

Carbonated grape juice to face 28% GST, rules AAAR

TIMES NEWS NETWORK

Mumbai: A touch of fizz has led to grape juice manufactured and distributed by a Tamil Nadu-based company being booted out of the classification of 'Fruit pulp or fruit juice-based drinks', which attracts a lower goods and services tax (GST) of 12%.

Instead, 'K-Juice Grape' — marketed by Kalis Sparkling Water — will be subject to GST at 28% as the Appellate Authority for Advance Rulings (AAAR) has held it to be a 'Carbonated beverage with fruit juice'.

While the company had earlier contended that their product is a thermally processed fruit beverage, complying with para 2.3.10 of the FSSAI regulations, the Authority for Advance Rulings (AAR) had



'Fruit pulp or fruit juice-based drinks' attract 12% GST

held otherwise. This order of the AAR has now been upheld at the appellate level.

The AAAR distinguished the case on hand from an order of the Supreme Court, which was given in the case of Appy Fizz — a fruit juice-based drink. In that case, the apex court had given a finding that fruit juice-based drinks are not treated as 'aerated branded soft drinks' as they have a separate entry (classification).