

**GUJARAT AUTHORITY FOR ADVANCE RULING,
GOODS AND SERVICES TAX,
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.**



ADVANCE RULING NO. GUJ/GAAR/R/30/2021
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2021/AR/15)

Date: 19.07.2021

Name and address of the applicant	:	M/s. Sampoorna Dairy and Agrotech LLP., Plot No.478/5/P13, Tumb Khatalwala road, Khatalwala, Bhildad, Taluka: Umbergaon, Dist:Valsad, Gujarat-396120.
GSTIN of the applicant	:	24ADHFS2408N1ZW.
Date of application	:	23.04.2021
Clause(s) of Section 97(2) of CGST/ GGST Act, 2017, under which the question(s) raised.	:	(a)Classification of goods or services or both. (e)Determination of the liability to pay tax on any goods or services or both.
Date of Personal Hearing	:	30.06.2021
Present for the applicant	:	Shri Kaushik Nahar, CS.

BRIEF FACTS

The applicant, Sampoorna Dairy and Agrotech LLP, submitted that their product ‘Lassi’ will be named as ‘Laban’ and sold under Brand name of ‘Elan’ in following 4 flavours:

- Plain – No salt and sugar.
- Cumin and salt.
- Strawberry, sweetened with sugar.
- Blueberry, sweetened with sugar.

2. The applicant has submitted that the product is Lassi in Indian vocabulary with same contents and characteristics which will be sold in the name of ‘Laban’. The applicant has submitted that the manufacture of the said product involves the following steps/process:

- a) Receiving milk in silos.
- b) Standardization: Standardization means minimum 3.0% fat and 8.5% SNF are required to prepare curd from cow milk. But in cow milk fat available is 3.7% or 3.8% and SNF 8.2% or 8.3% to maintain the above standard for manufacture of curd standardization.
- c) Homogenization – 180 bars (60-65o C).
- d) Pasteurization- (90o C for 10 minutes).
- e) Curd milk inoculation (with DIV/Bulk culture).
- f) Curd fermentation.
- g) Curd put in blending machine for mixing from solid form to liquid forms (agitation).
- h) Chilling/Texturizing & Storage (below 5o C).
- i) Laban filling in bottle or other packing options of various quantities as per the requirement of customers from 150 ml. onwards.
- j) Bottle capping, sleeving, coding and web sealing.
- k) Palletization.
- l) Cold storage(Below 50o C).
- m) Dispatch through Refrigerated van.

3. The applicant opines subject goods is classifiable under HSN 04039090 and is exempted from GST as they appear at Entry No.26 of Exemption Notification No.2/2017-Central Tax(Rate) dated 28-6-17 and reads as follows:

Sr.No.	HSN	Description of Goods
26.	0403	Curds; Lassi; Butter milk

Question on which Advance Ruling sought?

- i) *Whether product manufactured as ‘Lassi’ but named as ‘laban’ can be classified as Lassi under Description of Goods?*
- ii) *Is the goods taxable or exempted?*
- iii) *If exempted, HSN of the Product and rate of tax on product.*
- iv) *If taxable, HSN of product and rate of tax on product.*

Personal Hearing:

4. Shri Kaushik Nahar,CS appeared for personal hearing through Video Conferencing on 30-6-21 and reiterated the contents of the application.

FINDINGS:

5. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and GGST Act, 2017 are in pari materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the GGST Act.

6. We have carefully considered all the submissions made by the applicant.

7. We note that Lassi is a fermented milk drink and its main ingredients are curd, water and spices. We have noted the manufacturing Process submitted by the applicant. On reading the contents of the subject goods displayed on the bottle of ‘laban’, we find following ingredients printed on the bottle: Pasteurized toned milk, spices, pudina, green chilli, ginger, salts, active culture, added nature identical flavour and stabilizer (INS440). Further, on the bottle of ‘laban’ we note that “‘Dairy based fermented Drink’ is printed.

8. We refer to HSN 0403, which reads as follows:

0403 BUTTERMILK, CURDLED MILK AND CREAM, YOGURT, KEPHIR AND **OTHER FERMENTED OR ACIDIFIED MILK AND CREAM, WHETHER OR NOT CONCENTRATED OR CONTAINING ADDED SUGAR OR OTHER SWEETENING MATTER OR FLAVOURED** OR CONTAINING ADDED FRUIT, NUTS OR COCOA

0403 10 00 - Yogurt
0403 90 - Other:
0403 90 10 --- Butter milk
0403 90 90 --- Other

Explanatory notes to HSN for the Heading 0403 reads as follows:

“This heading covers buttermilk, and all fermented or acidified milk and creams and includes curdled milk and cream, yogurt and kephir. The products of this heading may be in liquid, paste or solid(including frozen) form and may be concentrated (e.g. evaporated or in blocks, powder or granules) or preserved. Fermented milk of this heading may consist of milk powder of heading 0402 containing small quantities of added lactic ferments, with a view to its use in prepared meat products or as an additive for animal feed.

Acidified milk of this heading may consist of milk powder of heading 0402 containing small quantities of added acid(including lemon juice) in crystal form in order to produce curdled milk on reconstitution with water.

Apart from the additives mentioned in the General Explanatory Note to this Chapter, the products of this heading may also contain added sugar or other sweetening matter, flavourings, fruit (including pulp and jams), nuts or cocoa.”

9. Inferring from the manufacturing process submitted and the contents of the subject goods printed on its bottle, we hold subject goods are Lassi. We find goods ‘Lassi’ is described at Sr. No.26 of Notification No.2/2017-Central Tax (Rate) dated 28-6-17.

10. We pass the Ruling:

RULING

The goods are classified as Lassi at HSN 040390 and is exempt from GST.

(SANJAY SAXENA)
Member(S)

(ARUN RICHARD)
Member(C)