AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

Shri R.V. Pradhamesh Bhanu, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	**Shri B. Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.**

Advance Ruling No. 68/ARA/2026, dated 15.10.2026

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

(a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.

(b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

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GSTIN Number, if any/User id	33AAACB4479R1Z6
Legal Name of Applicant	Benz Fishing Baits Pvt. Ltd.,
Trade Name of Applicant	Benz Fishing Baits Pvt. Ltd.,
Registered Address/ Address provided while obtaining User id	No.45/6, Raasi Vinayagar Street, Shanmugam Nagar, Guduvanchery - 603 202.
Details of Application	Advance Ruling Application No.12/2026/ARA dated 23.02.2026
Jurisdictional Officer	State – TAMIL NADU, Division – CHENGALPATTU, Zone – CHENGALPATTU Circle – MARAIMALAINAGAR Centre-Zone – CHENNAI, Commissionerate – CHENNAI OUTER, Division – TAMBARAM, Range – GUDUVANCHERI
Nature of activity(s) (proposed /present) in respect of which advance ruling sought for A. Category B. Description (in brief)	A. Manufacturing, Wholesale business and Retail business B. The applicant is in the business of manufacturing and supply of Non-alcoholic fermented grape juice with added sugars, but not carbonated and with no added colour.
Issues on which advance ruling required	1. Classification 2. Rate of tax and applicability of Notification 09/2025 - CT (R) dated 22.09.2025
Question(s) on which advance ruling is required	1. **Classification** - What is the correct HSN code for Non Alcoholic fermented grape, apple etc., fruit juices/ beverages with added sugar but not carbonated. 2. **Rate of tax** - What is the rate of tax for Non alcoholic fermented fruit juices/ beverages with added sugar but not carbonated

M/s Benz Fishing Baits Pvt. Ltd, having place of business at No.45/6, Raasi Vinayagar Street, Shanmugam Nagar, Guduvanchery 603202, Tamil Nadu (hereinafter called as the 'Applicant') is registered under the Goods and Service Tax Act, with GSTIN 33AAACB4479R1Z6. They have filed an application for Advance Ruling under Sec.97 of the CGST Act, 2017(hereinafter referred to as the 'Act') and the corresponding provision Sec.97 of the TNGST Act, 2017. The Applicant has made the payment of Rs.10,000/- towards application fees, under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017.

2. Statement of relevant facts having a bearing on the questions raised.

The Applicant states that they are engaged in the business of manufacturing Non alcoholic fermented grape juice with added sugars, and were classifying the same under **HSN 2202 9100** and paying **GST @ 40%** *(as per S.No.2 of Schedule III of 9/2025- CT (R))* and they state that the product is for the benefit of health conscious customers and does not contain alcohol.

The applicant submitted a step-by-step process of manufacture of their product along with a copy of their supply invoice, copies of purchase invoices of raw materials/ packing materials/labels etc. that were used in the manufacture of their product, - 'Non-alcoholic Red Wine', which was sold/supplied/ marketed under the brand name – 'Royal Toast'.

In addition to these, the applicant also submitted copies of the license issued by FSSAI to them (12414008000853) valid up to 26.03.2029, for the manufacture of 'Non alcoholic beverages' and a Certificate of Analysis dated 15.05.2014, issued by the Food Analysis Laboratory, Tamil Nadu Food Safety and Drug Administration department, King Institute, Chennai.

They also submitted a copy of the proceedings dated 08.12.2014, of the Authority for Clarification and Advance Ruling, from the State Govt. of Tamil Nadu, before whom they had filed an application seeking clarification on 'the Rate of tax on "Non alcoholic Beverage(Red Wine)" sold with a brand name'.

The applicant state that, consequent to the reforms introduced vide GST 2.0, it appeared that their product may be classified as 'Fruit drinks with added sugar' attracting 5% GST under **HSN 2202 9920** - ***fruit pulp or fruit juice based drinks (other than carbonated beverages of fruit drink or carbonated beverages with fruit juice)*** *(as per S.No. 150 of Schedule I of 9/2025-CT (R) dated 17.09.2025)*

3. The applicant has therefore, sought an Advance Ruling, under Sec.97(2)(a) and (b) of the CGST Act, 2017, on the following questions:

1. **Classification/HSN**: What is the correct HSN code for Non-alcoholic fermented grape, apple etc., fruit juices/ beverages with added sugar but not carbonated**?**
2. **Rate of tax :** What is the rate of tax for Non-alcoholic fermented fruit juices/ beverages with added sugar but not carbonated**?**

4. Applicant's interpretation of law:

The Applicant, ***inter alia***, submitted the process of manufacture of their product - 'Non-alcoholic Red wine'. The same is extracted hereunder-

4.1 PROCESS OF MANUFACTURE - NON ALCOHOLIC BEVERAGES:

1. RAW MATERIALS: Water -Black Grapes – Sugar – Yeast.
2. The Grapefruit purchased from the local vendor is rinsed for up to three times in warm water, crushed using a presser and will be kept in ceramic jars.
3. Purified Mineral water and sugar are added to the juice.
4. Further, yeast is added and stirred thoroughly.
5. The mixture is kept in the jar for a week to ten days and then filtered three times to remove the seeds and skin from the juice.
6. The juice is packed in bottles as and when orders are received.
7. The manufacturing process does not include any other materials than Grape Fruit, Water, Sugar and Yeast.
8. The process is 100% natural with no addition of colours, no addition of preservatives and no addition of flavours.
9. The product will have slight variations in colour and taste at every batch of production due to changes in weather conditions, water management, cutting frequencies, storage, transportation etc.,
10. The product is delivered in natural form and do not intend to fix colour or taste to create a specific brand taste/colour.

4.2 The applicant produced a copy of the FSSAI license issued to them by the Government of Tamil Nadu, dated 13.03.2024, for the manufacture of 'Non-carbonated Water based Beverages (Non-Alcoholic)'.

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4.3 They also produced the 'Certificate Of Analysis' issued by the Food Analysis Laboratory, TN Food Safety and Drug administration department, dated 15.05.2014, on their sample - 'Red wine-Non Alcoholic Beverage'.

4.4 Further, they also produced a copy of the proceedings dated 08.12.2014, of the Authority for clarification and Advance Ruling, in their own case, wherein they got a ruling from the State government of Tamil Nadu, on the 'Rate of tax on Non - alcoholic Beverage (Red Wine)- when sold with a brand name'.

5. The applicant is under the administrative control of State. The concerned authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. A report in this regard, in GEXCOM/TECH/MISC/12380/2026 dated 18.07.2026, was received from the Additional Commissioner, CGST Chennai Outer Commissionerate, wherein it has been reported that no proceedings on the questions raised in the application are pending/decided against the applicant, under the provisions of the Act.

6. Personal Hearing

The applicant was given an opportunity to be heard in person on 06.07.2026. Shri R. Ramaesh Rajan, Director, M/s. Benz Fishing Baits (P) Ltd., along with Ms. D.Revathi, Secretary, appeared for the personal hearing. He reiterated the submissions made in their application for advance ruling.

He explained that, post GST 2.0, they have been supplying their product- 'Non-alcoholic Red Wine', with GST @ 40% (2202 9100); that, prior to GST 2.0, the same was supplied at 18%; He further stated that, however, post GST 2.0, their competitors were supplying similar products with GST @ 5%, by classifying them as fruit pulp or fruit juice based drinks (2202 9920) and that, prior to GST 2.0, the same was sold by their competitors @ 12% GST.

Hence, a ruling was requested as to whether their product, viz. 'Non-alcoholic Red Wine', could also be classified as fruit pulp or fruit juice based drinks, under chapter head 2202 9920, attracting GST @ 5%.

7. Discussions and Findings:

7.1 We have carefully examined the submissions made by the applicant in their advance ruling application and the submissions made during the personal hearing.

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We have also considered the issue involved, the relevant facts and the applicant's submission / interpretation of law in respect of question on which the advance ruling is sought.

7.2 We find that the queries are liable for admission as they get covered under Sec 97(2)(a) and Sec 97(2)(b) of CGST/TNGST Act, 2017, under, (a) classification of any goods or services or both; (b)applicability of a notification issued under the provisions of the CGST/TNGST Act, respectively.

7.3 We find that the applicant, M/s Benz Fishing Baits Pvt. Ltd., No.45/6, Raasi Vinayagar Street, Shanmugam Nagar, Guduvanchery 603202, Tamil Nadu, registered with the GST department with GSTIN **33AAACB4479R1Z6,** is engaged in the business of manufacture and supply of Non alcoholic fermented grape juice with added sugars, made by using black grapes, water, sugar and yeast. We find that the applicant has been supplying their product as 'Non-alcoholic Red wine' under the brand name 'Royal Toast', classifying the same under HSN 2202 9100 and paying GST @ 40% (CGST - 20% and SGST - 20%), post GST 2.0.

They state that, post GST 2.0, their competitors were classifying similar products under HSN 2202 9920 as fruit pulp or fruit juice based drinks and were paying only 5% GST. Hence, they seek to clarify, if they could also classify their product like wise and have filed the instant Advance Ruling application, with the following questions,

(i) What is the correct HSN code for Non-alcoholic fermented grape, apple etc., fruit juices/beverages with added sugar but not carbonated;

(ii) What is the rate of tax for Non-alcoholic fermented fruit juices/ beverages with added sugar but not carbonated.

7.4 We shall now proceed to analyse the facts on hand under the provisions of law and answer each one of the above questions, in that order. We also find that the applicant has requested to examine if their product could be classified under HSN 22029920 as 'fruit pulp or fruit juice based drinks' attracting 5% GST, in par with their competitors.

On examination of the facts presented by the applicant as well as those available on record, the following points are discerned.

7.4.1 From the nomenclature of the product, as well as the facts presented by the applicant, the product for which classification/correct HSN code is sought, i.e. 'Non-alcoholic Red wine', can be said to have a minimum of the following five

characteristics. The beverage is (i) claimed to be Non-alcoholic in nature; (ii) to be fermented; (iii)to have added sugar; (iv)to be not carbonated; and (v) to be made from fruits such as grape/apple.

7.4.2 The applicant states that they use black grapes, water, sugar and yeast, in the manufacture of their product. As per the process of manufacture described by them, the black grapes procured from local vendors are thoroughly rinsed, crushed and stored in ceramic jars; this is followed by addition of purified water and sugar to the crushed mixture and finally, by addition of yeast, for fermentation. This mixture is kept in the jar for a week to ten days and then filtered three times to remove seeds and the skin from the juice and is then packed in bottles, as and when orders are received.

At this juncture, it is pertinent to note that the applicant admits to the usage of 'Yeast' in the fermentation of the crushed grape juice. The role of yeast in winemaking is the most important element that distinguishes wine from fruit juice. Yeast converts the sugars of the fruit into alcohol and carbon-di-oxide through the process of fermentation. The fermented fruit juice is fundamentally different from normal fruit juice. A few of such differences are captured below.

Characteristics	Normal fruit juice	Fermented fruit juice
Sugar & Alcohol content	Fruit`s high natural sugar content is retained	Microorganisms like yeast consume these sugar resulting in a much lower sugar beverage that contains alcohol, probiotics and other organic compounds.
Microbiome & Gut health	Contains no active probiotics	Has live ,beneficial microbes that act as probiotics supporting digestion and gut flora.
Flavour & texture	Tastes purely sweet and distinctly fruity.	Fermented juice develops a complex, tangy, and slightly sour flavour profile, often with sparkling or lightly carbonated textures

Thus, the usage of yeast in the fermentation process by the applicant, coupled with the fact that the product is sold as 'Non-alcoholic Red wine', fortifies the understanding that the impugned product cannot be termed as fruit juice.

7.4.3 Further, as per para 3.1 of the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018 (*as amended up to January 2026*), 'Wine', a

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fermented fruit beverage, is defined as, *"Save as specifically mentioned in different categories, wine shall be the un-distilled alcoholic beverage produced by the partial or complete alcoholic fermentation of the juice of fresh sound ripe grapes, including grape juice concentrate, restored or unrestored pure condensed grape must, and raisins".*

Therefore, it is unambiguously clear that the product manufactured by the applicant is a fermented beverage and cannot be termed as fruit pulp or fruit juice based drinks (other than carbonated beverages of fruit drink or carbonated beverages with fruit juice).

7.4.4 Having decided that the applicant`s product is not fruit pulp or fruit based drinks, but a fermented beverage, we now proceed to examine it to determine the correct classification under HSN.

Harmonised System of Nomenclature (HSN) standardizes the classification of goods across countries, ensuring uniformity in trade and taxation and helps to determine correct tax rates, exemptions and compliance. We find that, at present, the applicant classifies the product under HSN 22029100 and terms it as 'Non-alcoholic Red Wine'.

Though, the applicant terms their product as 'Non-alcoholic Red Wine', it is imperative that the product is established to be actually 'Non-alcoholic', by virtue of it's alcohol content. Chapter 22 of the HSN deals with 'Beverages, spirits and vinegar' and the notes to Chapter 22 prescribes the norms for alcohol content in a product, for it to be termed as 'Non alcoholic', and the same is also defined in the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018. *(Relevant parts extracted below).*

- As per Chapter Note 3 to Chapter 22,
  "For the purpose of heading 22.02, the term "non-alcoholic beverages" means beverages of an alcoholic strength by volume not exceeding 0.5% vol. Alcoholic beverages are classified in headings 22.03 to 22 Or heading 22.08 as appropriate."

- As per para 1.2.8a of the Food Safety and Standards (Alcoholic Beverages) Regulations, 2018 (*as amended up to January 2026*), "**non-alcoholic counterpart of alcoholic beverage**" means non-alcoholic beverage having alcohol content **less than or equal to 0.5% alcohol by volume**, which shall meet all the requirements of respective alcoholic beverage of origin except the

ethyl alcohol content. Additionally, the alcoholic beverage of the origin must undergo the process of fermentation and the produced alcohol is removed thereafter.

Thus, it is explicitly clear that, for a product to be termed as 'non alcoholic', the alcohol content in the product should be less than or equal to 0.5% ABV (alcohol by volume).

7.4.5 In this context, the certificate of analysis dated 15.05.2014, issued to the applicant, by the Food Analysis Laboratory, Tamil Nadu Food Safety and Drug administration department, was examined and it was found that the certificate describes the applicant`s product as 'Red wine – Non Alcoholic beverage' with an alcohol content of 2.0%. However, it was seen that this report was more than a decade old, and hence the applicant was addressed to submit a new certificate of analysis, of their product. Accordingly, the applicant submitted a test report dated 28.08.2026, issued by M/s SGS India (P) Ltd.

We find that this report has been issued by a private testing laboratory and not by a certified government laboratory authorised for such testing. As observed supra (*refer chapter notes to Chapter 22 of the HSN*), the alcohol content (ABV) in the impugned product, is a vital point to be conformed, to qualify as 'Non-alcoholic', which, in the instant case cannot be determined without valid documentary evidence.

Therefore, in the absence of necessary, valid, documentary proof, the correct HSN code for 'Non-alcoholic fermented grape, apple etc., fruit juices/ beverages with added sugar but not carbonated' and the rate of tax for the said product, cannot be determined. Accordingly, no ruling is given to the questions raised in the impugned application for Advance Ruling.

8. Accordingly, no Ruling given.

(B.SUSEEL KUMAR)
Member (SGST)

AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
TAMILNADU

(R.V.PRADHAMESH BHANU)
Member (CGST)

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To

M/s. Benz Fishing Baits Pvt. Ltd.,
No.45/6, Raasi Vinayagar Street,
Shanmugam Nagar,
Guduvanchery – 603 202.
(By email & Speed Post)

Copy submitted to:

1. The Principal Chief Commissioner of GST and Central Excise,
   26/1, Uthamar Mahatma Gandhi Road,
   Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
   Integrated building for Commercial Taxes and Registration,
   Nandanam, Chennai 600 035.
3. The Commissioner of GST and Central Excise,
   Chennai Outer Commissionerate,
   Newry Towers, No.2054, 1st block,
   2nd Second Avenue, 12th Main Road,
   Annanagar, Chennai 600 040.

Copy to:

1. The Deputy/ Assistant Commissioner of GST & C. Ex.,
   Tambaram Division, Chennai Outer Commissionerate,
   No.40, Ranga Colony, Rajakilpakkam
   Chennai – 600073

2. The Joint Commissioner (ST),
   Chengalpattu Division,
   No.26, 3rd floor, Abirami Sundari complex,
   Kancheepuram high Road, Mahalakshmi nagar,
   Thimmavaram, Chengalpet – 603 101.

3. The Deputy Commissioner (ST),
   Chengalpattu Zone,
   No.26, 2nd floor, Abirami Sundari complex,
   Kancheepuram high Road, Mahalakshmi nagar,
   Thimmavaram, Chengalpet – 603 101.

4. The Assistant Commissioner (ST),
   Maraimalainagar Assessment Circle,
   Integrated CT Building,
   No.4/109, Chennai Bangalore Highways,
   Varadharajapuram, Nazarathpet,
   Poonamallee - 600 123.

5. Stock File – A1

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