



JUDGEMENT

'Mix Mukhwas' and 'Roasted Til & Ajwain' subjected to a tax rate of 5% GST

Issued By:	Gujarat AAR
In Case Of:	Bhagat Dhanadal Corporation
Represented By:	CA Nitesh Jain
Order No:	GUJ/GAAR/R/2024/13
Order Date:	30 th May 2024

N J JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

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FACTS & OBSERVATIONS

- M/s Bhagat Dhanadal Corporation, based in Ahmedabad, Gujarat, specializes in seed mixes such as 'Mix Mukhwas' and 'Roasted Til & Ajwain'.
- The firm argues that these products should be classified under Tariff Item 12074090 of the Customs Tariff Act, 1975, due to the high sesame seed content, giving them their essential character as per the General Rules for Interpretation (GRI).
- They assert that these products fall under entry no. 70 of Schedule I of notification No. 1/2017-CT(R) dated 28.06.2017, with a tax rate of 2.5% CGST and 2.5% SGST (or 5% IGST).

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- The AAR Gujarat considered the submissions and manufacturing processes for 'Mix Mukhwas' and 'Roasted Til & Ajwain'. It noted that the primary ingredient, sesame seeds, constitutes 60% of 'Mix Mukhwas' and 97% of 'Roasted Til & Ajwain'.
- Cleaning, roasting, and seasoning processes were found to maintain the seeds' fundamental nature, with added ingredients and roasting enhancing flavor and preservation. HSN notes and case laws support the classification under Chapter 12 for oil seeds and oleaginous fruits.
- Based on above it gave the following ruling:
 - Both products were classified under Tariff Item 12074090 of the Customs Tariff Act, 1975, due to the dominance of sesame seeds.
 - The products fall under entry no. 70 of Schedule I of notification No. 1/2017-CT(R) dated 28.06.2017, subjecting them to a tax rate of 2.5% CGST and 2.5% SGST (or 5% IGST).

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