

# Abhitanjali Traders

Authority for Advance Ruling — Tamil Nadu

**Advance Ruling No.110/AAR/2023 Dated:08.09.2023**

## Q Questions Before the Authority

- Whether supply of frozen chicken [HSN 02071200 & HSN 02071400] contained in a wholesale bag of 30 kgs containing 15 small packs of 2 kgs each made to institutional consumers is exempted under Sl.No.9 of Notification No.2/2017-CT (R)?
- Whether supply of frozen chicken [HSN 02071200 & HSN 02071400] contained in a wholesale bag of 30 kgs containing 15 small packs of 2 kgs each made to a distributor who would further supply to institutional consumers is exempted under Sl.No.9 of Notification No.2/2017-CT (R)?
- What is the rate of tax for supply of frozen chicken [HSN 02071200 & HSN 02071400] contained in a wholesale bag of 30 kgs containing 15 small packs of 2 kgs each made to non-institutional consumers?

## F Facts

The applicant proposes to trade frozen chicken products purchased from a manufacturer, packed in wholesale bags of 30 kg containing 15 smaller 2 kg packs. These packages are labeled for institutional sale and not for retail sale. The applicant intends to supply these goods directly to institutional consumers or to distributors who subsequently supply them to institutional consumers, with a fallback option of selling to non-institutional consumers.

## H Ruling

|                                                          |                                                                              |                                                                                                         |
|----------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| <b>Supply to institutional consumers</b>                 | <b>Eligible for exemption under Sl.No.9 of Notification No.2/2017-CT (R)</b> | Must adhere to Legal Metrology Act and be for use by the institution, not for commercial/trade purposes |
| <b>Supply to distributor for institutional consumers</b> | <b>Eligible for exemption under Sl.No.9 of Notification No.2/2017-CT (R)</b> | Must adhere to Legal Metrology Act and the distributor must be a wholesale dealer                       |
| <b>Supply to non-institutional consumers</b>             | <b>Taxable at 5% under Schedule I of Notification No.01/2017-CT (R)</b>      | Applicable as per the rate for pre-packaged and labelled goods                                          |

The Authority ruled that supplies to institutional consumers are exempt from GST provided the conditions of the Legal Metrology Act and relevant rules are strictly met. Supplies to distributors for further institutional supply are also exempt, provided the end-user is an institutional consumer. Supplies to non-institutional consumers are taxable at the rate specified in Schedule I of the relevant notification.

## R Reasoning

The ruling relies on the definition of 'institutional consumer' under Rule 2(bc) of the Packaged Commodities Rules, 2011, and the exclusion provided by Rule 3(c) of the same rules. It concludes that if the goods are supplied to an institutional consumer for their own use and not for trade, they fall outside the scope of 'pre-packaged and labelled' goods for GST purposes. Conversely, supplies to non-institutional consumers do not meet these exclusion criteria and are therefore subject to GST at 5% under Notification No.01/2017-CT (R). The Authority emphasized that the exemption is conditional upon strict compliance with the Legal Metrology Act.

## P Provisions Relied On

|                                                    |                                      |
|----------------------------------------------------|--------------------------------------|
| Section 98(4) of the CGST Act, 2017                | Section 98(4) of the TNGST Act, 2017 |
| Section 103(1) of the CGST Act, 2017               | Notification No.2/2017-CT (R)        |
| Notification No.01/2017-CT (R)                     | Legal Metrology Act, 2009            |
| Legal Metrology (Packaged Commodities) Rules, 2011 |                                      |

## ! For the Practitioner

This ruling clarifies that **institutional supply** of frozen chicken can be exempt from GST if it strictly satisfies the criteria for institutional consumers under the Legal Metrology Rules. It confirms that sales to non-institutional buyers are **taxable at 5%**. Practitioners should note that the exemption is highly fact-specific and depends on the end-use and the nature of the buyer.

### 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](http://www.gstcouncil.gov.in) -> 110\_abitanjali\_traders.pdf

Prepared 13-10-2026.

### About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

#### Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

#### Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

#### Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

#### Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

#### Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | [sales@patronaccounting.com](mailto:sales@patronaccounting.com) | [patronaccounting.com](http://patronaccounting.com)