

MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai - 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri. D.P. Gojamgunde, Joint Commissioner of, State Tax (Member)

(2) Smt. Himani Dhamija, Joint Commissioner of Central Tax, (Member)

ARN No.	AD270120017261V	
GSTIN Number, if any/ User-id	27AATCS6100M1ZV	
Legal Name of Applicant	M/s. Sapna Hitech Private Limited	
Registered Address/ Address provided while obtaining user id	A/1, VIKAS, 31, RAMCHANDRA LANE, MALAD WEST, Mumbai 400064.	
Details of application	GST-ARA, Application No. 85 Dated 25.03.2021	
Concerned officer	MUM-VAT-C-405, MUMBAI-009.	
Nature of activity(s) (proposed/present) in respect of which advance ruling sought		
A	Category	Factory/ Manufacturing
B	Description (in brief)(As per applicant)	The applicant is planning to enter into branded vegetable edible and inedible oils including oils of Sesame, Soya ground nut, rice bran, Palm oil, Jojoba Oil etc. Applicant is planning to launch a product, "Pooja Oil" used for lighting diyas. He wants to know the tax rate of said product under GST Act.
Issue/s on which advance ruling required		➤ Classification of any goods or services or both
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.



PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by **M/s. Sapna Hitech Private Limited**, the applicant, seeking an advance ruling in respect of the following question.

What is the rate of tax on "Pooja Oil" under the provision of Maharashtra Goods and Services tax Act 2017 and Central goods and Services Tax Act 2017 to be manufactured by applicant?

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act.

Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

1. FACTS AND CONTENTION - AS PER THE APPLICANT FACTS:

The submissions, as reproduced verbatim, could be seen thus-

1.1 The applicant is planning to enter into branded vegetable edible and inedible oils including oils of Sesame, Soya ground nut, rice bran, Palm oil, Jojoba Oil etc. India, the country of temples and holy Pooja rituals, where lighting of lamp is considered as Auspicious. The prayer is considered as incomplete without lighting a lamp.

1.2 Till oil is considered as most auspicious oil for lighting lamp among all vegetable oils however due to heavy cost, it remains out of reach of the common man.

Keeping in mind the circumstances and the sentiment of the people, Applicant company wishes to develop manufacture oil which take care of sentiment of the common people, at affordable prices which can enable common man to purchase and afford Pooja Oil. This is possible by adding say 1% of till with other another vegetable oil and reducing the package size (non-standard) and make it affordable and possible for the reach of common people.

1.3 The company also desires to manufacture and sale some of the oils as "Pooja Oil". The Pooja oil will be developed either by single or mixing multiple oils though none of the variant will be chemically modified and is also fit for cooking/human consumption, but for the packing and consumption rule of FASSAI the applicant company will be mentioning on label writing as "Pooja Oil and/or "not for human consumption" as inedible which is factually edible oil.

2. STATEMENT CONTAINING APPLICANT'S INTERPRETATION

2.1 The entries pertaining to vegetable oils are covered by schedule - from 79 to 90 and also entry Sr. 27 and entry at Serial No 90 of schedule II as notified by Notification 1 of 2017(rate) dt 26-6-2017. These schedule entries are amenable to different interpretations and are confusing. It not only classifies oil on the basis of edible and inedible but also seeks interpretation on the basis of process of manufacturing. It also conditions the same on the basis of additions of perfumes and Chemicals. These all tools provided for interpretation leads to Difference of opinions and two views for the same entry by various interpreting authorities. Hence the applicant is seeking advance ruling on the 'Pooja Oil' which will be manufactured by the applicant.

2.2 The Pooja oil which will be manufactured by applicant by mixing Palm/Rice Bran/Soya Oil 99% blended with other vegetable oils 1%. It is not perfumed or chemically modified. Though label on the bottle reads it as "inedible" it can be consumed BY HUMANS, as nothing non edible is added to it. Inedible remark is only for period of usability as edible oils are to be consumed within a period of 12 months and impugned oil can be used for 15 months from the date of manufacture.



This is also be another reason for labeling it as Not for HUMAN edible consumption and / or "in-edible" and/or "not fit for human consumption".

2.3 In view of the Applicant is of the opinion that the Pooja oil falls in the entry 87 of Schedule-I of Notification 1 / 2017(rate) which reads: Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified. Applicant submits that this entry does non-exclude 'inedible oils as is evident from the description which reads" Including Jojoba Oil. Jojoba oil is inedible. It not only covers jojoba oil but it says including Jojoba oil" meaning thereby that other inedible oils are also covered by this entry. Thus, though it is treated as inedible oil it fits in to this entry as it is other fixed oils not chemically modified" pooja oil is thus sesame oil not chemically modified. It also reads "Other fixed oils vegetable oils. The entry is silent on single or mixed. The entry used word "oils meaning thereby that it can be blend of more than one oils.

2.4 While interpreting Taxation statutes interpretation of any statutes all higher forums of judiciary has held that when statute gives rise to two interpretations, interpretation favouring the dealer should be adapted. Hon'ble Bombay high Court in the case of Additional commissioner of sales tax Maharashtra State vs Ankrit traders [2011] 46 VST 1 - held in para 22 of the judgement verbatim-[22] In any event, we are of the view that if two views in regard to the Interpretation of section 61(2) are possible, the court would be justified in adopting that construction which favours the assesses. (see the decisions of the Supreme Court in Commissioner of Income Tax vs. Vegetable Products Ltd., 1973 88 ITR 192, and Mauri Yeast India Pvt. Ltd, v. State of U.P. 2008 14 VST 259 Hon Supreme court observed, "If we find that language to be ambiguous or capable of more meanings than one, then we have to adopt that interpretation which favours the assessee, more particularly so because the provision relates to imposition of penalty.

There is no word Mix or blend in the entry no 87 having HSN code 1515. The description is plural saying "fats and oils this, by natural inference indicate more than one oil and fat. Thus, applicant's vegetable blend of vegetable oil, not chemically modified will be covered by entry no 87 having HSN code 1515.

2.5 Entry 90 Schedule I of the rate notification can also be made applicable to applicant's products. This entry at Sr. No 90 of Schedule I reads:

Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, Polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding Those of heading 1516.

The description of the entry "Vegetable fats and oils and their fractions is the only description for entry at Sr. 90 HSN code 1518. The applicant's product is also sesame oil blended and boiled. Therefore, Sr No 90 of first schedule can be applied to Applicant's product which is having rate 2.5% under Maharashtra Goods and

Service tax act 2017 and 5% under Integrated Goods and Service Tax act 2017. In the case of M/s Agrawal Industries P Ltd. Hon Andhra Pradesh Advance ruling authority (2018) 98Taxmann 58 dated 8 June 2018 held that Energy-G Premium Oil falling in HSN 1518 sr. 90 of rate notification having rate of tax 2.5%. Energy-G premium oil impugned before Hon Andhra Pradesh advance ruling authority was non edible oil and is used in poultry feeds.

2.6 Applicant further submits that the product pooja oil cannot be interpreted as falling in serial no 27 of Schedule two of rate notification Entry 27 of the schedule II reads animal fats and animal oils and their fractions, boiled, oxidized, dehydrated, sulphurised, blown or polymerized by heat in vacuum or in inert gas or otherwise chemically modified, excluding those heading 1516, inedible mixtures and preparation of animal or vegetable fats or oils or fractions of different fats or oils of this chapter "not elsewhere specified or included."

This entry clearly excludes the commodities mentioned elsewhere. It also proves that similar commodities are there in the schedule. Otherwise there would not be a word "not specified elsewhere" This entry at Scheduled II, Sr. no 27 is residuary entry applicable to fats and oils not mentioned elsewhere. Applicants product is mentioned at Scheduled I, Serial number 87 and therefore be excluded from Scheduled II, entry 27 as mandated by Scheduled II, entry 27 itself. In the case of Commercial Tax Officer Rajasthan Vs Binni Cement Ltd [2014] 68 VST 459 Hon supreme court has held that while interpreting tariff schedules "special entry prevail over general entry. Applying this precedent of Hon'ble Supreme Court entry 87 is a special entry and shall prevail over residuary entry 27 HSN 1518 of schedule II of the rate notification.

PRAYER

Hon'ble Advance Ruling Authority be pleased to hold that Pooja oil impugned by applicant for advance ruling falls under entry at Sr. 87 HSN code 1515 of Schedule - or entry at Sr. No 90 having HSN code 1518, both having rate of tax 2.5% under Maharashtra goods And Service Tax Act 2017 as per the provisions of the notification 1 of 2017 dt 26th June 2017.

3. CONTENTION - AS PER THE CONCERNED OFFICER:

3.1 "Pooja Oil", classified under heading No. 1518, being inedible mixture, gets covered under SI. No. 27 of Schedule - II of Notification No. 01/2017-State tax (Rate), dated 29-6-2017, and, hence, is taxable at 6% CGST Act, 6% under MGST Act and 12% under IGST Act.

The entry at serial number 90 in Schedule I to Notification No. 1/2017- State Tax (Rate) dated 29.06.2017 reads as under:

“Vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516.”

3.2 The competing entry at Serial number 27 in Schedule II of the same Notification is as under:

Animal fats and animal oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 1516; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified or included.

3.3 Comparison of the two aforementioned entries clearly brings out that an inedible mixture of vegetable oils are specifically mentioned by and covered under SI. No. 27 in Schedule II.

The entry at SI. No. 90 in Schedule I applies to vegetable oils which have been subject to processes like boiling, oxidation, dehydration, sulphurisation, blowing, polymerization and by heat in vacuum or in inert gas or otherwise chemical modification. The resultant product remains edible despite undergoing the aforementioned processes. However once fragrance has been added to the mixture of several edible oils, the resultant product becomes inedible and entry at SI. No. 27 of Schedule II specifically covers inedible mixtures of vegetable oils. Therefore, the product 'pooja oil' finds a very specific entry in Schedule II. Thus, it is more appropriately covered under SI. No. 27 in Schedule II of the said Notification and accordingly taxable at 12% GST.

3.4 M/s SAPNA HITECH PVT LTD, (called as the 'Applicant' hereinafter), having GSTIN number 27AATCS6100MIZV have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 & MGST Act, 2017 read with Rule 104 of CGST Rules 2017 & MGST Rules 2017, in form GST ARA-01.

3.5 The Applicant is a Private Limited Company. The applicant, as part of their business, manufacture "Pooja Oil", which is primarily a mixture of rice bran/Palm/Soya oil. A small quantity of fragrance also is mixed only for giving fragrance. Therefore, the applicant has sought advance ruling in respect of the following question:

Whether "Pooja oil" can be classified under tariff item 1518 of Schedule-I (taxable at 5%.) or Schedule-II (taxable at 12%) of Notification No.01/2017-State Tax (Rate) dated 29.06.2017, as amended from time-to-time?

3.6 The applicant furnishes some facts relevant to the stated activity;

- i. The applicant states that for the purpose of manufacture of pooja oil by mixing Palm/Rice bran/Soya oil 99% blended with other vegetable oils 1% It is not perfumed or chemically modified.
- ii. Notification No. 1/2017 State Tax (Rate) dated 29.06.2017 specifies two different entries for tariff heading 1518, one under entry number 90 of Schedule-I, taxable at 5% GST and the other under entry no. 27 of Schedule - II, taxable at 12% GST.
- iii. These two different entries under different schedules caused the applicant to file the instant application seeking clarification as to which entry is applicable to them and consequently the GST rate on their product.
- iv. The applicant submits that tariff heading 1518 covers only vegetable fats and oils which could be chemically modified. The entry covers both edible grade and non-edible grade oils and there is no specific exclusion of non-edible grade oils.

The product "Pooja Oil", made up of vegetable fats/oils but not animal fats/oils and therefore merits classification under Schedule-I of the Notification No. 01/2017 CGST (Rate) dated 29.06.2017.

- v. Tariff heading 1518, under Schedule-II of the said notification covers animal fats & oils and also inedible mixtures of preparations of animal or vegetable fats/oils. The entry under Schedule II is a generic entry and seeks to cover primarily animal fats/oils and includes vegetable fats/oils which are inedible mixtures or preparations. Therefore the "pooja oil" made out vegetable oils merits classification under tariff heading 1518 and gets covered under Schedule-I of said notification, taxable at 5% of GST.

3.7 Department's response to the application filed by the Applicant.

The "Pooja Oil", classified under tariff heading 1518, being inedible mixture gets covered under entry number 27 of Schedule - II of the Notification No. 01/2017- State Tax (Rate) dated 29.06.2017, as amended, and hence is taxable at 6% under CGST Act, 6% under MGST Act and 12% under the IGST Act.

4. HEARING

Preliminary e-hearing in the matter was held on 23.11.2021. The Authorized representative of the applicant, Mr. D.B. Avhad, Learned Advocate was present. The Jurisdictional officer was absent. The Authorized Representatives made oral submission with respect to admission of their application.

The application was admitted and called for final hearing on 30.07.2025. Mr. Jayant Deshpande, advocate authorized representative, appeared made oral and written submissions. Jurisdictional Officer Mr. Raghunath Konde, Sales Tax Officer of SGST was appeared. We heard both the sides.



5. OBSERVATIONS AND FINDINGS:

5.1 We have gone through the records of the case, the submissions made by the applicant in the application and the submissions made by them at the time of the personal hearing on 30.7.2025. We have also gone through the submissions made by the jurisdictional officer vide letter dated 04.07.2025.

5.2 We find that the applicant is proposing to manufacture 'pooja oil' and as per the applicant, the proposed pooja oil to be manufactured by them will consist of a mixture of various vegetable oil and 1% Sesame Oil (Til Oil). Further, they have stated that even though the said pooja oil is completely edible, due to the packaging and labeling requirements prescribed under the Food Safety and Standards Authority of India (FSSAI), the applicant proposes to label the product as "Pooja Oil" and explicitly states "Not for Human Consumption" on the packaging, thereby classifying it as inedible for regulatory and commercial purposes.

5.3 The applicant has submitted that they are planning to enter into branded vegetable edible and inedible oils including oils of Sesame, Soya, Ground nut, rice bran, Palm oil, Jojoba Oil etc.

5.4 The applicant has submitted that till oil is considered as most auspicious oil for lighting lamp among all vegetable oils. However due to heavy cost, it remains out of reach of the common man. Hence, the applicant company wishes to manufacture oil which takes care of sentiment of the common people, at affordable prices which can enable common man to purchase "Pooja Oil". According to the applicant, this is possible by adding say 1% of till oil with other vegetable oils and by reducing the package size (non-standard) and make it affordable for the reach of common people. As per the applicant's submission, they are going to manufacture 'Pooja oil' by mixing Palm/Rice Bran/Soya oil (99%) blended with till oil (1%). Further, it is not perfumed or chemically modified.

5. We find that during the course of the personal hearing the applicant informed that they have not started the manufacturing of the said product and that they intend to start manufacturing the said product in due course of time. In view of this fact, we find that the classification of the product, its consequent rate of tax would depend on the rate of duty and exemption, if any, as is applicable at present, without going into any discussion on the tax rate prevalent for the prior period.

5.6 In order to determine the rate of tax, it is necessary to first classify the product proposed to be manufactured by the applicant. We find that the product proposed to be manufactured by the applicant consists of a mixture of various edible vegetable oils, which are not chemically modified. Further, they have informed that the said product will not contain any perfume and the product is edible. We find that Notification No. 1/2017 Central tax (Rate) dated 28 June 2017 (hereinafter referred to as 'Notification 1/2017'), in Schedule I to VI specifies goods, which shall be levied to tax at the rate of 2.5%, 6%, 9%, 14%, 1.5% and 0.125% respectively. Explanation to Notification 1/2017 provides:

"Explanation. – For the purposes of this notification, -

(i)

(ii)

(iii) *"Tariff item", "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 (51 of 1975).*

(iv) *The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification."*

5.7 We find that vide Notification No.9/2025 Central Tax (Rate) dated 17.9.2025, Notification No.1/2017 Central Tax (Rate) dated 28.6.2017 was superseded and as per the said Notification, the tax rates have been notified and bifurcated into the following slabs:-

- (I) 2.5 per cent. in respect of goods specified in Schedule I;
- (ii) 9 per cent. in respect of goods specified in Schedule II;
- (iii) 20 per cent. in respect of goods specified in Schedule III;
- (iv) 1.5 per cent. in respect of goods specified in Schedule IV;
- (v) 0.125 per cent. in respect of goods specified in Schedule V;
- (vi) 0.75 per cent. in respect of goods specified in Schedule VI, and
- (vii) 14 per cent. in respect of goods specified in Schedule VII,

We find that the tax rate for the product proposed to be manufactured by the applicant has to be examined in the light of the aforesaid notification No.9/2025 dated 22.9.2025.

5.8 We find that Chapter 15 of the Customs Tariff Act, 1975, covers Animal, vegetable or microbial fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes. The different tariff entries of chapter 15 of the Custom Tariff relating to Animal or Vegetable oils and fats are summarised as below.

- Chapter Headings 15.01 to 15.06 -.Covers different types of animal fats, oils and their fractions.
- Chapter Headings 15.07 to 15.15 -Covers the single (i.e., not mixed with fats or oils of another nature), fixed vegetable fats and oils mentioned in the headings, together with their fractions, whether or not refined, but not chemically modified
- Chapter Heading 15.16 - Covers vegetable fats and oils and their fractions which have undergone a specific chemical transformation such as partly or wholly hydrogenated, inter-esterified, re-esterified or elaidinised, but not further prepared.
- Chapter Heading 15.17 - This heading covers margarine and other edible mixtures or preparations of vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than those of heading 15,16.
- Chapter heading 15.18 - This Heading covers Animal or Vegetable oils that are Boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified vegetable oils and fats and their fractions. This Heading also includes inedible mixtures or preparations of vegetable fats or oils or of fractions of different fats or oils of this chapter, not elsewhere specified or included.

5.9 We find that, the Chapter Headings 15.07 to 15.15 -Covers the single (i.e., not mixed with fats or oils of another nature) fixed vegetable fats and oils mentioned in the Headings, together with their fractions, whether or not refined, but not chemically modified. This heading includes individual, non-mixed vegetable fats and oils that have not been chemically altered, even if they have undergone refining process. It is seen from Chapter heading 15.07 to 15.15 pertains to vegetable oils and its fractions obtained from a single plant source. As 'Pooja Oil' is produced by mixture of vegetable oils, it cannot be not classified under Heading 15.07 to 15.15.

5.10 The applicant contends that the 'Pooja oil' proposed to be manufactured is, in fact, composed of edible-grade vegetable oils. However, due to the packaging and labeling requirements prescribed under the Food Safety and Standards Authority of India (FSSAI), the applicant undertakes to label the product as " Pooja Oil" and explicitly states "Not for Human Consumption" on the packaging, thereby



classifying it as inedible for regulatory and commercial purposes. In this respect, we find that, the applicant's assertion regarding the theoretical edibility of the oil is immaterial to the determination of its classification under the applicable tariff. The intended use, market positioning, and labeling of the product makes it unequivocally clear that the said oil is not meant for human consumption but is to be purchased and used solely for other than edible purposes. Therefore it is clear that, the impugned product is manufactured by mixing of two different oils, and therefore not covered under chapter heading 1515. Further, we find that that, in order to classify any product under Chapter heading 1516, it must undergo any chemical modification processes such as hydrogenation, inter-esterification, re-esterification or elaidinization. However, it is seen from the submission and documents presented before us, the impugned product does not undergo any of the processes mentioned above and therefore, the Pooja Oil is not classifiable under Heading 15.16. Chapter Heading 1517 covers mixtures of vegetable oils which are edible. Since the goods proposed to be sold by the applicant is being marketed as non edible and only for non edible purposes, classifying the said goods under Heading 15.17 is also not appropriate. We find that that Chapter heading 15.18 covers inedible mixtures or preparations of vegetable fats or oils or fractions of different fats or oils of this chapter, not elsewhere specified or included. In the instant case, we find that the goods proposed to be manufactured by the applicant are inedible mixtures of various types of vegetable oil and therefore, the said product would be appropriately classifiable under Chapter Heading 15.18 of the Customs Tariff which is applicable to GST matters.

5.11 We now proceed to determine the tax rate for the said goods. We find that S.No.96 of Schedule I of the Notification No.9/2025 Central Tax (Rate) dated 17.9.2025 covers all goods falling under chapter 1518 of the Tariff. Such goods covered under Schedule I of the said notification are chargeable to tax rate of 2.5% CGST and 2.5% SGST. The goods calling under the said chapter heading is not covered under any other Schedule of the said notification. Therefore, we find that the said goods proposed to be manufactured by the applicant is chargeable to tax @ 5%. (2.5% CGST and 2.5% SGST).

This rate of Tax is applicable under Notification No. 9/2025 Central Tax (Rate) with effect from 22.09.2025.

In view of the above we pass the following order.

6. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 85/2020-21/B- 34

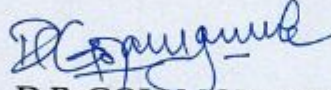
Mumbai, dt. 27/02/2026

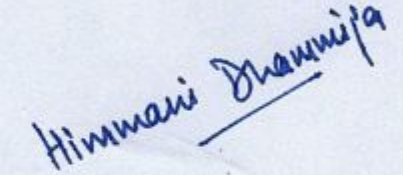
For reasons as discussed in the body of the order, the question is answered thus -

Question: - What is the rate of tax on "Pooja Oil" under the provision of Maharashtra Goods and Services Tax Act 2017 and Central goods and Services Tax Act 2017 to be manufactured by applicant?

Answer: - The product of the applicant 'Pooja oil' is chargeable to tax @5% (2.5% CGST and 2.5% SGST) as per Entry No.96 of Schedule I of Notification No.9/2025 Central Tax (Rate) dated 17.9.2025. This rate of Tax is applicable with effect from 22.09.2025.




D.P. GOJAMGUNDE
(MEMBER)


HIMANI DHAMIJA
(MEMBER)

PLACE - Mumbai

Copy to: -

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint commissioner of State Tax, Mahavikas for Website.

Note:-An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai - 400021. Online facility is available on gst.gov.in for online appeal application against order passed by Advance Ruling Authority.