

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

Advance Ruling No. KAR ADRG 26/2023

Date : 13-07-2023

Present:

1. Dr. M.P. Ravi Prasad

Additional Commissioner of Commercial Taxes

. . . . Member (State)

2. Sri. Kiran Reddy T

Additional Commissioner of Customs & Indirect Taxes

. . . . Member (Central)

1.	Name and address of the applicant	M/s. SIRIMIRI NUTRITION FOOD PRODUCTS PRIVATE LIMITED, #134/A, 3 rd Floor, 6 th Main, 2 nd Stage, 3 rd Cross, Industrial Suburb, Yeswantpur, Bengaluru - 560 022.
2.	GSTIN or User ID	29AAZCS8693P1ZL
3.	Date of filing of Form GST ARA-01	02-05-2023
4.	Represented by	Sri. Srinivas R Gururajan, Managing Director
5.	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Bangalore North Commissionerate, Bengaluru. (Range-END4)
6.	Jurisdictional Authority - State	ACCT, LGSTO-130, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2911220118308 dated 17.11.2022.

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s. Sirimiri Nutrition Food Products Private Limited (herein after referred to as 'Applicant'), #134/A, 3rd Floor, 6th Main, 2nd Stage, 3rd Cross, Industrial Suburb, Yeswantpur, Bengaluru - 560 022, having GSTIN 29AAZCS8693P1ZL, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read



with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act, KGST Act.

2. The applicant is engaged in manufacture of nutrition food products. They intend to manufacture new variety of chikkies i.e. Sesame Chikkies, Chocolate Peanut Chikkies, Amaranth Chikkies, Crushed Peanut Chikkies, Spirulina Chikkies, Dry Fruit Chikkies. Thus the applicant filed the instant application seeking advance ruling on classification of the said products and the applicable GST thereon.

3. In view of the above, the applicant has sought advance ruling in respect of the following questions:

- a. Classification of Chikkies under respective HSN along with applicable tax rates on those chikkies
- b. Under which head classification needs to be done for the following types of chikkies.

Types of chikkies and ingredients:

1. Sesame chikkies : Sesame Seeds, Jaggery, Butter and Rck Salt
 2. Chocolate Peanut Chikkies : Peanuts, Jaggery, Dried Coconut, Butter, Cocoa Powder, Rock Salt, Natural Chocolate Flavour
 3. Amaranth Chikkies : Amaranth Seeds, Jaggery, Butter, Rock Salt.
 4. Crushed Peanut Chikkies : Peanuts, Jaggery, Butter, Rock Salt
 5. Spirulina Chikkies : Peanuts, Jaggery, Butter, Spirulina Powder, Rock Salt, Natural Cardamom Flavour
 6. Dry Fruit Chikkies : Premium Almonds, Jaggery, Peanut, Sesame Seeds, Green Pistachios, Cashew Nuts, Butter, Rock Salt and other dry fruits
- c. Will the above chikkies will be treated chikkies as per GST classification.
 - d. Whether dry fruit chikkies will be covered under HSN 1702 or 1704?

4. **Admissibility of the Application** : The applicant claimed that the questions on which advance rulings have been sought are with regard to "Classification of any goods or services or both", which are covered under Section 97(2) (a) of the CGST Act 2017 and hence the instant application is admissible.

5. **BRIEF FACTS OF THE CASE**: The applicant submitted the facts, relevant to the issue, that they are about to start manufacturing of new variety of chikkies and



thus they intend to know the classification of the said products and rate of GST thereon.

6. **Applicant's Interpretation of Law:** The Applicant submitted that Chikkies are to be taxed at 5% GST as per Notification No.41/2017-Central Tax (Rate) dated 14.11.2017 and thus seeks clarity on classification of their new chikkies i.e. dry fruit chikkies and spirulina chikkies and also the applicable rate of GST thereon. They contended that their products are covered under HSN 1704 and thus are taxable at 5% GST.

PERSONAL HEARING PROCEEDINGS HELD ON 18.05.2023

7. Sri Srinivas R Gururajan, Managing Director of the applicant company appeared for personal hearing proceedings and reiterated the facts narrated in their application.

FINDINGS & DISCUSSION

8. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matters 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 KGST Act.

9. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts along with the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

10. The applicant, engaged in manufacture of nutrition food products, intends to manufacture new variety of chikkies i.e. Sesame Chikkies, Chocolate Peanut Chikkies, Amaranth Chikkies, Crushed Peanut Chikkies, Spirulina Chikkies, Dry Fruit Chikkies and thus filed the instant application seeking advance ruling on classification of the said products and the applicable GST thereon, in respect of the questions at para 3 supra. It is observed on examination of the questions that the important and common ingredient in all of these products is jaggery, which is an unrefined natural sugar that is produced without adding any chemicals. Jaggery, like sugar, is made from sugarcane without separating the molasses. Thus jaggery broadly can be termed as a form of sugar.

11. Sugar preparations which are marketed in a solid or semi-solid form generally suitable for immediate or direct consumption without further processing are collectively referred to as confectioneries. Chikkies, which are jaggery based

preparations and are meant for direct consumption as snacks, are squarely covered under term Sugar Confectioneries.

12. Now we proceed to examine the classification of the impugned products, as it is decided that the said products are covered under Sugar Confectionery. Chapter 17 of the Customs Tariff Act 1962 covers Sugars and Sugar Confectionery and chapter heading 1704 covers Sugar Confectionery (including white Chocolate) not containing cocoa. Thus all the sugar confectionery that do not contain cocoa are covered under heading 1704. In the instant case it is observed that the impugned products except "Chocolate Peanut Chikkies" do not contain cocoa and thus the products "Sesame Chikkies, Amaranth Chikkies, Crushed Peanut Chickies, Spirulina Chikkies and Dry Fruit Chickies" are squarely covered under Sugar Confectionery and thus fall under heading 1704.

13. It is an admitted fact that the product "Chocolate Peanut Chickies" contain cocoa powder and thus the said product is not covered under Chapter 17. Cocoa and Cocoa Preparations are covered under Chapter 18; Chapter heading 1806 covers Chocolate and other food preparations containing cocoa and chapter heading 1806 90 20 covers Sugar Confectionery containing Cocoa. Thus the product "Chocolate Peanut Chikkies" that contains cocoa powder admittedly is covered under the chapter heading 1806 90 20.

14. Now we proceed to examine the GST rates applicable on the impugned products. The products i.e. various types of chikkies that are covered under chapter heading 1704 are exigible to GST @5%, in terms of entry number 92 to Schedule-I to the Notification No.1/2017-Central Tax (Rate) dated 18.06.2017, as amended by the Notification 41/2017-Central Tax (Rate) dated 14.11.2017.

15. Now we proceed to examine the rate of GST applicable to the product "Chocolate Peanut Chickies". The impugned product being a Sugar Confectionery containing Cocoa is covered under chapter heading 1806 and is exigible to GST @ 18%, in terms of entry number 12C of the Schedule - III to the Notification No. 1/2017-Central Tax (Rate) dated 18.06.2017, as amended by the Notification 41/2017-Central Tax (Rate) dated 14.11.2017.

16. The "Dry Fruit Chikkies" are classifiable under chapter heading 1704, as they are covered under sugar confectionery, as discussed in the proceeding para 12.

17. In view of the foregoing, we pass the following

RULING

1. Chikkies covered under sugar confectionery are classifiable under chapter heading 1704 and are taxable to GST @5%, in terms of entry number 92 of Schedule-I to Notification No.1/2017-Central Tax (Rate) dated 28.06.2017, as amended.



2. (a) The products "Sesame Chikkies, Amaranth Chikkies, Crushed Peanut Chikkies, Spirulina Chikkies and Dry Fruit Chikkies" are covered under Sugar Confectionery not containing Cocoa and accordingly classifiable under chapter heading 1704 and are taxable to GST @5%, in terms of entry number 92 of Schedule-I to Notification No.1/2017-Central Tax (Rate) dated 28.06.2017, as amended.

(b) The Product "Chocolate Peanut Chikkies" is covered under Sugar Confectionery containing cocoa and accordingly classifiable under chapter heading 1806 90 20 is exigible to GST @ 18%, in terms of entry number 12C of the Schedule - III to the Notification No. 1/2017-Central Tax (Rate) dated 18.06.2017, as amended by the Notification 41/2017-Central Tax (Rate) dated 14.11.2017.

3. The above Chikkies are to be treated as "Sugar confectionery not containing cocoa" and "Sugar confectionery containing cocoa" respectively as discussed above.

4. The Dry Fruit Chikkies are to be treated as Sugar Confectionery not containing cocoa and accordingly are classifiable under chapter heading 1704.



(Dr. M.P. Ravi Prasad)

Member

Karnataka Advance Ruling Authority
Place : Bengaluru - 560 009

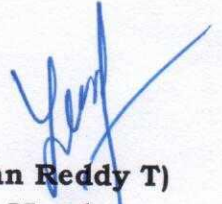
Date : 13-07-2023

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore East Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-16, Bengaluru.
5. Office Folder.



(Kiran Reddy T)

Member

MEMBER
Karnataka Advance Ruling Authority
Bengaluru - 560 009

