NATION TAX MARKET	**KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM**	KERALA GST State Goods & Services Tax

BEFORE THE AUTHORITY OF: Smt. Gayathri P.G., IRS &

: Shri. Abdul Latheef K.

Legal Name of the applicant	M/s. ROS products
GSTIN	32AADFR3654E1ZJ
ARN No.	AD321122003662V
Address	14/467, Chittathukara, Kakkanadu, Kochi, 682030.
Advance Ruling sought for	1. What is the HSN code of Icing sugar? 2. What is the rate of GST on Icing sugar?
Date of Personal Hearing	20/12/2023
Authorized Representative	Sri. Tom Thomas, Authorized Representative

ADVANCE RULING No.KER/8/2024 Dated 29/10/2024

1. M/s ROS Products, Chittattukara, Kakkanadu, Kochi, 682030 *(hereinafter referred to as the applicant)* is in the business of food products and registered under GST Act 2017 bearing GSTIN 32AADFR3654E1ZJ.

2. In this ruling, a reference to the provisions of the CGST Act, Rules and Notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules and the Notifications issued there under.

3. The applicant requested advance ruling on the following.

3.1. What is the HSN code of Icing sugar?

3.2. What is the rate of GST on Icing sugar?

4. Contentions of the Applicant

4.1. The applicant contended that Icing sugar is being sold under the HSN code 1701 at the rate of 5% GST and also being sold under HSN code 1702 at the rate of 18% GST. Like to get clarification as to which is correct.

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4.2. The applicant also furnished the relevant portion from the FSSAI regulation 2011. As per the specification of FSSAI, icing sugar means the sugar manufactured by pulverizing refined sugar or vacuum pan (plantation white) sugar with or without edible starch. Edible starch, if added, shall be uniformly extended in the sugar. It shall be in form of white powder, free from dust, or any other extraneous matter.

The product may contain food additives permitted in these regulations and Appendices. It shall conform to the following standards:-

(a)	Total starch and sucrose (moisture free)	Not less than 99.00 percent (moisture free) by weight.
(b)	Moisture	Not more than 0.80 percent by weight
(c)	Starch	Not more than 4.00 percent by weight on dry basis

4.3. The applicant submitted that Icing sugar is manufactured with grounded/pulverized sugar (HSN 1701) and maize starch (HSN 1108). It should not be not more than 4% by weight on dry basis of maize starch and balance by weight is grounded/pulverized sugar.

5. Comments of the Jurisdictional Officer

The application was forwarded to the jurisdictional officer as per provisions of section 98 (1) of the CGST Act. The Jurisdictional officer has submitted that as no specific heading exists for 'Icing Sugar', the residual heading of 1701 99 90 would be the apt classification for the same. Hence it is presumed that the jurisdictional officer has no other comments to offer. It is also construed that no proceedings are pending on the issue against the applicant.

6. Personal hearing

The applicant was granted opportunity for personal hearing on 20.12.2023 Sri.Tom Thomas, Authorized Representative represented the applicant for personal hearing, which was conducted virtually. The representative reiterated

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the contentions made in the application and requested to issue the ruling on the basis of the submissions made in the application.

7. Discussion and conclusion.

7.1. On carefully reviewing the advance ruling application, the statement of facts, and the submissions made during the personal hearing, we have found that the questions for which the advance ruling is being sought fall within the scope of clause (a) of sub-section (2) of section 97 of the CGST Act, which pertain to the "classification of any goods or services or both". Therefore, the application has been accepted for further consideration based on its merits.

7.2. The issue was examined in detail. The issue involved is the classification of icing sugar and whether icing sugar comes under the HSN code 1701 (at the rate of 5% GST) or under HSN code 1702 (at the rate of 18% GST). Upon a review of the schedules under the Customs Tariff Act and the corresponding classification of goods under the GST as per Notification No. 01/2017-Central Tax (Rate), dated 28th June 2017, it has been noted that the specific nomenclature of the product in question does not appear under any particular entry within the said schedules.

7.3. We find that so far as GST classification is concerned: there are different categories of sugars such as 'CANE OR BEET SUGAR AND CHEMICALLY PURE SUCROSE, IN SOLID FORM' (1701), 'OTHER SUGARS, INCLUDING CHEMICALLY PURE LACTOSE, MALTOSE, GLUCOSE AND FRUCTOSE, IN SOLID FORM' (1702) etc. From Notification No 1/2017-Central Tax (Rate) dated 28-06-2017,as amended vide Notification No 41/2017-Central Tax (Rate) dated 14-11-17, we find that the tax rate thereof is as follows.

CLASSIFICATION	DESCRIPTION	CGST	SGST
1701	Beet sugar, cane sugar, khandsari sugar	2.5%	2.5%
1702	Palmyra Sugar	2.5%	2.5%
170191, 170199	All goods, including refined sugar containing added flavouring or colouring matter, sugar cubes, Others	6%	6%

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1702	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form;	9%	9%

7.4. We find that icing sugar is sugar in solid form, obtained by pulverizing solid sugar. Any type of sugar, if ground to fineness, becomes icing sugar. Though chemically pure sugar falling under 1702, such as lactose, maltose, glucose and fructose etc. are not generally used to make icing sugar. From the literature available in public domain, it is seen that icing sugar is a finely ground sugar produced by milling granulated sugar into a powdered state. It usually contains between 2% and 5% of an anti-caking agent – such as corn starch, potato starch or tricalcium phosphate etc. to absorb moisture, prevent clumping, and improve flow.

7.5. The applicant explained the manufacturing process of Icing sugar that the refined sugar(sucrose) pulverized with edible starch at a proportion not more than 4% in the whole product. Starch is primarily used to prevent moisturizing the product. Also the product is in the form of white powder and not containing any added flavoring or coloring materials.

7.6. Thus, while a specific classification cannot be provided for icing sugar, we find that the icing sugar deserves the very same classification applicable to the sugar which ground to make icing sugar. In the instant case, icing sugar is manufactured from refined sugar(sucrose), pulverized with starch and not added with any coloring or flavoring materials. Hence the appropriate classification of the product would falls under chapter/Heading/sub-heading/Tariff item – 1701 of the Customs Tariff Act 1975 with product description- Cane or beet sugar and chemically pure sucrose in solid form.

7.7. The product under review is manufactured from chemically pure sucrose, which is pulverized with edible starch and not added with any flavoring or coloring materials. Verbally it is a composite product, but the ratio of refined sucrose and edible starch at 96:4, in which the presence of starch does not effect the essential character (taste) of sugar. Hence for the classification of the

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product, we adopt the principles of interpretation of tariff under the Customs Tariff Act as per Rule 3(a), as follows;

Rule 3(a): The heading which provides the most specific description of the goods is to be preferred to a heading which provides a more general description.

7.8. Having come to the conclusion that, the product under review, viz, "Icing sugar" manufactured from refined sucrose added with edible starch is to be appropriately classifiable under Schedule II of the rate notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 with HSN code 17019990 – other sugar at the rate of tax of 6% CGST, 6% SGST and 12% IGST.

Given the observations stated above, the following rulings are issued;

RULING

Question No.1. What is the HSN code of Icing sugar?

RULING: HSN code of Icing Sugar, manufactured from refined sucrose added with edible starch, is 17019990.

Question No.2. What is the rate of GST on Icing sugar?

RULING: GST rate of Icing Sugar manufactured from refined sucrose added with edible starch is 12% (CGST 6%+SGST 6%).

P Gayathri.

Gayathri P.G., IRS
Joint Commissioner of Central Tax
Member

Abdul Latheef. K
Joint Commissioner of State Tax
Member

To,

M/s. ROS products,
14/467, Chittathukara,
Kakkanadu, Kochi- 682030.

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Copy submitted to:

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin- 682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in].
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002. (email: cst.sgst@kerala.gov.in).
3. The Commissioner of Central GST and Central Excise, Cochin Commissionerate.

Copy to :

1. The Additional Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Tvpm for uploading in the website
3. Tax payer services Circle, Kakkanad.
4. The Supdt. Central Tax, Kakkanadu Range-4, Kakkanad Division.

