

No GST on bouquets made with dry parts of plants, foliage, flower buds and grasses

The AAR, West Bengal in the matter of *Shopinshop Franchise Pvt. Ltd. [27/WBAAR/2022-23 dated February 9, 2023]* has ruled that 'Bouquets' made with dry parts of plants, foliage, flower buds, grasses, and branches of plants which dried, bleached, dyed, and coloured and sold with plastic foil packaging will be classifiable under Tariff Item No. 06039000 or 06049900 of the Customs Tariff Act, 1975 ("**the Customs Tariff Act**"), and would be exempted from GST as per the SI No. 34 of the *Notification No. 02/2017-Central Tax (Rate) dated June 28, 2017* ("**the Goods Exemption Notification**").

Facts:

Shopinshop Franchise Pvt. Ltd. ("**the Applicant**") is a company engaged in manufacturing and processing of dry parts of plants, foliage, flower buds, grasses and branches of plant which are dried, bleached, dyed and coloured for decorative and ornamental purposes and sold as 'Bouquets' made with dried parts of plants and packed in plastic foil packaging ("**the Impugned Product**").

The Applicant submitted that the Impugned Product will be classified under HSN Code 0604 as per Chapter 6 of the First Schedule of the Customs Tariff Act and is exempted from GST as per SI No. 34 of the Goods Exemption Notification.

The Applicant filed this application seeking the classification and applicable GST rates on the Impugned Product.

Issue:

Whether the supply of the Impugned Product will be classified under HSN Code 0604 as per Chapter 6 of the First Schedule of the Customs Tariff Act and covered under the SI. No 34 of the Goods Exemption Notification?

Held:

The AAR, West Bengal in **27/WBAAR/2022-23** held as under:

- Observed that, the raw materials used in making the Impugned Product are plant products and they undergo some sort of processing before packing with a simple plastic foil packaging.
- Noted that, the Bouquet, made with “Dried and/or Dyed” flower buds will be classifiable as “Other” under Tariff Item No. 06039000 and Bouquet, made with “Dried and/or Dyed” parts of plants, foliage, grasses and branches of plant, will be classifiable as “Other” under Tariff Item No. 06049000.
- Further noted that, as per SI. No. 34 of the Goods Exemption Notification, the whole of Chapter 6 of the Customs Tariff Act which deals with “Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage” is exempted from GST.
- Held that, the Impugned Product will be classifiable under Tariff Item Nos. 06039000 or 06049900, whether individually or in combination, and supply of the Impugned Product is exempted from payment of tax vide SI. No. 34 of Goods Exemption Notification.

Relevant Provisions:

SI. No. 34 of the Goods Rate Notification:

“Schedule

<i>Sl.N o.</i>	<i>Chapter/Heading / Sub-heading / Tariff</i>	<i>Description of Goods</i>
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	<i>item</i>	
34.	6	<i>Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage“</i>

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