

M/s. Sarala Foods Private Limited

Authority for Advance Ruling — Andhra Pradesh

AAR No. 03/AP/GST/2024 dated: 30.01.2024

Q Questions Before the Authority

- Whether GST would be leviable on export of pre-packaged and labelled rice Up to 25 Kgs, to foreign buyer?
- Whether GST would be applicable on supply of pre-packaged and labelled Rice up to 25 Kgs, to exporter on "bill to ship to" basis i.e., bill to exporter and ship to customs port. Exporter ultimately exports the rice to foreign buyer?
- Whether GST would be applicable on supply of pre-packaged and labelled rice up to 25 Kgs, to the factory of exporter. Exporter will export the rice?

F Facts

The applicant is engaged in the business of manufacturing and supplying rice in pre-packaged and labelled bags of up to 25 kg. They supply this rice to foreign buyers directly, to exporters on a 'bill to ship to' basis for export, and to exporters' factories for subsequent export. The applicant sought a ruling on whether these supplies are subject to GST despite being intended for export.

H Ruling

Export of pre-packaged and labelled rice up to 25 Kgs to foreign buyer	Yes, Affirmative.	None
Supply to exporter on 'bill to ship to' basis for export	Yes, Affirmative.	None
Supply to factory of exporter for subsequent export	Yes, Affirmative.	None

The Authority ruled that GST is applicable on all three types of supplies described by the applicant. It held that the supply of pre-packaged and labelled rice up to 25 kg attracts GST regardless of whether the goods are intended for domestic sale or export. The ruling confirms that the **taxability is determined by the nature of the goods** rather than the ultimate destination of the export.

R Reasoning

The Authority relied on Notification No. 06/2022-Central Tax (Rate) dated 13th July 2022, which brought pre-packaged and labelled commodities within the GST net. It reasoned that the definition of 'pre-packaged and labelled' under the Legal Metrology Act, 2009, applies to these goods. Consequently, the **tax liability arises at the time of supply** by the applicant, irrespective of the fact that the goods may be exported later by the buyer.

P Provisions Relied On

Section 97(2) of CGST/SGST Act, 2017

Section 98(4) of CGST/SGST Act, 2017

Notification No. 1/2017-Central Tax (Rate) dated 28-6-2017

Notification No. 06/2022-Central Tax (Rate) dated 13th July 2022

Legal Metrology Act, 2009

Legal Metrology (Packaged Commodities) Rules, 2011

! For the Practitioner

This ruling clarifies that the **exemption from GST on exports does not extend** to the domestic supply of pre-packaged and labelled food items, even if they are destined for export. It settles that the applicant must discharge GST liability on such supplies. Practitioners should note that this ruling focuses on the classification of the goods as 'pre-packaged and labelled' rather than the export status of the transaction.

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 -> 03_sarala_foods_pvt_ltd.pdf

Prepared 11-10-2026.

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