghol) is a plant whose parts such as seeds and others are used to prepare some Pharmacy products especially laxative medicines.
- We have gone through manufacturing chart as submitted by the applicant and found that the Psyllium Husk Powder is obtained through Husk post de-husking of raw seeds.
- Chapter 12 of CGST Tariff, 2017 is regarding **“Oil seeds and oleaginous fruits, miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder”**.

The relevant entry for the Psyllium plant and its parts in Chapter heading 1211, as reproduced below--



1211	PLANTS AND PARTS OF PLANTS (INCLUDING SEEDS AND FRUITS), OF A KIND USED PRIMARILY IN PERFUMERY, IN PHARMACY OR FOR INSECTICIDAL, FUNGICIDAL OR SIMILAR PURPOSE, FRESH, CHILLED, FROZEN OR DRIED, WHETHER OR NOT CUT, CRUSHED OR POWDERED
1211 20 00	- Ginseng roots
1211 30 00	- Coca leaf
1211 40 00	- Poppy straw
1211 50 00	- Ephedra
1211 90	- <i>Other</i> :
	--- <i>Seeds</i> :
1211 90 11	---- Ambrette seeds
1211 90 12	---- Nuxvomica, dried ripe seeds
1211 90 13	---- Psyllium seed (<i>isobgul</i>)
1211 90 14	---- Neem seed
1211 90 15	---- Jojoba seed
1211 90 19	---- <i>Other</i>
	--- <i>Leaves, powder, flowers and pods</i> :
1211 90 21	---- Belladonna leaves
1211 90 22	---- Senna leaves and pods
1211 90 23	---- Neem leaves, powder
1211 90 24	---- Gymnema powder
1211 90 25	---- Cubeb powder
1211 90 26	---- Pyrethrum
1211 90 29	---- <i>Other</i>
	--- <i>Bark, husk and rind</i> :
1211 90 31	---- Cascara sagrada bark
1211 90 32	---- Psyllium husk (<i>isobgul husk</i>)
1211 90 33	---- Gamboge fruit rind
1211 90 39	---- <i>Other</i>

While examining the aforementioned Chapter heading 1211, we found that Psyllium seed is classified under HSN 12119013 whereas, Psyllium Husk Powder is classified under HSN 12119032.

- To examine the GST rate on Psyllium Husk Powder, we have to refer to rate Notification on goods i.e. Notification No. 01/2017 –Central Tax (Rate) dated 28.06.2017. We observe that, Psyllium Husk Powder is covered under Serial No. 73 of Schedule-I of the said Notification attracting GST @ 5% (SGST 2.5% + CGST 2.5%). The relevant entry in respect of Psyllium Husk Powder is as under--

Schedule-I (2.5%)

Notification 01/2017-Central Tax (Rate) dated 28.06.2017

S. No.	Chapter heading/Sub heading/Tariff Item	Description of Goods
73	1211	Plants and parts of plants (including seeds and fruits), of a kind used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purpose, frozen or dried, whether or not cut, crushed or powdered

We find that, Psyllium is a plant whose part (seed/husk) is crushed in powder form to prepare a pharmaceutical product. The aforesaid entry of Notification explicitly matches the preparation/process undertaken by the applicant.

- We further observe that CBIC issued Clarifications in form of FAQs vide F. No. 332/2/2017-TRU in December, 2017 regarding classification and rate of GST on Psyllium Husk and Seeds. The relevant entry is as under—

TABLE

S. No.	Queries	Replies
15.	What is the HS code and the GST rate for Isabgol seeds?	1. Isabgol seeds fall under heading 1211. 2. Fresh Isabgol seeds attract Nil GST. 3. Dried or frozen Isabgol seeds attract 5% GST.
16	What is the HS code and the GST rate for Isabgol husk?	1. Isabgol husk falls under 1211 and attracts 5% GST.

- In view of the above facts we observe that Psyllium/Isabgol is a plant of which parts are used to prepare powder to be used as pharmaceutical product. As the Plants and parts of plants (including seeds and fruits), whether frozen or dried, cut or not cut, crushed or

not crushed and powdered or not powdered falls under S. No. 73 of Schedule-I of Notification No. 1/2017 Central Tax (Rate) dated 28.06.2017 (as amended) and attracts GST @ 5% (SGST 2.5% + CGST 2.5%). The classification and rate of GST of the Psyllium/Isabgol and its seed has also been clarified by CBIC clarification in December, 2017.


- We further observe that, the applicant has contested that as the classification and rate of GST on Psyllium Husk Powder is not mentioned anywhere in Notification No. 1/2017 Central Tax (Rate) dated 28.06.2017, the classification will fall under residual entry of Serial No. 453 of Schedule-III of Notification No. 1/2017 Central Tax (Rate) dated 28.06.2017 with rate of GST @ 18%. This argument of the applicant is not valid on the ground that Psyllium Husk Powder is already covered under Serial No.73 of the said notification as mentioned *supra*.

Further, Principle of Specificity (product specific entry cannot be overridden by general/residuary entry) as has been outlined by Hon'ble Supreme Court in Dunlop India Ltd. and Madras Rubber Factory Ltd. v. UOI & Others - 1983 (13) E.L.T. 1566 (S.C.).


6. In view of the foregoing, we rule as follows: -

RULING

Psyllium Husk Powder, a preparation made from Psyllium Plant or its parts is classifiable under HSN 12119032 and attracts GST @ 5% (CGST 2.5% + SGST 2.5%) as provided under Notification No. 1/2017 Central Tax (Rate) dated 28.06.2017 (as amended).


(J.P. MEENA) 06/05/2020
MEMBER
CENTRAL TAX




06/05/2020
(HEMANT JAIN)
MEMBER
STATE TAX

SPEED POST

✓ Sarda Bio Polymers
H1-105 to 108,
4th phase Industrial Area,
Pali Marwar- 306401 (Raj)

Copy to:-

1. The Chief Commissioner, CGST and Central Excise (Jaipur Zone) Jaipur, NCR Building, Statue Circle, Jaipur-302005.
2. The Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
3. The Commissioner, Central Tax, CGST and Central Excise Jodhpur Commissionerate, G-105, Gali No. 5, New Jodhpur Industrial Area, Jodhpur, Rajasthan 342003.
4. The Joint Commissioner, CGST Division-D, Mahaveer Nagar, Pali-306401 Rajasthan.