



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

**BEFORE THE AUTHORITY OF: Shri. S. Anilkumar, IRS &**  
**: Shri. B.S. Thyagarajababu B.Sc, LL.M**

Legal Name of the applicant	M/s. Herbal Isolates Private Limited
GSTIN	32AAACH5879F1ZL
Address	#35 596, Ajay Vihar, M.G.Road, Ernakulam - 682106
Advance Ruling sought for	<p>i) Whether fresh raw green pepper of genus Piper Nigrum is a vegetable that merits classification under heading 0709 99 10 of Chapter 7 of the Customs Tariff Act, 1975.</p> <p>ii) If the answer to the above question is no, then will fresh raw green pepper of genus Piper Nigrum merit classification as a spice under heading 0904 of Chapter 9 of the Customs Tariff Act, 1975.</p> <p>iii) If the answer to both of the above questions are no, then under which heading will fresh raw green pepper of genus Piper Nigrum be classified under the Customs Tariff Act, 1975.</p> <p>iv) What is the rate of GST applicable on sale or purchase of raw green pepper of genus Piper Nigrum.</p>
Date of Personal Hearing	02.03.2019
Authorized Representative	Advocate Jose Jacob

**ADVANCE RULING No. KER/36/2019 Dt.02.03.2019**

The applicant is engaged in the purchase of fresh green pepper of genus piper nigrum in its raw form and sells the same in its original form or processed form. Raw pepper purchased cannot be used as spices and thereby

can be treated as vegetable, coming under the classification 0709 99 10 of the Customs Tariff Act, 1975. Accordingly, this item will come under the classification "other vegetables, fresh or chilled" vide Sl. No.43 of Exemption Notification No.2/2017-Central Tax (Rate) dtd.28-06-2017 or S.R.O.No.361/2017 dtd 30-06-2017. Therefore, applicant seeks advance ruling for the following:

- i) Whether fresh raw green pepper of genus Piper Nigrum is a vegetable that merits classification under heading 0709 99 10 of Chapter 7 of the Customs Tariff Act, 1975.
- ii) If the answer to the above question is no, then will fresh raw green pepper of genus Piper Nigrum merit classification as a spice under heading 0904 of Chapter 9 of the Customs Tariff Act, 1975.
- iii) If the answer to both of the above questions are no, then under which heading will fresh raw green pepper of genus Piper Nigrum be classified under the Customs Tariff Act, 1975.
- iv) What is the rate of GST applicable on sale or purchase of raw green pepper of genus Piper Nigrum.

The authorized representative was heard and he stated that green pepper is specifically classifiable under the head 0709 99 10. The fresh raw green pepper imported and exported by the applicant is not used as a condiment and unlike other spices, is not used in raw form to add flavour to food. Green pepper in hydrated form or frozen or dried form come under the heading 0904 11 50.

The vegetables in raw form containing substantial moisture contents are classified under Chapter 7. However, when the same is processed, dried or the moisture contents removed, then its character changes and would classify under chapter 9. Hence, it is stated that the raw pepper covered underclassification 0709 99 10 being a vegetable, it does not merit

classification as "spices" under classification 0904 of Chapter 9 of the Customs Tariff Act, 1975.

The matter was examined in detail. 'Green pepper' plucked from vine of a spice plant has no characteristics of spices. In common parlance, 'green pepper' before its process is not included in the category of 'spices'. The spices are the group of vegetable rich in essential oils and aromatic principles, and when on account of their characteristic taste, are used as condiments. The aroma of spices and essential oil can be emerged from green pepper only after the processing of such produce. Therefore, the 'green pepper' picked from the vine qualifies the classification under Chapter 7. The Customs, Excise & Service Tax Appellate Tribunal, South Zone Bench, Bangalore in Final Order No.21830-20843/2018 dtd.30-11-2018 in the case of the applicant has observed that 'green pepper' is a vegetable and is a misconception that it is a 'spice'.

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

i) Whether fresh raw green pepper of genus *Piper Nigrum* is a vegetable that merits classification under heading 0709 99 10 of Chapter 7 of the Customs Tariff Act, 1975.

Green Peppercorns plucked fresh from the vines qualifies the classification under Chapter 7 of the Customs Tariff Act, 1975.

ii) If the answer to the above question is no, then will fresh raw green pepper of genus *Piper Nigrum* merit classification as a spice under heading 0904 of Chapter 9 of the Customs Tariff Act, 1975.

The 'green pepper' picked from the vine if subject to any process for retaining their natural green colour and flavour, it would be classifiable under 0904 11 90 of Chapter 9 of the Customs Tariff Act, 1975.

iii) If the answer to both of the above questions are no, then under which heading will fresh raw green pepper of genus Piper Nigrum be classified under the Customs Tariff Act, 1975.

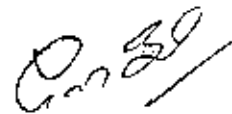
The 'green pepper' picked from the vine qualifies the classification under Chapter 7 of the Customs Tariff Act, 1975. However, if it is subject to any process for retaining their natural green colour and flavour, it would be classifiable under 0904 11 90 of Chapter 9 of the Customs Tariff Act, 1975.

iv) What is the rate of GST applicable on sale or purchase of raw green pepper of genus Piper Nigrum.

The purchase or sale of 'green pepper' picked from the vine is exempted under GST as per Entry at Sl No. 43 of Notification No. 02/2017 Central Tax (Rate) dated 28.06.2017.



S. Anilkumar, IRS  
Additional Commissioner of Central Tax  
MEMBER



B.S. Thyagarajababu, B.Sc, LL.M  
Joint Commissioner of State Tax  
MEMBER

To

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