

	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
-----------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------

BEFORE THE AUTHORITY OF : Shri. Sivaprasad .S, IRS &

: Shri.B.S. Thyagarajababu, B.Sc, LL.M

Legal Name of the applicant	M/s. Dynamic Techno Medicals Pvt. Ltd.
GSTIN	32AAACD8262E1Z0
Address	V/761-B, NAD Road, Kodikuthimala, Ashokapuram, Aluva, Ernakulam – 683101.
Advance Ruling sought for	<ul style="list-style-type: none"> • Whether Silicone Insole and Heel Cushion falls under HSN tariff item 9021.10.00? or • Whether Silicone Insole & Heel Cushion is classifiable under Tariff 64 at SI.No.225 under Schedule-I as "Footwear of sale value not exceeding Rs.1000/- per pair" of Notification No.01/2017-CT(R) dated 28.06.2017 as amended by Notification No.24/2018-CT(R) dated 31.12.2018.
Date of Personal Hearing	10-03-2020
Authorized Representative	Mr. Unnikrishnan .R

ADVANCE RULING No. KER/79/2020 Dated: 20-05-2020

1. The applicant is a manufacturer and marketer of medical devices including orthopaedic appliances, surgical dressings, silicone foot care products, disposables etc. Silicone Insoles and Silicone Heel Cushion are two silicone foot care products made from industrial silicone or gels. The applicant requested advance ruling on the following:

- Whether Silicone Insole and Heel Cushion falls under HSN tariff item 9021.10.00? or
- Whether Silicone Insole and Heel Cushion is classifiable under Tariff 64 at SI.No.225 under Schedule-I as "Footwear of sale value not exceeding Rs.1000/- per pair" of Notification No.01/2017-CT(R) dated 28.06.2017 as amended by Notification No.24/2018-CT(R) dated 31.12.2018.

2. The authorized representative of the applicant was heard. It is stated that the products in question are Silicone Insoles and Silicone Heel Cushion that are made from medical grade silicone. The insole and heel cushion are biomechanically designed. The soft, anti-shock, blue silicone zone incorporated at the heel and metatarsal region reduce skeletal shock and redistributes pressure. This helps in maintaining the right arch. The product Silicone Insole is usually used by patients who suffer with orthopaedic condition such as metatarsalgia, plantar fasciitis, joint, arch and back pain. The Silicone Heel Cushion is used by patients who suffer with orthopaedic condition such as heel and calcaneal pain, plantar fasciitis and bursitis of the heel.

3. It is argued that, the products "Silicone Insoles & Silicone Heel Cushion" would fall under Chapter 90 of HSN, in particular under the heading 9021 which is described as *"Orthopaedic appliances, including crutches, surgical belts and trusses; splints and other fracture appliances; artificial parts of the body; hearing aids and other appliances which are worn or carried, or implanted in the body, to compensate for a defect or disability"*.

4. The Chapter Note 6 of Chapter 90 defines "Orthopaedic Appliances" as follows:

"For the purpose of heading 9021, the expression "orthopaedic appliances" means appliances for:

- *preventing or correcting bodily deformities; or*
- *supporting or holding parts of the body following an illness, operation or injury. Orthopaedic appliances include footwear and special insoles designed to correct orthopaedic conditions, provided that they are either (1) made to measure, or (2) mass produced, presented singly and not in pairs and designed to fit either foot equally"*

5. The products "Silicone Insoles & Silicone Heel Cushion" are functionally used for preventing or correcting orthopaedic condition such as metatarsalgia, plantar fasciitis, joint, arch and back pain in the case of Silicone Insoles. The Insole is called as "Plantar Support" in medical terms. The Silicone Heel Cushion is for correcting orthopaedic condition such as heel and calcaneal pain, plantar fasciitis and bursitis of the heel. Hence, it is claimed that the item will squarely fall under the heading "9021 10 00 - Orthopaedic or fracture appliances".

6. Without prejudice to the above arguments, the applicant also raised the contention that both products Silicone Insoles & Silicone Heel Cushions are to be classified under HSN 6406 and as they are sold for sale value not exceeding Rs.1000/- per pair they are covered under Sl No. 225 of Schedule I of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 24/2018 Central Tax (Rate) dated 31.12.2018. It is also contended that in Sl No. 225 of Schedule I of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 in the column for Tariff only two digits "64" is mentioned and hence all products in four digit Tariffs from 6401 to 6406 shall fall under the entry.

7. The matter was examined in detail. Silicone Insoles & Silicone Heel Cushion are removable insoles and the primary purpose of insoles is to make shoes more comfortable to wear. The removable insoles that come in most shoes vary in type and material ranging from very simple thin cushioning to sophisticated multiple layered arch support inserts. The readymade removable insoles manufactured by the applicant are of different sizes that are compatible with shoe size. The insoles or heel cushions are not customised for correcting orthopaedic conditions that vary from patient to patient. They are of standard shape and size as that of the footwears in which they can be used. As such it cannot be considered as an orthopaedic appliance; i.e; footwear or a special insole designed to correct orthopaedic condition and which is made to measure or designed to fit either foot equally; mass produced and presented singly to fall under HSN 9021.

8. The HSN 6406 covers "Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof". The Silicone Insoles and Silicone Heel Cushion manufactured by the applicant are rightly classifiable under HSN 6406 as parts of footwear.

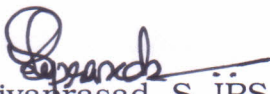
9. The concessional rate of GST of 5% under Sl No. 225 of Schedule I of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 for footwear having retail sale price not exceeding Rs.1000/- per pair is subject to the condition that such retail sale price is indelibly marked or embossed on the footwear itself. The products of the applicant namely; Silicone Insoles and

Silicon Heel Cushion; being only parts of footwear do not qualify to be termed as footwear satisfying the prescribed condition to be eligible for the concessional rate of GST. Accordingly, they are not covered under Sl No. 225 of Schedule – I; but are covered under Sl No. 171 of Schedule III of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 attracting GST at the rate of 18%.

10. In view of the observations stated above, the following rulings are issued:

- i. Whether Silicone Insole & Heel Cushion falls under HSN tariff item 9021.10.00?
No. Silicone Insoles & Silicone Heel Cushions are removable insoles which are classifiable under HSN 6406 as parts of footwear.
- ii. Whether Silicone Insole & Heel Cushion is classifiable under Tariff 64 at SI.No.225 under Schedule-I as "Footwear of sale value not exceeding Rs.1000/- per pair" of Notification No.01/2017-CT(R) dated 28.06.2017 as amended by Notification No.24/2018-CT(R) dated 31.12.2018.

The Silicone Insole and Heel Cushion are rightly classifiable under HSN 6406 [Parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof] as parts of footwear and hence do not qualify to be termed as footwear having a retail sale price not exceeding Rs.1000/- per pair, with such retail sale price indelibly marked or embossed on the footwear itself as described in Sl No. 225 of Schedule - I of Notification No.01/2017-CT(R) dated 28.06.2017.



Sivaprasad S, IRS
Joint Commissioner of Central Tax
Member



B.S. Thyagarajababu, B.Sc, LL.M.
Additional Commissioner of State Tax
Member

To

M/s. Dynamic Techno Medicals Private Ltd
V/761-B, NAD Road, Kodikuthimala,
Ashokapuram, Aluva – 683101.