M/s Sri Balaji Rice Mill, Door No. 125/F, Ward No.5, Bengaluru Road, Bellary-583 101 (GSTIN 29AAQFS4802E1Z0)

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 72/2019, dated 23-09-2019 (printed on th… Dated **23.09.2019**

Q Questions Before the Authority

- As a manufacturer of rice, can the applicant sell rice under a registered brand at 5% GST and also in an unregistered brand with an affidavit and disclaimer under the GST exempted category?
- Is it compulsory to de-register the registered brand in order to sell goods in an unregistered brand at nil rate of tax under GST?
- Whether sale of rice is exempt if the applicant forgoes the actionable claim on the brand name after de-registration?

F Facts

The applicant mills rice and sells broken rice and rice bran, having sold rice under the registered brand 'KITCHEN KING' until June 2017. From 1 July 2017 to 9 October 2017 it sold rice under both that registered brand (at 5% GST) and an unregistered brand 'SBRM's K KING' (with no GST), and from 10 October 2017 it sold only under the unregistered brand, having filed an affidavit with the jurisdictional Commissioner and printed a disclaimer on containers. The registered brand had not yet been de-registered.

H Ruling

Sale of rice under a registered brand, and also under an unregistered brand with affidavit and disclaimer (Q a)	**Sale under the registered brand is liable to GST at **5%**. Sale under an unregistered brand is **exempt** from GST.**	The exemption for the unregistered brand applies only where the applicant has voluntarily foregone its actionable claim or enforceable right by affidavit and printed disclaimer on the unit container. Sales made under the registered brand do not qualify for the exemption.
Whether de-registration of the registered brand is compulsory to sell under an unregistered brand at nil rate (Q b)	**No.** De-registration is not compulsory.**	The manufacturer may hold the registered brand while selling under an unregistered brand, provided all other conditions are met. If it sells under the registered brand name, it is not eligible for the exemption.
Whether sale of rice is exempt after de-registration if the actionable claim on the brand is forgone (Q c)	**Exempt** from GST, which is a nil rate of tax.**	This requires that the applicant voluntarily forgoes the actionable claim or enforceable right on the brand, files an affidavit with the jurisdictional Commissioner of Central Tax or State Tax, and prints the disclaimer in indelible ink in English and the local language on each unit container.

Manufacturers selling rice under a registered brand name are liable to GST at 5%. Manufacturers selling under an

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

unregistered brand are exempt if they have voluntarily foregone the actionable claim or enforceable right in that brand by affidavit and a disclaimer on the unit container. De-registration of the registered brand is not compulsory, but a manufacturer who keeps the registered brand may not sell under it while claiming the exemption. Rice sold under a de-registered brand is exempt once the actionable claim is voluntarily foregone by affidavit and disclaimer.

R Reasoning

The Authority read Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 27/2017-Central Tax (Rate) dated 22.09.2017, which keeps rice in unit containers bearing a registered brand, or a brand with an enforceable claim, at 5%. It read Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 28/2017-Central Tax (Rate) dated 22.09.2017, which exempts such rice where the actionable claim on the brand has been voluntarily foregone. The conditions include an affidavit to the jurisdictional Commissioner and a disclaimer on each container, referred to as Explanation (ii)(a) of Notification 28/2017. The Authority held that a person selling under a registered brand is not eligible for exemption, so the applicant may keep the registered brand but must not sell under it to claim exemption. The order was made under Section 98(4) of the CGST Act, 2017 and the KGST Act, 2017, on an application under Section 97.

P Provisions Relied On

- Section 97 of the CGST Act, 2017 and the KGST Act, 2017 (application for advance ruling)
- Section 98(4) of the CGST Act, 2017 and the KGST Act, 2017 (order of the Authority)
- Rule 104 of the CGST Rules, 2017 and the KGST Rules, 2017 (Form GST ARA-01)
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 27/2017-Central Tax (Rate) dat…
- Notification No. 2/2017-Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 28/2017-Central Tax (Rate) dat…

! For the Practitioner

This ruling is useful for mills that hold a registered brand and wish to sell a parallel unregistered brand. It confirms that the exemption is available only where the registered brand is not used for the sale, and that de-registration is not required. The ruling does not decide whether an affidavit and disclaimer will satisfy the Commissioner in every case, or how the Annexure conditions apply to other commodities or packing types. Its effect is confined to the applicant and the facts stated.

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 -> kar_aar_72_2019_sbrm_23.09.19.pdf

Prepared 09-11-2026.

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

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

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

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

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com

Patron Accounting LLP