

M/s Sri Kanyakaparameshwari Oil Mills

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 11 / 2019 dated 25th June, 2019

Q Questions Before the Authority

- What is rate of tax for “Perfumed Deepam Oil” which is prepared by mixing Gingely Oil, Palmoline Oil, Rice Bran Oil or any one oil with perfume or chemical and used for lighting lamp for God (not for cooking) with HSN Code.
- What is rate of tax for “Non-perfumed Deepam Oil” which is prepared by mixing Gingely Oil, Palmoline Oil, Rice Bran Oil or any one oil without perfume or chemical and used for lighting lamp for God (not for cooking) with HSN Code.
- What is rate of tax for a mixture of Gingely Oil, Palmoline Oil, Rice Bran Oil or any one oil.

F Facts

The applicant is a partnership firm engaged in the manufacturing and trading of edible and non-edible oils. They intend to sell three specific commodities: perfumed oil for lamps, non-perfumed oil for lamps, and mixtures of edible oils. The applicant sought clarification on the classification and GST rates for these products, specifically noting that the lamp oils are intended for religious use and are not for cooking.

H Ruling

Perfumed Deepam Oil	HSN 1518; 6% CGST, 6% KGST, 12% IGST	Classified as inedible
Non-perfumed Deepam Oil	Chapter Heading 1518; 6% CGST, 6% KGST, 12% IGST	Classified as inedible
Mixture of edible oils	Chapter Heading 1517; 2.5% CGST, 2.5% KGST, 5% IGST	Classified as edible

The Authority ruled that perfumed and non-perfumed lamp oils, being inedible, fall under Chapter Heading 1518 and attract a higher rate of tax. Conversely, individual edible oils and their mixtures intended for consumption fall under Chapter Headings 1511, 1515, or 1517 and attract a lower rate of tax. The ruling provides specific GST rates for both intra-State and inter-State supplies for each category.

R Reasoning

The Authority determined that the classification depends on whether the product is edible or inedible. Edible oils and their mixtures are classified under Chapter 15, specifically headings 1511, 1515, and 1517, which attract lower rates under Schedule I. Because the applicant explicitly stated the lamp oils are 'not for cooking', they are

considered inedible mixtures and are correctly classifiable under **Chapter Heading 1518**, which attracts higher rates under Schedule II. The ruling relies on the First Schedule to the Customs Tariff Act, 1975, and Notification No. 1/2017-Integrated Tax (Rate).

P Provisions Relied On

Section 97 of CGST Act, 2017

Section 98 of CGST Act, 2017

Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017

First Schedule to the Customs Tariff Act, 1975

! For the Practitioner

This ruling clarifies that the **intended use** of oil products as 'not for cooking' shifts their classification from edible oil headings to the inedible mixture heading 1518, resulting in a significantly higher tax burden. It provides a clear distinction for manufacturers of religious lamp oils versus edible oil traders. Practitioners should note that this ruling is specific to the applicant's stated facts regarding the inedible nature of their lamp oil products.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [krntk_aar-11-2019-kanyaparmeswari.pdf](#)

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