Sun Pharmaceutical Industries Ltd.

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-88/2018-19/B-10, Mumbai, dated 23.01.2019 (day and mont… Dated **23.01.2019**

Q Questions Before the Authority

- What is the appropriate classification of the Applicant's product, Prohance - D (Chocolate)?

F Facts

The applicant manufactures and markets Prohance-D, a powder nutritional product sold for people with diabetes, to be mixed with water or milk and used as a meal or breakfast replacement or evening snack. It is sold in vanilla and chocolate flavours, and the chocolate variant contains about 3% cocoa powder as a flavouring. The applicant claims the product is a diabetic food under tariff item 2106 90 91, while the jurisdictional office contends it is a compound preparation for making non-alcoholic beverages.

H Ruling

Classification of Prohance-D (Chocolate)	**2106 90 50**	Rejects the applicant's claim for 2106 90 91 (diabetic foods) and the Chapter 18 (heading 1806) claim. The order states GST at 18% under Sch-III, Sr. No. 23.

The authority held that Prohance-D (Chocolate) is **not a diabetic food** and is not a cocoa product under Chapter 18, because the 3% cocoa is only a flavouring. It classified the product as a compound preparation for making non-alcoholic beverages under heading 2106, which attracts GST at 18%.

R Reasoning

The authority accepted that the product is a food within the FSSAI Act definition and Webster's dictionary, and noted FSSAI's recognition of foods for special dietary uses under section 22 and Regulation 8. It nonetheless found that the product is not a diabetic food, because it lacks a high dietary fibre content and slow-digestion agents and is advertised for general health benefits. It held that the 3% cocoa does not bring the product within Chapter 18, relying on the HSN explanatory notes and the 5% cocoa threshold in Chapter 19. Since the product is a powder that yields a non-alcoholic beverage when mixed with water or milk, it falls under the compound preparations description in heading 2106.

P Provisions Relied On

Section 97 and Section 98 of the CGST Act, 2017 and corresponding MGST Act, 2017 (advance ruling)

Customs Tariff Act, 1975: Chapter 21, heading 2106, tariff items 2106 90 50 and 2106 90 91

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Customs Tariff Act, 1975: Chapter 18, heading 1806, and HSN explanatory notes

Customs Tariff Act, 1975: Chapter 19, heading 1901, and HSN explanatory notes (5% cocoa threshold)

Notification No. 1/2017-Central Tax (Rate), Sch. II Sr. No. 46A, Sch. III Sr. No. 12C and Sch. III Sr. No. 23

Food Safety and Standards Act, 2006, section 2(1)(j) (definition of food) and section 22 (foods for special dietary uses)

FSSAI Regulation No. 8 (food for special dietary use) and Schedule VIII (prebiotic compounds)

! For the Practitioner

The order is useful for any powder nutritional product with a sugar-free or diabetic positioning that carries a small flavouring of cocoa, as it shows the authority will look at fibre content and marketing before accepting a diabetic food classification. It also shows that a minor cocoa content will not move a product into Chapter 18. The order does not decide the vanilla variant, and it is an advance ruling binding only on the applicant, so it does not settle the position for other diabetic nutrition products. An appeal lies to the Maharashtra Appellate Authority for Advance Ruling.

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 -> ara_order_88_2018_maharashtra_spil.pdf

Prepared 29-10-2026.

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