

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



ADVANCE RULING(APPEAL) NO. GUJ/GAAAR/APPEAL/2022/20
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2021/AR/11)

Date : 15.09.2022

Name and address of the appellant	:	M/s Vadilal Industries Ltd, Vadilal House, 53, Shrimali Society, Near Navrangpura Police Station, Navrangpura, Ahmedabad – 380 009
GSTIN of the appellant	:	24AAACV4887F1Z6
Advance Ruling No. and Date	:	GUJ/GAAR/R/20/2021 dated 30.06.2021
Date of appeal	:	04.08.2021
Date of Personal Hearing	:	28.07.2022
Present for the appellant	:	Shri Amal Dave, Advocate

At the outset we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services Tax Act, 2017 (hereinafter referred to as the ‘CGST Act, 2017’ and the ‘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, 2017 would also mean reference to the corresponding similar provisions in the GGST Act, 2017.

2. The present appeal has been filed under Section 100 of the CGST Act, 2017 and the GGST Act, 2017 by M/s Vadilal Industries Ltd (hereinafter referred to as Appellant) against the Advance Ruling No. GUJ/GAAR/R/20/2021 dated 30.06.2021.

3. The appellant had raised the following questions seeking advance ruling in the application for Advance Ruling filed by it.

“i). Whether the product viz. ‘Paratha’ i.e. various varieties of Paratha produced by the applicant merit classification under HSN Code 19059090?

ii). Whether the product, namely, ‘Paratha’ i.e. all varieties of Paratha produced by the applicant are chargeable to 5% GST (i.e. 2.5% SGST and 2.5% CGST) under Sl.No. 99A of Schedule-I of Notification No. 01/2017-CT (Rate) and Notification No. 01/2017-IT (Rate) dated 28-6-17?”

4. The appellant has submitted that they are producing eight varieties of Paratha which are Malabar Paratha, Mixed Vegetable Paratha, Onion Paratha, Methi Paratha, Alu Paratha, Laccha Paratha, Mooli Paratha and Plain Paratha; that the principal ingredient of all varieties of Paratha is wheat flour; the Parathas supplied and sold by them in packed condition are to be placed directly on pre-heated flat pan or griddle for being heated on a medium flame for about 3-4 minutes and during this period, Paratha is to be flipped after



every 30 seconds; the method of cooking is common for all the varieties of Paratha, and also that the principal ingredients for all varieties is whole wheat flour and other ingredients like aloo, vegetables, mooli, onion, methi etc., are added only for the purpose of taste and flavor, but otherwise the essential character of all the varieties of Paratha is common and uniform; therefore the product is to be treated as Paratha for the purpose of application for advance ruling; that the word 'Paratha' is not defined under GST; that chapter heading 1905 covers various eatables including bread and HSN explanatory notes includes unleavened bread having common ingredients viz. cereal flours, leavens and salt and may contain other ingredients. The appellant further submitted that roti, chapatti which is unleavened bread of Indian origin like paratha is covered under Sl.No. 99A of Schedule-I of Notification No. 01/2017-CT, as amended by Notification No. 34/2017-Rate; the appellant referred to Rule 3(b) of the Rules for Interpretation of Tariff for mixtures and composite goods which is called 'predominance test of classification' and in product namely Paratha, wheat flour is predominant material and therefore appellant submitted that Paratha, having close resemblance of roti and chapatti would merit classification under HSN Code 19059090 chargeable to GST @5% Adv.

5. The Gujarat Authority for Advance Ruling (herein after referred to as 'the GAAR'), vide Advance Ruling No. GUJ/GAAR/R/20/2021 dated 30.06.2021, *inter-alia* observed that appellant's product i.e. Parathas are not ready for consumption product but requires 3-4 minutes of cooking as well as they are not akin to roti or chapattis which are primarily wheat flour product and HSN 1905 covers already prepared or cooked products whereas appellant's parathas requires 3-4 minutes cooking; Heading 2106 covers food preparations not elsewhere specified or included, used directly or after processing such as cooking. The GAAR also observed that Rule 3(b) of Rules of Interpretation is not applicable as the Paratha does not have any specific essential character and as per Rule 3(c), which states when rule 3(a) and 3(b) are not applicable goods shall be classified under the heading which occurs last in numerical order, therefore, appellant's paratha falls under HSN 21069099.

6. For applicability of Entry at Sl No. 99A of Notification No. 01/2017-CT (Rate), the GAAR observed that 'Khakhra, plain chapatti or roti', which are ready for consumption goods, are mentioned at the said entry and there is no mention of Paratha which requires further processing before consumption and therefore the said entry is not applicable to the product Paratha. The GAAR observed that Paratha will be covered under Entry No. 453 of Schedule-III of Notification No. 01/2017-CT (Rate) dated 28.06.2017 for the period from 01.07.2017 to 14.11.2017 and under Entry No. 23 of Schedule-III of Notification No. 01/2017-CT (Rate) dated 28.06.2017 (as amended by Notification No. 41/2017-CT (Rate) dated 14.11.2017) with effect from 15.11.2017 and will be liable to GST @18% (9% SGST+9%CSGT).

6.1 In view of the foregoing, the GAAR ruled as follows:-

"i). Whether the product viz. 'Paratha' i.e. various varieties of paratha produced by the applicant merit classification under HSN Code 19059090?

Ans. 'Paratha Merits classification at HSN 21069099.



ii). Whether the product, namely, 'Paratha' i.e. all varieties of Paratha produced by the applicant are chargeable to 5% GST (i.e. 2.5% SGST and 2.5% CGST) under Sl.No. 99A of Schedule-I of Notification No. 01/2017-CT (Rate) and Notification No. 01/2017-IT (Rate) dated 28-6-17?

Ans. 'Paratha are covered at

- (i) Entry No. 453 of Schedule-III of Notification No. 01/2017-Central Tax (Rate) dated 28-06-2017 for the period from 01-07-2017 to 14-11-2017 and liable to GST at the rate of 18% (9% SGST+9% CSGT) and
- (ii) Entry No. 23 of Schedule-III of Notification No. 01/2017-Central Tax (Rate) dated 28-06-2017 (as amended by Notification No. 41/2017-Central Tax (Rate) dated 14-11-2017) with effect from 15-11-2017 and liable to GST at the rate of 18% (9% SGST+9% CSGT)."

7. Aggrieved by the aforesaid advance ruling, the appellant has filed the present appeal.

7.1 The appellant in the grounds of appeal has submitted that the GAAR erred in observing that Paratha is not classifiable under Chapter Heading 1905 as they require 3-4 minutes of cooking as in the GST Tariff and HSN explanatory notes to Chapter 19, it has not been mentioned that Heading 1905 only covers ready to eat products. The appellant submitted that GAAR also erred in observed that plain chapatti or roti does not require any processing before consumption as if paratha, chapatti or roti presented in packed condition and bought by consumer, they require to be subjected to heating process for making them eatable. The appellant referred that pizza bread, covered under Heading 1905, is also eligible for concessional rate of duty vide Notification No. 01/2017-CT (Rate) dated 28.06.2017 and 5% GST is applicable on pizza bread, rusk and toasted bread and it is clear that pizza bread and toasted bread require heating and cooking before consumption and this fact alone proves that Heading 1905 is not restricted to product ready for consumption. The GAAR has not given any finding for arising on the conclusion that product which requires further processing or cooking cannot be classified under Heading 1905.

7.2 The appellant submitted that the GAAR erred in holding that Rules 1, 2 and 3 of Rules of Interpretation is not applicable to present case and Rule 3(b) refers to mix or composite goods which are classifiable under two or more heading and paratha, despite being made from wheat flour, does not have any specific essential character by which it can be described and in common parlance also known as paratha and paratha, not being specially mentioned under Heading 1905, is a distinct commodity not being classifiable elsewhere would be classifiable under CTH 2106. The appellant submitted that non inclusion of word Paratha in Heading 1905 does not exclude it from being classified under the same Heading and availing benefit of Entry at 99A of Schedule I of Notification No. 01/2017-CT (Rate). The GAAR should have appreciated the nature of goods akin to the goods mentioned in Heading and that the Heading would only broadly describe the goods falling under it. The GAAR in present case only applied nomenclature test and not given any importance to end user test and how the product is being consumed by people in general. The end user test and how the product is known in the market and the way it is consumed is an essential test for the purpose of classification as it is undisputed fact that Parathas are similar to Chapatti or Roti and many people consume



paratha instead of plain roti or chapatti. Rule 3(b) makes it clear that when there is a mixture of materials, the different materials shall be classified as if they consisted of the material which gives them their essential character and in present case, essential character of paratha is given by wheat flour and therefore Rule 3(b) would be applicable and paratha, item of wheat flour, would be classifiable under Heading 1905. Even otherwise, in view of Rule 4 of Rules of Interpretation, which states that goods which cannot be classified in accordance with Rules 1, 2 and 3 shall be classified under the heading appropriate to the goods to which they are most similar, there is no doubt that parathas are similar to roti and chapatti and consumed in similar fashion.

7.3 The appellant relied upon the Appellate Advance Ruling in case of M/s Ramachandran Bror [2018 (18) GSTL 367] wherein it was held that goods which are not covered under specific heading are classifiable under heading appropriate to the goods to which they have the most similar character and that if such goods are similar to other goods, then the residual entry of classification should not be resorted to. The appellant also relied upon the ruling of Maharashtra Authority of Advance Ruling in case of M/s Signature International Foods India Pvt Ltd [2019 (20) GSTL 640] wherein it was held that paratha is covered under Entry 99A and liable to 5% GST. The appellant submitted that Maharashtra Authority while holding above, observed that various types of Indian Breads called by different names by users depending upon their regions like Roti, fulka, bhakhri, rotla etc. and therefore, classification should not merely be guided by nomenclature but it should be guided by the manner it is consumed.

7.4 The appellant submitted that the GAAR erred in classify the goods under residual entry i.e. Heading 2106 as residual entry covers all the items which are nowhere specified or are not classifiable in a more appropriate heading whereas in the present case, as discussed above, it is clear the parathas are most appropriately relatable to roti and chapatti and consumed in same manner therefore, when a more appropriate classification is available i.e. Heading 1905, the GAAR erred in resorting to residual heading and not following the principles of classification.

8. During the course of personal hearing held on 28.07.2022, the advocate for the appellant reiterated the submissions made in the appeal dated 04.08.2021.

FINDINGS :-

9. We have carefully gone through and considered the appeal and written submissions filed by the appellant, submissions made at the time of personal hearing, Advance Ruling given by the GAAR and other material available on record.

10. The main issue here is to decide the classification of the product viz. various types of paratha i.e. Malabar Paratha, Mixed Veg Paratha, Onion Paratha, Methi Paratha, Alu Paratha, Laccha Paratha, Mooli Paratha and Plain Paratha having common ingredient as wheat flour varying in composition from 36% to 62% and having other ingredients viz. Water, edible vegetable oil, salt, anti-oxidant etc. These Parathas are sold by appellant in packed and frozen condition and required to be cooked on pan or griddle for-3-4 minutes till the Paratha is golden brown on both sides. The detailed cooking instructions are provided on the packaging of respective Parathas.



11. The appellant in its submission stated that, their product i.e. various types of Parathas is classifiable under Heading 1905 which covers "Bread, pastry, cakes, biscuits and other bakers' wares, whether or not containing cocoa; communion wafers, empty cachets of a kind suitable for pharmaceutical use, sealing wafers, rice paper and similar products" and not under Heading 2106 which covers "Food preparations not elsewhere specified or included" as held by GAAR which is a residual entry.

12. We find that the classification of goods under the GST regime has to be done in accordance with the Customs Tariff Act, 1975, which in turn is based on Harmonized System of Nomenclature, popularly known as the 'HSN'. The rules of interpretation, section notes and chapter notes as specified under the Customs Tariff Act, 1975 are also applicable for classification of goods under the GST regime. However, once an item is classified in accordance with the Customs Tariff Act, 1975, the rate of tax applicable would be arrived at on the basis of notifications issued under GST by the respective Governments.

13. The appellant claimed that Paratha is classifiable under Chapter Heading 1905 of Customs Tariff Act, 1975 which is reproduced below:

CHAPTER 19

1905 - BREAD, PASTRY, CAKES, BISCUITS AND OTHER BAKERS' WARES, WHETHER OR NOT CONTAINING COCOA; COMMUNION WAFERS, EMPTY CACHETS OF A KIND SUITABLE FOR PHARMACEUTICAL USE, SEALING WAFERS, RICE PAPER AND SIMILAR PRODUCTS

1905 10 00	Crispbread
1905 20 00	Gingerbread and the like Sweet biscuits; waffles and wafers;
1905 31 00	Sweet biscuits
1905 32	Waffles and wafers: Communion wafers:
1905 32 11	Coated with chocolate or containing chocolate
1905 32 19	Other
1905 32 90	Other
1905 40 00	Rusks, toasted bread and similar toasted products
1905 90	Other:
1905 90 10	Pastries and cakes
1905 90 20	Biscuits not elsewhere specified or included
1905 90 30	Extruded or expanded products, savoury or salted
1905 90 40	Papad
1905 90 90	Other

The general explanatory note to Chapter 19 as per HSN is as follows:

"This Chapter covers a number of preparations, generally used for food, which are made either directly from the cereals of Chapter 10, from the products of Chapter 11 or from food flour, meal and powder of vegetable origin of other Chapters (cereal flour, groats and meal, starch, fruit or vegetable flour, meal and powder) or from the



goods of headings 04.01 to 04.04. The Chapter also covers pastrycooks' products and biscuits, even when not containing flour, starch or other cereal products."

The explanatory note to Chapter heading 1905 as per HSN is as follows:

"This heading covers all bakers' wares. The most common ingredients of such wares are cereal flours, leavens and salt but they may also contain other ingredients such as: gluten, starch, flour of leguminous vegetables, malt extract or milk, seeds such as poppy, caraway or anise, sugar, honey, eggs, fats, cheese, fruit, cocoa in any proportion, meat, fish, bakery " improvers ", etc. Bakery " improvers " serve mainly to facilitate the working of the dough, hasten fermentation, improve the characteristics and appearance of the products and give them better keeping qualities. The products of this heading may also be obtained from a dough based on flour, meal or powder of potatoes."

From the above and explanatory notes to HSN 1905, it can be easily inferred that above chapter covers preparation of flour, generally used as food, which are made from the products of Chapter 11 and Heading 1905 covers Bread, Pastries, Cakes etc. which are completely cooked and ready for consumption whereas the appellant's product i.e. various types of Parathas require 3-4 minutes of cooking on a pan or griddle before consumption. On this ground, the product in question i.e. various types of Parathas do not merit classification under Heading 1905.

14. The appellant in their grounds of appeal stressed on the point that their product i.e. parathas are akin to roti or chapatti which is classifiable under Heading 1905 and liable to 5% GST by virtue of Entry at 99A of Schedule to Notification No. 01/2017 – Central Tax (Rate) 28.06.2017. The appellant has also contended that, while determining classification of Paratha, Rule 3(b) of Rules of Interpretation of Tariff is squarely applicable. According to the said rule Paratha would be classifiable as per the component which gives it, it's essential character, which in this case is wheat flour and accordingly Paratha is more appropriately classifiable under Heading 1905 instead under residual entry at Heading 2106.

14.1 As regard the appellant's contention that their product is similar to roti or chapatti, we have gone through the composition of various types of parathas as provided by the appellant and found that they have one common ingredient wheat flour (36% to 62% depending upon the type of paratha) and other ingredients are water, edible vegetable oil, salt, anti-oxidant, alu (potato), vegetables, mooli (radish), onion, methi etc. whereas, in common parlance, plain roti or chapatti is basically made only from wheat flour apart from water. From the above, it is clear that on the basis of ingredients used in the appellant's product and roti or chapatti, composition of both are very different from each other.

14.2 The General Rules of Interpretation for classification of goods read as follows:

Rule 1 The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions

Rule 2: (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented; the incomplete or



unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or failing to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.

(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.

Rule 3: *When by application of Rule 2 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:*

(a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.

(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.

(c) When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

Rule 4: *Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin.*

14.3 On examining the above rules of interpretation and the contention of the appellant that in their case Rule 3(b) is applicable for classifying Paratha under chapter heading 1905 as the component viz. wheat flour which gives Paratha its essential character is akin to Roti or Chapatti, we find that the said contention does not hold ground as appellant's products i.e. different varieties of Parathas are different from Roti and Chapatti. The only common thread between these items is usage of wheat flour; however the percentage of usage of wheat flour used in Parathas manufactured by the appellant ranges from 36% to 62% whereas the ingredient of Plain Roti or Chapatti is wheat flour apart from water. The different varieties of Parathas supplied by the appellant include ingredients such as, margarine, salt, emulsifying agent, milk, edible oil, sugar, bread improver, potato, green peas, cauliflower, carrot, coriander powder, spices, cardamom, clove, nut meg, pomegranate seeds etc., depending upon the type of parathas apart from wheat flour and water. Even the Plain Paratha apart from whole wheat flour and water contains margarine, salt, emulsifying agent, edible vegetable oil and bread improver. Further Roti or Chapatti is consumed directly but the Parathas manufactured and supplied by the appellant requires to be cooked before the same can be consumed. We therefore find that Parathas supplied by the appellant will not fall under the category of Roti or Chapatti and will not be classified under Chapter heading 1905 as contended by the appellant. The



products supplied by the appellant are thus quite different from plain Roti or Chapatti and are therefore, not eligible for the concessional rate of 5% GST (applicable to Plain Chapatti or Roti), provided under Sl.No.99A of Schedule I to Notification No. 1/2017-CT (Rate) dated 28.06.2017 as amended.

14.4 The GAAR has classified Paratha under tariff item 2106 90 99. The details of the said Chapter heading are reproduced below:

CHAPTER 21

2106	Food Preparations not elsewhere specified or included
2106 10 00	- Protein concentrates and textured protein substances
2106 90	- <i>Other:</i> --- <i>Soft drink concentrates :</i>
2106 90 11	---- Sharbat
2106 90 19	---- Other
2106 90 20	--- Pan masala
2106 90 30	--- Betel nut product known as —Supari □
2106 90 40	--- Sugar-syrups containing added flavouring or colouring matter, not elsewhere specified or included; lactose syrup; glucose syrup and malto dextrine syrup
2106 90 50	--- Compound preparations for making non-alcoholic
2106 90 60	--- beverages Food flavouring material
2106 90 70	--- Churna for pan
2106 90 80	--- Custard powder --- <i>Other :</i>
2106 90 91	---- Diabetic foods
2106 90 92	---- Sterilized or pasteurized millstone
2106 90 99	---- Other

14.5 The supplementary note 5 to Chapter 21 of the Customs Tariff which explains the scope of tariff heading 2106 is as under:

- “5. Heading 2106 (except tariff items 2106 90 20 and 2106 90 30), inter alia, includes:
- a. protein concentrates and textured protein substances;
 - b. preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk or other liquids), for human consumption;**
 - c. preparations consisting wholly or partly of foodstuffs, used in the making of beverages of food preparations for human consumption;
 - d. powders for table creams, jellies, ice-creams and similar preparations, whether or not sweetened;
 - e. flavouring powders for making beverages, whether or not sweetened;
 - f. preparations consisting of tea or coffee and milk powder, sugar and any other added ingredients;
 - g. preparations (for example, tablets) consisting of saccharin and foodstuff, such as lactose, used for sweetening purposes;
 - h. pre-cooked rice, cooked either fully or partially and their dehydrates; and their dehydrates; and
 - i. preparations for lemonades or other beverages, consisting, for example, of flavoured or coloured syrups, syrups flavoured with an added concentrated extract, syrup flavoured with fruit juices and concentrated fruit juice with added ingredients.”



Further the explanatory note to HSN Code 2106 similarly mentions that this heading covers "Preparations for use, either directly or after processing (such as cooking, dissolving or boiling in water, milk, etc.), for human consumption".

14.6 As discussed above, the Parathas supplied by the appellant are different from Plain Roti or Chapatti and cannot be treated as or covered under the category of Plain Roti or Chapatti. Further as held by the GAAR, the parathas supplied by the appellant will not fall under Chapter heading 1905. We find that the appropriate classification of Parathas would be under Chapter heading 2106 as the subject Parathas require to be cooked before the same can be consumed. The Chapter heading 2106 covers food preparations not elsewhere specified or included and Parathas do not fall under any specific chapter head. Further as per Rule 3(c) of Rules of Interpretation, when goods cannot be classifiable under Rule 3(a) or 3(b) then they shall be classified under the heading which occurs last in numerical order among those which merit consideration. Thus, among the headings 1905 and 2106, latter occurs last in the numerical order and hence heading 2016 would be more appropriate and right classification of appellant's product, even from this consideration.

14.7 The appellant submitted that mere heating of their parathas for 3-4 minutes with a little bit of oil would not debar it from falling under Heading 1905 and the GAAR erred in not classifying Paratha under Heading 1905. We refer to cooking instructions mentioned on the packaging of various frozen parathas, as provided by appellant, wherein it is mentioned that "*heat on a medium flame for about 3-4 minutes (flipping after every 30 seconds) pressing gently till Paratha is golden brown on both sides*". On going through the above, we observe that the above process of 3-4 minutes of heating amounts to cooking of the Parathas as the color of the Parathas changes and the frozen Parathas become ready for consumption. As compared to Roti or Chappati or items falling under Chapter heading 1905 which are ready to eat and does not require any further processing before consumption, the appellant's products have to be cooked before the same can be consumed.

15. The appellant has contended that GAAR had mainly gone on the test of nomenclature and not given any importance to end user test as to how the product is known in the market and the way it is being consumed; that Paratha is similar to roti or chapatti and both are consumed in similar fashion. In this regard we refer to the Supreme Court's judgment in case of CCE Vs Carrier Aircon Ltd [2006 (199) E.L.T. 577 (S.C.)] wherein the apex court has observed that "*End use to which the product is put to by itself cannot be determinative of the classification of the product. There are a number of factors which have to be taken into consideration for determining the classification of a product. For the purposes of classification the relevant factors inter alia are statutory fiscal entry, the basic character, function and use of the goods. When a commodity falls within a tariff entry by virtue of the purpose for which it is put to, the end use to which the product is put to, cannot determine the classification of that product*". In view of above judgment of Apex Court, we infer that the end use cannot be determinative of the classification of the product, and a number of factors is required to be considered. As discussed above, the products in question are very different from plain chapatti or roti and the products have to be classified on merits.





15.1 The appellant has relied upon the advance ruling by Maharashtra Authority of Advance Ruling in the case of M/s. Signature International Foods India Pvt. Ltd. [2019 (20) GSTL 640]. In the said case the authority has held Paratha is covered under Entry No.99A (Khakhra, Plain Chapatti or Roti) and is liable to concessional rate of duty. We find that in the said case the authority has given findings that “*The product before us is examined from this view point. The product is plain like a chapatti and unstuffed like Gobhi paratha, Laccha paratho. To us, this is nothing but a plain chapatti and paratha is a misnomer for this food product supplied by the applicant. As such we do not find any difficulty in classifying the product as plain chapatti covered by entry 99A of Notification No. of 34/2017.*” We are of the view that as per Section 103 of the CGST Act, any Advance Ruling is binding on the Applicant who has sought it and on the concerned officer or the jurisdictional officer in respect of the Applicant. We also point out that on the contrary to the above ruling and in consonance with the ruling given by GAAR in the present case, we find that the Authority for Advance Ruling under GST, Kerala in the case of M/s. Modern Food Enterprises Pvt. Ltd., while deciding the classification of ‘Classic Malabar Parota’ and ‘Whole Wheat Malabar Parota’ has held that “*Classic Malabar Parota and Whole Wheat Malabar Parota is classified under Schedule III of GST laws, vide Heading 2106 ‘Food preparations not elsewhere specified or included’ and is taxable @18% GST*”.

15.2 Taking into account the above discussion and findings, we feel that rulings of the Kerala and Gujarat AAR decide the matter correctly and appropriately, taking into account the classification scheme of the tariff read with the explanatory notes.

15.3 Thus, in view of the above, the Parathas supplied by the appellant are different from Plain Chapatti or Roti and cannot be treated as or covered under the Category of Plain Chapatti or Roti and appropriate classification of Parathas would be under Chapter heading 2106.

16. In view of the foregoing, we reject the appeal filed by appellant M/s Vadilal Industries Ltd and uphold the Advance Ruling No. GUJ/GAAR/R/20/2021 dated 30.06.2021 of the Gujarat Authority for Advance Ruling.


(Milind Torawane)
Member (SGST)


(Vivek Ranjan)
Member (CGST)

Place : Ahmedabad
Date : 15.09.2022.



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