

**TAMILNADU ADVANCE RULING AUTHORITY**  
**PAPJM Buildings, IstFloor, No.1, Greams Road, Chennai-600 006.**  
**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE**  
**GOODS AND SERVICES TAX ACT 2017.**

**Members present are:**

1. Ms. Manasa Gangotri Kata, IRS, Joint Commissioner/Member,  
Office of the Commissioner of GST & Central Excise, Chennai.

and

- 2.Thiru KurinjiSelvaan V.S., M.Sc.(Agri.), M.B.A., Joint Commissioner (ST)/Member  
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-6

**ORDER No. 54/ARA/2019 Dated: 23.12.2019**

GSTIN Number, if any / User id		33AAGCB8401P1Z1
Legal Name of Applicant		M/s. PAKA HERBS & SPICES PRIVATE Ltd.
Trade Name of The applicant		M/s. PAKA HERBS & SPICES PRIVATE Ltd.
Registered Address / Address provided while obtaining user id		205, City Center Road, 2 <sup>nd</sup> Floor, 232 Purasawalkam High Road, Chennai 600 010.
Details of Application		ARA No. 32/2019 dated 19.08.2019
Concerned Officer		State :The Assistant Commissioner (ST), Ayanavaram Assessment Circle F50, 1 st Main Road, ICICI Wealth Management Building, Annanagar, Chinthamani- 600 102. Centre : Chennai North Commissionarate.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Supply of Goods.
B	Description (in brief)	Sale of Rice Husk Board
Issue/s on which advance ruling required		1.Classification of the goods 2. Applicability of a Notification issued under the provisions of the Act
Question(s) on which advance ruling is required		Whether the Rice Husk Board manufactured by the applicant comprising of Natural Fibre (Rice Husk Powder); Calcium carbonate, recycling waste and other processing aid as well as PVC resin, wherein PVC acts only as a bonding agent would remain classified as wood and Articles of Wood under Chapter 44 and attract 12% rate of GST.

**Note: Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Rulings, Chennai as under Sub-Section (1) of CGST Act / TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed is communicated.**

**At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.**

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M/s. PAPAKA HERBS & SPICES Pvt Ltd., No. 205, City Center Road, 2<sup>nd</sup> Floor, 232 Purasawalkam High Road, Chennai 600 010. (hereinafter referred as 'Applicant') is registered under the GST Act 2017 vide GSTIN No. 33AAGCB8401P1Z1. They are engaged in the manufacture of "Natural Fibre Composite Board (NFC) and their manufacturing facility is at 1/138 Ellammankoil Street, Azhinjivakkam Post, Athipedu Village Sholavaram, Chennai 600 067. The applicant has sought Advance Ruling on the following question:

*Whether the Rice Husk Board manufactured by the applicant comprising of Natural Fibre (Rice Husk Powder); Calcium carbonate, recycling waste and other processing aid as well as PVC resin, wherein PVC acts only as a bonding agent would remain classified as wood and Articles of Wood under Chapter 44 and attract 12% rate of GST.*

The applicant submitted a copy of challan evidencing payment of application fees of Rs.5, 000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The applicant has stated that one of the products manufactured by them is the Rice Husk Board. They procure rice husk from the farming community, rice mills or other traders who supply rice husk according to their requirement. Firstly, the rice husk, is pulverized into a fine powder and then the powdered rice husk otherwise known as natural fibre are derived from the agro-residuals. Thereafter, the natural fibre, is mixed with lime powder (calcium carbonate), processing additives such as lubricants, foaming agents, foam regulators, heat stabilizers, etc. PVC resin is used as a binding agent. The quantity of each part of raw material for the manufacturing process of the above mentioned product is produced below:

ITEM	% QTY
Rice Husk Powder (Natural Fibre)	30.00
Calcium Carbonate (Lime powder)	14.00
Recycling waste	18.00
PVC	26.00
Processing aids such as thermos-coupling agents, etc.	8.00
Lubricant	4.00
<b>TOTAL</b>	<b>100.00</b>

Subsequently, the compound is mixed with PVC resin and extruded through a screw-barrel and mould at a preset temperature and pressure. The compound melts under high temperature in the screw-barrel and is released through the mould and is transferred to a thickness calibration unit. Later chilled water passes through the calibration unit in order to settle the thickness and to cool the board. The width of the sheets is maintained according to the width of the mould, which is generally 1350mm. Whereas, the thickness of such sheets is controlled with the flow and opening of the mould the sheet comes out as a continuous process and travels upto a pulling unit called haul off. In order to maintain the width of 1220 mm i.e 4 feet, the automatic system fitted with the machine runs continuously to trim the sides. Whereas, the automatic system fixed at the end of the machine allows the board to cut at a length of 2440mm i.e. 8 feet. This way, a NFC board is manufactured in 2440mm X 1220mm (8 feet X 4 feet). These boards are manufactured in various thicknesses ranging from 6mm to 25mm. They are then calibrated once again with the help of surface sanding machine.

2.2 The applicant has further stated that the dominant raw material used for the Rice Husk Board is the rice husk along with calcium carbonate. The PVC used by the applicant is only a binding agent of raw materials used in the making of the Rice Husk Board. The correct classification of these items and the applicable rate of GST are the issues on which advance ruling is sought by the applicant.

2.3 On the interpretation of law, the applicant has submitted that the natural fibre i.e the powdered rice husk and the carbonated calcium are used in larger proportion for making the Rice Husk Board. The PVC which is otherwise known as **Thermoplastic** polymers is a naturally white and brittle plastic. The very purpose of the PVC used by the applicant is to bind the raw materials together in order to get the desired output i.e the Rice Husk Board. Thus, the natural fibre is the dominant raw material used for the production of the said board. Wood and

Articles of Wood, etc., is classified under Chapter 44 and Particle Board, Oriented Strand Board (OSB) and similar board (for example, wafer board) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances, other than specified boards, **exclusively falls under Heading 44.10. On examination of the explanatory notes to HSN, it is observed that the product in question falls under Heading 44.10 for the reasons explained below.**

Particle board is a flat product **manufactured in various lengths, widths and thicknesses by pressing or extrusion.** It is usually **made from wood chips or particles obtained by the mechanical reduction of round wood or wood residues.** It may also be produced from other ligneous materials such as **fragments obtained from bagasse, bamboo, cereal straw or from flax or hemp shives.** Particle board is normally agglomerated by means of an added organic binder, usually thermosetting resin, which generally does not exceed 15% of the weight of the board.

The chips, particles or other fragments constituting the particle boards of this heading are usually recognizable at the edges of the board with the naked eye. **However, in some cases, microscopic examination may be required to distinguish the particles and fragments from the ligno-cellulosic fibres characterizing the fibreboard of heading 44.11.** The particle boards are usually sanded. Moreover, they may be impregnated with one or more substances not essential for the agglomeration of their constituent materials but which confer on the board an additional property, e.g., impermeability to water, resistance to rot, insect attack, **fire or the spread of flame,** chemical agencies or electricity, greater density. In the last instance, **the impregnating substances attain an important proportion.** Oriented strand board, which is made from layers of thin strands of wood which are at least twice as long as they are wide. These strands are mixed with binders (usually waterproof) such as isocyanate or phenolic resins, interleaved together and laid down in layers forming a thick mat in which the strands are generally oriented lengthwise in the surface layers and generally cross oriented or laid down randomly in the inner layers in order to give the board improved elasto mechanical properties. The mat is **subjected to heat and pressure** producing a solid, uniform, rigid structural board. Wafer board, which is made from **thin wafers of wood** which are less than twice as long as they are wide. These wafers are mixed with binders (usually waterproof) such as isocyanate or phenolic resins, interleaved together and laid down randomly, thus forming a thick mat. The mat is subjected to heat and pressure producing a solid, uniform, structural board having high strength and

water resistance. With regards to other ligneous material whether or not agglomerated with resins or other organic binding substance (other than specified boards), the Hon'ble Tribunal, Bangalore in **M/S. Padmavathy Panel Boards vs The Commissioner Of Central Excise[2001 (132) ELT 36 Tri Bang]** held that:

7. We have heard both sides and considered the submissions and find-  
(a) HSN Note relating to particle boards prescribed "it may also be produced from other ligneous materials such as fragments obtained from Bagasse, Bamboo, Cereal Straw or from flax or hemp shieves." We therefore cannot concur with the submission that boards manufactured out of Rice Husk would be excluded from the purview of particle boards following under Chapter Heading 44.06 as HSN Note did not limit the items, but only gives the example. Tariff Entry 44.06 is very clear, it reads as "Particle Board and similar board of wood or other ligneous materials whether or not agglomerated with resins or other organic binding substances." The word 'lignin' as explained in 'NEW WEBSTERS' Dictionary of English, indicates the same to mean a (sic) Botanical origin, it covers an organic substance associated with cellulose in the cell walls especially of the xylem on wood of many plants. This meaning of 'lignin' would indicate that the word 'ligneous' used in the Entry 44.06, would cover a particle board, made up by using any part of plant material with Resin. 'Rice Husk' is part of Rice Plant being other cover of the Rice grain, which is used in this case, along with Resin/Glue, Bamboo, Cereal Straw, flax or hemp shieves and the resultant 'boards' would be thus covered by heading 44.06.

Hence, based on the ratio of the Hon'ble CESTAT, Bangalore, the rice husk board of the applicant would very well fall under the said category and would come under the erstwhile classification under Heading 44.06, which is presently classified under heading 44.10. The applicant has further stated that, as per the general explanation note to HSN under Chapter 44, any panel which consists of layers of wood and plastic can be classified under the said Chapter, provided if the later has a subsidiary insulation function in the making of the final product. Thus, the sole purpose of using PVC is to bind the rice husk powder, fillers and other processing additives in order to get the desired output i.e the rice husk board. PVC has a very minimal dominance in the making of the rice husk board. It is evident from manufacturing process that the major proportion of raw material used is rice husk as natural fibre along with calcium carbonate. The other materials such as recycled material & processing additive and PVC resin are comparatively less in proportion as compared to the natural fibre. The PVC resin, acts as a binding agent of all the other raw materials used. Thus, the major proportion of raw material used for manufacturing the rice husk board is the natural fibre i.e., the powdered rice husk.

Hence, the rice husk board will fall under Heading 44.10 as per the above explanation of the HSN Note.

2.4 The applicant has submitted that, based on the HSN explanatory notes and the ratio of the Hon'ble Tribunal (Bangalore), the Rice Husk Board manufactured by them would appropriately falls under Chapter 44 and Heading 44.10 of the GST Tariff. As per Sl.No 92 of the Notification 01/2017- (CT Rate) dated 28.06.2017 Schedule 2, specified goods falling under Chapter 44 or any other Chapter are subject to 6% CGST & 6% SGST and the Rice Husk Board is specifically mentioned under the said Sl.No. Moreover, the applicant also wish to submit that as long as the product satisfies the description "Rice Husk Board" irrespective of its classification GST at the rate of 12% would apply as per the above notification.

3.1 The applicant was extended an opportunity to be heard in person and was heard on 26.09.2019. Shri. G. Natarajan, Advocate and Shri. Varun Bengani, Director of the applicant company appeared for the hearing. They submitted copies of HSN clarification and explanatory notes quoting General Note stating that they should be classified under chapter 44. They stated that the product uses rice husk which is made into fine powder and mixed with resin and extruded into moulds. This product is a Rice Husk Board, a new product. They submitted copies of CESTAT judgment which classified under 4406 which is now 4410. The product does not have a layer of insulation but the PVC resin is mixed into it. They undertook to submit copies of sale invoices and invoices for all inputs. They reuse any waste generated back into the compound before putting it into a mould. The final rate will be 12% as per SL. No. 92 of Schedule II under 4410.

3.2 The Jurisdiction State Officer appeared for hearing and reiterated the written submissions. In the written submissions, it is stated that no case is pending on the Rate of Tax issue and that the Rate of Tax on the Rice Husk Board manufactured by the applicant is leviable @12% GST, since it comprises Natural Fibre i.e., Rice Husk Powder, Calcium Carbonate, recycling waste and PVC resin which is bonding agent remain classified as Woods and Articles of Wood.

3.3 As undertook during the personal Hearing the Applicant submitted copies of purchase invoice related to Purchase of 'Rice Husk Powder', PVC suspension resin, PE Wax ( HSN 34049020), Stearic Acid Triffa 921(HSN 3823)),

Cellcom and WPC-3000E (HSN 38099390), NC Blowing Agent AKD-7800(HSN 38099390), Acrylic Processing Aid Type HL 175S(HSN 39069090), Acrylic Processing Aid Type HL-90(HSN 39069090) and sale invoices with the description 'Indowud NFC Board' (HSN 44109090) on 10.10.2019. The sample of Indowud – A Zero Wood NFC board produced during the hearing shows that it is similar to a board made of wood.

3.4 It is seen in the product brochure that the product is 'Indowud NFC Boards' which is a 'Natural Fibre Composite' made of natural fibres, mineral and polymer compounds, other fillers and additives. It is claimed to be a better and eco friendly alternative to wood, plywood, and MDF/HDF. It is flame resistant, termite proof, waterproof. Its application include as a substitute to wood based boards in wall paneling, Outdoor furniture, Garden, Pool and Seaside furniture, Kitchen and Dining areas, CNC routing, Thermoforming, Cabinets and wardrobes, Partitions, Fencing, Signage. The brochure further states that the natural fibres are procured from polymers and natural fibres are mixed with minerals, coupling agent, heat stabilizers and necessary additives under monitored temperature and pressure forms a homogenous matrix which is responsible for the bonding between polymers and fibres. The compound is then extruded through various calibration pads. It has density of 650-850 kg/CBM (0.65-0.85 g/cm<sup>3</sup>) with a 5% variation.

4. We have considered the application filed by the applicant and various submissions made by them as well as by the department. The short issue involved in this case is determination of the classification for the product manufactured and supplied by the applicant as per the Customs Tariff and the applicable rate of GST payable as per Notification No. 01/2017-CT(Rate) dated 28.06.2017 as amended. As per Section 97 (2) of the CGST Act, 2017, advance ruling can be sought in the matter of classification of any goods and consequently the rate of GST payable. Hence we proceed to examine the issue in detail.

5.1 In terms of explanation (iii) and (iv) to Notification No. 1/2017 - Central Tax (Rate) dt. 28-06-2017, tariff heading, sub-heading, heading and chapter shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 and the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall be applied for the interpretation and classification of goods.

5.2 The applicant has submitted that the product under consideration is a Natural Fibre Composite (NFC) Board made of Natural Fibre, i.e, Rice Husk Powder which constitutes 30% by weight, Calcium Carbonate (Lime Powder) 14% by weight, Recycling Waste 18% by weight, PVC 26% by weight, Processing aids such as thermos-coupling agents, etc 8% by wt and lubricant 4% by weight. They claim that the product is classifiable under CTH 4410. The relevant CTH and the related Chapter/Section notes along with the Explanatory Notes of HSN are examined as under:

CTH :4410

4410	<b>PARTICLE BOARD, ORIENTED STRAND BOARD (OSB) AND SIMILAR BOARD (FOR EXAMPLE, WAFERBOARD) OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT AGGLOMERATED WITH RESINS OR OTHER ORGANIC BINDING SUBSTANCES</b>
	- <i>Of wood:</i>
4410 11	-- <i>Particle board:</i>
4410 11 10	--- Plain particle boards
4410 11 20	--- Insulation board and hardboard
4410 11 30	--- Veneered particle board, not having decorative veneers on any face
4410 11 90	--- Others
4410 12	-- <i>Oriented strand board (OSB):</i>
4410 12 10	--- Unworked or not further worked than sanded
4410 12 90	--- Other
4410 19 00	-- Other
4410 90	- <i>Other:</i>
4410 90 10	--- Plain particle board
4410 90 20	--- Insulation board and hard board
4410 90 30	--- Veneered particle board, not having decorative veneers on any face
4410 90 40	--- Of Coir
4410 90 50	--- Of jute fibre
4410 90 90	--- Other

The Explanatory Notes of HSN states as follows:

**44.10 - Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.**

- Of wood :

4410.11 -- Particle board

4410.12 -- Oriented strand board (OSB)

4410.19 -- Other

4410.90 - Other

**Particle board** is a flat product manufactured in various lengths, widths and thicknesses by pressing or extrusion. It is usually made from wood chips or particles obtained by the mechanical reduction of roundwood or wood residues. It may also be produced from other ligneous materials such as fragments obtained from bagasse, bamboo, cereal straw or from flax or hemp shives. Particle board is normally agglomerated by means of an added organic binder, usually a thermosetting resin, which generally does not exceed 15 % of the weight of the board.

The chips, particles or other fragments constituting the particle boards of this heading are usually recognisable at the edges of the board with the naked eye. However, in some cases, microscopic examination may be required to distinguish the particles and fragments from the ligno-cellulosic fibres characterising the fibreboard of heading 44.11.

5.3 From the above, it is evident that those boards are manufactured by mechanical reduction of wood residues or other ligneous materials by adding



organic binder, usually a thermo setting resin, which generally do not exceed 15% of the weight of the board is classified under this Heading. In the instant case, natural fibre is first extracted from rice husk and then mixed with lime powder (calcium carbonate), processing additives such as lubricants, foaming agents, foam regulators, heat stabilizers, etc. PVC resin is used as a binding agent. If the rice husk was directly added with binders etc without extracting the fibres, the product would be a particle board, which is not the case here.

5.4 We examine the other possible classification for the product. CTH 4411

<b>4411</b>	<b>FIBRE BOARD OF WOOD OR OTHER LIGNEOUS MATERIALS, WHETHER OR NOT BONDED WITH RESINS OR OTHER ORGANIC SUBSTANCES</b>	
	- <i>Medium density fibre board (MDF):</i>	
4411 12 00	-- Of a thickness not exceeding 5mm	
4411 13 00	-- Of a thickness exceeding 5mm but not exceeding 9mm	
4411 14 00	-- Of a thickness exceeding 9mm	
	- <i>Other:</i>	
4411 92	-- <i>Of a density exceeding 0.8 gm/cm<sup>3</sup> :</i>	
	--- <i>Not mechanically worked or surface covered:</i>	
4411 92 11	---- Hardboard	1
4411 92 19	---- Other	1
	--- <i>Other:</i>	1
4411 92 21	---- Hardboard	1
4411 92 29	---- Other	1
4411 93	-- <i>Of a density exceeding 0.5 gm/cm<sup>3</sup> but not exceeding 0.8 gm/cm<sup>3</sup> :</i>	1
	--- <i>Not mechanically worked or surface covered:</i>	
4411 93 11	---- Insulation board	1
4411 93 19	---- Other	1
	--- <i>Other:</i>	1
4411 93 21	---- Insulation board	1
4411 93 29	---- Other	1
4411 94	-- <i>Of a density not exceeding 0.5 gm/cm<sup>3</sup> :</i>	1
	--- <i>Not mechanically worked or surface covered:</i>	
4411 94 11	---- Insulation board	1
4411 94 19	---- Other	1
	--- <i>Other:</i>	1
4411 94 21	---- Insulation board	1
4411 94 22	---- Of Coir	1
4411 94 23	---- Of jute fibre	1
4411 94 29	---- Other	1

HSN Explanatory Notes to CTH 4411 states :

**44.11 - Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.**

- Medium density fibreboard (MDF) :
  - 4411.12 -- Of a thickness not exceeding 5 mm
  - 4411.13 -- Of a thickness exceeding 5 mm but not exceeding 9 mm
  - 4411.14 -- Of a thickness exceeding 9 mm
- Other :
  - 4411.92 -- Of a density exceeding 0.8 g/cm<sup>3</sup>
  - 4411.93 -- Of a density exceeding 0.5 g/cm<sup>3</sup> but not exceeding 0.8 g/cm<sup>3</sup>
  - 4411.94 -- Of a density not exceeding 0.5 g/cm<sup>3</sup>

Fibreboard is most often manufactured from wood chips which have been mechanically defibred (defibrated) or steam exploded or from other defibred ligno-cellulosic material (obtained e.g., from bagasse or bamboo). The fibres making up the board are recognisable under microscopic examination. They are bonded together in the board by felting and by their own adhesive properties, generally deriving from their lignin content. Additional resins or other organic bonding substances may be used to agglomerate the fibres. Impregnating or other agents may also be added during or after manufacture of the board to give an extra property, e.g., impermeability to water or resistance to rot, insect attack, fire or the spread of flame. Fibreboard may consist of a single sheet or of several sheets bonded together.

The categories of fibreboard of this heading can be distinguished according to their production process and they include :

(A) **Fibreboard obtained by the "dry production process"**

This group includes, in particular, **medium density fibreboard (MDF)**, which is manufactured in a process in which additional thermosetting resins are added to the dried wood fibres in order to assist the bonding process in the press. The density generally ranges from 0.45 g/cm<sup>3</sup> to 1 g/cm<sup>3</sup>. In the unworked state it has two smooth surfaces. It can be used in many different applications such as furniture, interior decoration and in building.

**Medium density fibreboard** of a density exceeding 0.8 g/cm<sup>3</sup> is sometimes also referred to by the trade as "high density fibreboard (HDF)".

(B) **Fibreboard obtained by the "wet production process"**

This group includes the following types of fibreboard :

- (1) **Hardboard**, which is manufactured in a wet production process in which the wood fibres in suspension in water are compressed in the form of a mat under high temperature and high pressure on a metallic mesh. In the unworked state this type of fibreboard has one smooth and one rough surface with a mesh pattern. However, it can sometimes also have two smooth surfaces obtained by special surface treatment or a special production process. It generally has a density exceeding 0.8 g/cm<sup>3</sup>. Hardboard is mainly used for furniture, in the automotive industries, for doorskins and for packaging, especially fruit and vegetable packaging.
- (2) **Mediumboard**, which is manufactured in a way similar to the one for hardboard but at a lower pressure. It generally has a density exceeding 0.35 g/cm<sup>3</sup> but not exceeding 0.8 g/cm<sup>3</sup>. The main application is in furniture production and for interior or exterior walls.
- (3) **Softboard**. This fibreboard is not compressed as the other types of fibreboard obtained by the wet production process. It generally has a density of 0.35 g/cm<sup>3</sup> or less. These boards are used mainly for thermal or sound insulation in building. Special types of insulating board are used as sheathing or sarking materials.

The products of this heading remain classified herein whether or not they have been worked to form the shapes provided for in respect of the goods of heading 44.09, curved, corrugated, perforated, cut or formed to shapes other than square or rectangular and whether or not they have been worked at the surface, the edge or the end, or coated or covered (e.g., with textile fabric, plastics, paint, paper or metal) or submitted to any other operation, **provided** these operations do not thereby give such products the essential character of articles of other headings.

From the above, it is seen that Fibreboard manufactured by bonding fibres extracted from wood chips or other lingo-cellulose material. They are bonded together by adding thermosetting resins and find application such as furniture, interior decoration and in building are classified under this heading. The product in hand is a 'Natural Fibre Composite Board' with density of ranging from 0.65 - 0.8g/Cm3(as given in the brochure) and finds application in furniture, interior decoration, building, etc. In this case as per the manufacturing process, fibres are extracted from the rice husk and then mixed with lime powder (calcium carbonate), processing additives such as lubricants, foaming agents, foam regulators, heat

stabilizers, etc. PVC resin is used as a binding agent. Hence, the product is a Fibreboard and is more aptly classifiable under CTH 441193 as 'Others' as it is not a Medium Density Fibreboard. Further classification will depend on the individual properties of the product.

6. Having decided that the NFC Board manufactured by the applicant with main content as Rice husk, will more appropriately be classified under CTH 441193, the applicable rate of GST is taken up for consideration. The rate of CGST is notified vide Notification No. 01/2017-C.T.(Rate) dated 28.06.2017 as amended in respect of goods and that of SGST is notified vide Notification No. II(2)/CTR/532(d-4)/2017 vide G.O. (Ms) No. 62 dated 29.06.2017 as amended. As per Sl.No 92 of Schedule-II of the Notifications, specifies the following goods falling under Chapter 44 or any other Chapter are subject to 6% CGST. The said entry is as follows:

92.	44 or any Chapter	<p>The following goods, namely :-</p> <ul style="list-style-type: none"> <li>a. Cement Bonded Particle Board;</li> <li>b. Jute Particle Board;</li> <li>c. Rice Husk Board;</li> <li>d. Glass-fibre Reinforced Gypsum Board (GRG)</li> <li>e. Sisal-fibre Boards;</li> <li>f. Bagasse Board; and</li> <li>g. Cotton Stalk Particle Board</li> <li>h. Particle/fibre board manufactured from agricultural crop residues</li> </ul>
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From the above, it may be observed that Rice Husk Board or fibre board manufactured from agricultural crop residues, irrespective of the Chapter under which the same are classified, are subjected to CGST @ 6% and 6 % SGST.

7. In view of the above discussions, we Rule as under:

#### RULING

“Indowud Natural Fibre Composite (NFC)Board” manufactured by the applicant merits classification under Chapter 441193 of the Customs Tariff and attracts 6 % CGST as per S.No. 92 of Schedule II under Notification 1/2017-Central Tax (Rate)

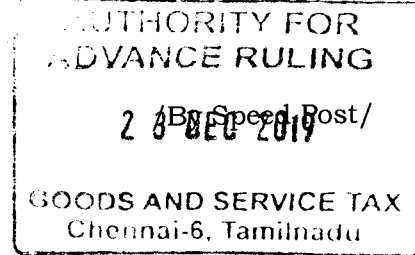
Dt. 28.06.2017 and 6 % SGST under Notification No. II(2)/CTR/532(d-4)/2017  
vide G.O. (Ms) No. 62 dated 29.06.2017 as amended.

*K. Manasa*  
Ms. Manasa Gangotri Kata,  
Member, CGST

*K. Kurinji Selvaan*  
Shri. Kurinji Selvaan V.S,  
Member, TNGST

To

M/S. PAKA HERBS & SPICES PRIVATE Ltd.  
205, City Center Road, 2<sup>nd</sup> Floor,  
232 Purasawalkam High Road,  
Chennai 600 010.



Copy submitted to :-

1. The Principal Chief Commissioner of CGST & Central Excise,  
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,  
Chennai - 600 034.
2. The Additional Chief Secretary / Commissioner of Commercial Taxes,  
2<sup>nd</sup> Floor, Ezhilagam, Chepauk, Chennai - 600 005.

Copy to:

3. The Commissioner of GST & C.Ex., North Commissionerate,  
26/1, Mahatma Gandhi road, Nungambakkam, Chennai - 600 034.
4. The Assistant Commissioner (ST),  
Ayanavaram Assessment Circle  
F50, 1 st Main Road, ICICI Wealth Management Building,  
Annanagar, Chinthamani- 600 102.
5. Master File / spare - 1.