

**GUJARAT AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.**



ADVANCE RULING NO. GUJ/GAAR/R/2025/32
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2024/AR/34)

Date: 06/09/2025

Name and address of the applicant	:	M/s. Olam Agri India P Ltd Part of FP No. 18, TP No. 3, Bungalow No. 5, Sundarvan Society, Nr AUDA Office, Ashram Road, Usmanpura, Ahmedabad, Gujarat- 380 014.
GSTIN of the applicant	:	24AAACO5798A1ZJ
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-6, Range-2, Division-1, Ahmedabad.
Date of application	:	21.11.2024
Clause(s) of Section 97(2) of CGST/IGST Act, 2017, under which the question(s) raised.	:	(b), (e)
Date of Personal Hearing	:	29.07.2025, 22.05.2025, 08.04.2025
Present for the applicant	:	Shri Monish Shah (CA), Shri Suketu Shah

Brief facts:

M/s. Olam Agri India P Ltd, Part of FP No. 18, TP No. 3, Bungalow No. 5, Sundarvan Society, Nr AUDA Office, Ashram Road, Usmanpura, Ahmedabad, Gujarat- 380 014 [for short – ‘applicant’], is registered with the department and their GSTIN is 24AAACO5798A1ZJ.

2. The applicant, is engaged in export of various agriculture produces including rice.

3. The applicant has further stated as follows, viz

- that they supply rice to customers in pre-packaged & labelled packages having quantity upto 25 Kg;
- that their business model is as under:
 - **Supply of rice to customers [foreign buyers] located abroad.** The foreign buyer provides the specification which is to be printed/labelled on the package containing rice; the applicant procures empty bags & gets it printed/labelled, according to the specification provided by the foreign buyer; the applicant then packs the rice in their factory in these bags and exports it to the foreign buyer;



- **Supply of rice to customers located in India [bill to ship to basis].** Empty printed/labelled bags, having capacity of upto 25 kgs are supplied by the exporter to the applicant, who then packs the rice in these bags & dispatches it to the Customs port as per the instructions of the Exporter, who ultimately exports the rice to a foreign buyer;
- **Supply of rice to customer located in India who purchases the rice from the applicant for exports.** Empty printed/labelled bags, having capacity of upto 25 kgs are supplied by the exporter to the applicant, who packs the rice in these bags & dispatches it to the factory of the exporter, who ultimately exports the pre packaged rice to a foreign buyer.
- that the purchase of rice upto 25 kg at concessional rate for exports is in terms of notification No. 41/2017-IGST(R);
- that in terms of entry no. 51 of Schedule I of notification No. 1/2017-CT (R), dated 28.6.2017, as amended, *wef* 18.7.2022, export of pre-packaged and pre-labelled rice upto 25 Kg is chargeable at 2.5% CGST and 2.5% SGST;
- that the FAQ issued consequent to the amendment in notification 1/2017-CT (R) vide notification No. 6/2022-CT(R), states that *wef* 18.7.2022, GST has been made applicable on supply of such 'pre-packaged and labelled commodities attracting the provisions of Legal Metrology Act; that earlier items like rice attracted GST @ 5% when branded & packed in unit container, however, *wef* 18.7.2022, it would attract GST when 'pre-packaged and labelled';
- that with regards to inter-state supply of taxable goods by a registered supplier to a registered recipient/merchant exporter for exports IGST @ 0.1% has been stipulated vide notification No. 41/2017-IT (R) while for intra state supply to exporters the rate of GST is 0.1% as provided under notification no. 40/2017-CT (R), subject to fulfillment of certain conditions;
- that rule 89(4A) & (4B) laid a condition that such zero-rated supplies can only be made against letter of undertaking; that in terms of notification 20/2024, such restrictions have now been removed;
- that they are of the opinion, that GST would be applicable on the supply of pre-packaged & labelled rice upto 25 Kgs for both domestic supplies as also for export clearances & that the applicable rate of GST is 5% in terms of entry no. 51 of notification No. 1/2017-CT (R), as amended.

4. In view of the foregoing, the applicant has raised the following questions seeking a ruling, *viz*

- a) Whether GST would be leviable on the export of pre-packaged and labelled rice upto 25 kgs to foreign buyer?
- b) Whether GST would be applicable on supply of pre-packaged and labelled rice upto 25 kgs to exporter on 'bill to ship to' basis ie bill to exporter and ship to customs port. Exporter ultimately exports the rice to foreign buyer?
- c) Whether GST would be applicable on supply of prepackaged and labelled rice upto 25 kgs, to the factory of exporter. Exporter will export the rice?
- d) Whether GST would be applicable on goods procured from other party at concessional rate of 0.1% (0.05% + 0.05%) as per notification 40/2017 or 41/2017 & export the goods directly to foreign buyers for prepackaged and labelled rice upto 25 Kgs at 5%?

5. Personal hearing was granted on 8.4.2025 wherein Shri Monish Shah, CA, appeared on behalf of the applicant and reiterated the facts & grounds as stated in the application.

5.1 In pursuance to the transfer of Member (Centre), fresh personal hearing was held on 29.7.2025, wherein Shri Suketu C. Shah, CA, appeared on



behalf of the applicant and reiterated their submission. To a specific query as to why they intended to pay IGST @ 5% on export of goods, when they are eligible to receive supplies @ 0.1 % GST for goods which are ultimately exported, the applicant vide letter dtd. 07.08.2025, has informed that though the rice is procured at concessional rate of 0.1%, they also utilise other services like transportation of goods, CHA services, shipping services etc., which are charged at either 12% or 18%. Thus, the input tax is not only limited to 0.1% GST but there are other Input tax Credits available, which are charged at higher rates.

Discussion and findings

6. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

7. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made during the course of personal hearing. We have also considered the issue involved, the relevant facts & the applicant's submission/interpretation of law in respect of question on which the advance ruling is sought.

8. Before dwelling on to the question posed before us, we deem it appropriate to reproduce the relevant sections, notifications, etc. for the ease of reference viz

➤ Integrated Goods & Services Tax Act, 2017

Section 16. Zero rated supply.-

(1) "zero rated supply" means any of the following supplies of goods or services or both, namely: -

(a) export of goods or services or both; or

(b) supply of goods or services or both ¹[for authorised operations] to a Special Economic Zone developer or a Special Economic Zone unit.

(2) Subject to the provisions of sub-section (5) of section 17 of the Central Goods and Services Tax Act, credit of input tax may be availed for making zero-rated supplies, notwithstanding that such supply may be an exempt supply.

(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the



provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

Provided that the registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 (42 of 1999.) for receipt of foreign exchange remittances, in such manner as may be prescribed.

(4) The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-

(i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder;

(ii) a class of goods or services or both, on zero rated supply of which, the supplier may pay integrated tax and claim the refund of tax so paid, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

(5) Notwithstanding anything contained in sub-sections (3) and (4), no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods are subjected to export duty.

➤ **Notification No. 1/2017-IT (Rate) dated 28.6.2017/ Notification No. 1/2017-CT (Rate) dated 28.6.2017, as amended vide notification No. 6/2022-IT (R) dtd 13.7.2022/6/2022-CT (R) dtd 13.7.2022 and Notification No. 1/2025-CT(R) dtd. 16.01.2025**

Schedule I- 5%

S. No.	Chapter/Heading /Sub-Heading/Tariff Item	Description of goods
(1)	(2)	(3)
51	1006	Rice [pre-packaged and labelled]

Explanation. -For the purposes of this notification,-

¹(ii) The expression 'pre-packaged & labelled' means all commodities that are intended for retail sale and containing not more than 25 kg or 25 litre, which are 'pre-packed' as defined in clause (l) of section 2 of Legal Metrology Act, 2009 [1 of 2010], where, the package in which the commodity is pre-packed or a label securely affixed thereto is required to bear the declarations under the provisions of the Legal Metrology Act, 2009[1 of 2010], and the rules made thereunder.

➤ **Notification No. 40/2017-CT (Rate) dated 23.10.2017**

G.S.R.....(E).-In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017)(hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby **exempts the intra-State supply of taxable goods** (hereafter in this notification referred to as "**the said goods**") by a registered supplier to a registered recipient for export, from so much of the central tax leviable thereon under section 9

¹ substituted [wef 16.1.2025] vide notification No. 1/2025-IT (R)



of the said Act, as is in excess of the amount calculated at the rate of 0.05 per cent., subject to fulfilment of the following conditions, namely:-

- (i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;
- (ii) the registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;
- (iii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;
- (iv) the registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognised by the Department of Commerce;
- (v) the registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;
- (vi) the registered recipient shall move the said goods from place of registered supplier

(a) directly to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported; or

(b) directly to a registered warehouse from where the said goods shall be moved to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported;

(vii) if the registered recipient intends to aggregate supplies from multiple registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Depot, Airport or Land Customs Station from where they shall be exported;

(viii) in case of situation referred to in condition (vii), the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice and the acknowledgment of the warehouse operator shall be provided to the registered supplier as well as to the jurisdictional tax officer of such supplier; and

(ix) when goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.

2. The registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.

➤ Notification No. 41/2017-IGST (Rate) dated 23.10.2017

Notification No. 41/2017--Integrated Tax (Rate) New Delhi, the 23rd October, 2017 G.S.R....(E).-In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), (hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the inter-State supply of taxable goods (hereafter in this notification referred to as "the said goods") by a registered supplier to a registered recipient for export, from so much of the integrated tax leviable thereon under section 5 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), as is in excess of the amount calculated at the rate of 0.1 per cent., subject to fulfilment of the following conditions, namely:-

➤ Notification No. 20/2024-CT dated 8.10.2024

9. In the said rules, in rule 89, -



(a) in sub-rule (4),;

(b) sub-rules (4A) and (4B) shall be omitted;

10. In the said rules, in rule 96, sub-rule (10) shall be omitted.

9. The **first** question posed is whether GST would be leviable on the export of pre-packaged and labelled rice upto 25 kgs to a foreign buyer. Export of goods, as per section 16 of the IGST Act, 2017, reproduced *supra*, is a zero rated supply. In terms of section 16, *ibid*, there are two options available for export of goods or services, viz.

[a] Export of goods or services or both **without payment of integrated tax under bond or LUT**. This makes the exporter eligible to claim refund of unutilized ITC in terms of section 54 of the CGST Act, 2017, subject to conditions/safeguards & procedures.

[b] Export of goods or services or both on **payment of IGST** and claiming refund of IGST. These are subject to such conditions, safeguards and procedures. Vide notification No. 1/2023-IT dated 31.7.2023, as amended vide notification No. 5/2023-IT dated 26.10.2023, the Central Government has specified the **class of persons** as well as the **class of goods or services or both**, who are entitled to make zero rated supply on payment of integrated tax and claim refund of the tax so paid in accordance with the provisions of section 54 of the CGST Act or the rules made thereunder.

As the applicant has on record said that they are engaged in supplying rice in *pre-packaged & labelled* packages having quantity of upto 25 kgs, in terms of section 5 of the IGST Act, 2017, if the applicant opts for [b] *supra*, he is liable to pay IGST @ 5% in terms of notification No. 1/2017-IT (R) dtd. 28.06.2017, as amended. It may be noted that this is subject to the condition that the pre-packaged & labelled packages of rice exported by the applicant, fall within the expression '*pre-packaged & labelled*' defined under the explanation to the notification.

10. The **second** question posed is whether GST would be applicable on supply of pre-packaged and labelled rice upto 25 kgs to exporter on 'bill to ship to' basis *ie* bill to exporter and ship to customs port, wherein the exporter ultimately exports the rice to a foreign buyer. In such a situation, the applicant is liable to pay GST @ 5% in terms of notification No. 1/2017-CT (R) dtd. 28.06.2017, as amended or IGST @ 5% in terms of notification No. 1/2017-IT (R) dtd. 28.06.2017, as amended. Further, for inter-state/intra-state supply of pre-packaged and labelled rice upto 25 kgs to exporter on 'bill to ship to' basis *ie* bill to exporter and ship to customs port, wherein the exporter ultimately exports the rice to foreign buyer, the benefit of Notification No. 41/2017-IT



(R) dated 23.10.2017 /Notification No. 40/2017-CT(R) dated 23.10.2017, which provides for IGST @ 0.1% or GST @ 0.1%, is also available to the applicant, subject however, to **adherence of the terms and conditions of the notification, as mentioned therein.**

11. The **third** question posed is whether GST would be applicable on supply of prepackaged and labelled rice upto 25 kgs, to the factory of exporter, who will export the rice. In such a situation, the applicant is liable to pay GST @ 5% in terms of notification No. 1/2017-CT (R) dtd. 28.06.2017, as amended or IGST @ 5% in terms of notification No. 1/2017-IT (R) dtd. 28.06.2017, as amended, subject to the condition that the pre-packaged & labelled packages of rice exported by the applicant, fall within the expression '*pre-packaged & labelled*' defined under the explanation to the notification.

12. The **last** question posed is whether GST would be applicable on goods procured from other party at concessional rate of 0.1% (0.05% + 0.05%) as per Notification No. 40/2017-CT(R) or 41/2017-IT(R) both dtd. 23.10.2017 & export the goods directly to foreign buyers for prepackaged and labelled rice upto 25 Kgs at 5%. The question has not been properly framed by the applicant. However, on going through the last un-numbered sub-para of Para 8 of their application, it appears that the applicant seeks to know as to whether they can export pre-packaged & labelled rice upto 25 kg, by paying GST @ 5% even if they have procured/purchased the same at concessional rate of duty [i.e. by availing Notification No. 40/2017-CT(R) or 41/2017-IT(R) both dtd. 23.10.2017]. To a pointed query by us as to why the applicant wants to export the rice on payment of IGST when the rice was procured at a concessional rate of GST of 0.1%, the applicant in their submissions dtd. 07.08.2025 have informed that during the course of exports they were utilising various services such as transportation of goods, CHA services, shipping services etc. which are charged at 12% to 18% GST. Though refund of ITC is available when the export is made either under LUT or on payment of tax, the refund in case of later is automatic and quick. Whereas, when the export is made under LUT, the applicant needs to separately apply for refund which approximately takes 2 months and leads to blockage of funds. It is also the applicant's contention that



post amendment of Rule 89 vide notification No. 20/2024-CT dated 8.10.2024, wherein sub-rule 4A and 4B, were omitted, there is no bar, if the applicant acts as a merchant exporter by purchasing pre-packaged labelled rice upto 25 Kgs for export of goods on payment of tax @ 5%. We find that there was a restriction in claiming refund of IGST paid on goods exported under the erstwhile Rule 96(10) *ibid*, if the benefit of Nos. 48/2017-CT dated the 18.10.2017, 40/2017-CT (R) dated 23.10.2017, 41/2017-IT(R) dated 23.10.2017, 78/2017-Customs dated 13.10.2017 or 79/2017-Customs dated 13.10.2017 have been availed. We find that in Circular No. 45/19/2018-GST dtd. 30.05.2018, CBIC while clarifying the scope of the restriction imposed by Rule 96(10), has stated that Rule 96(10) **seeks to prevent** an exporter, who is receiving goods from suppliers availing the benefit of certain specified notifications (the five notifications mentioned *supra*), under which they supply goods without payment of tax or at reduced rate of tax, from exporting goods under payment of integrated tax. However, we find that this sub-rule 10 has been omitted vide Notification No. 20/2024-CT dtd. 08.10.2024 and therefore, the restriction now no longer exists. Therefore, the applicant is not precluded from exporting the goods under payment of integrated tax and is liable to pay IGST @ 5% in terms of notification No. 1/2017-IT (R) dtd. 28.06.2017, as amended, even if they have availed the benefit of notification No. 40/2017-CT(Rate) or notification No. 41/2017-IT(Rate), both dated 23-10-2017. Needless to say, this would also be subject to the condition that the pre-packaged & labelled packages of rice exported by the applicant, fall within the expression '*pre-packaged & labelled*' defined under the explanation to the notification.

13. In view of the foregoing, we rule as under:

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- a) GST @ 5% would be leviable on the export of pre-packaged and labelled rice upto 25 kgs to foreign buyer, if the applicant opts to export the rice on payment of IGST.
- b) GST @ 5% would be applicable on supply of pre-packaged and labelled rice upto 25 kgs to exporter on 'bill to ship to' basis ie bill to exporter

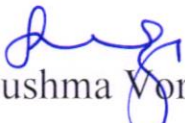


and ship to customs port wherein exporter ultimately exports the rice to foreign buyer.

Further, for inter-state/intra-state supply of pre-packaged and labelled rice upto 25 kgs to exporter on 'bill to ship to' basis i.e. bill to exporter and ship to customs port, wherein the exporter ultimately exports the rice to foreign buyer, the benefit of notification No. 41/2017-IT (R) dated 23.10.2017 /notification No. 40/2017-CT(R) dated 23.10.2017, which provides for IGST @ 0.1% or GST @ 0.1%, is also available to the applicant, subject however, to adherence of the terms and conditions as mentioned therein.

- c) GST @ 5% would be applicable on supply of prepackaged and labelled rice upto 25 kgs, to the factory of exporter wherein the exporter will export the rice.
- d) GST @ 5% would be applicable on the export of pre-packaged and labelled rice upto 25 kgs to foreign buyers, which have been procured/purchased by availing notification No. 40/2017-CT(Rate) or notification No. 41/2017-IT(Rate), both dated 23-10-2017, as amended subject however, to adherence of the terms and conditions as mentioned therein. Further, as per Section 16 of the IGST Act, 2017, the applicant can also avail the option to export the said goods without payment of integrated tax, under Bond or LUT.

GST @ 5% would be applicable in all the above cases only if the rice exported by the applicant fall within the expression '*pre-packaged & labelled*' defined under the explanation to the notification No. 1/2017-IT (R) dtd. 28.06.2017/1/2017-CT (R) dtd. 28.06.2017, as amended.


(Sushma Vora)
Member (SGST)




(Vishal Malani)
Member (CGST)

Place: Ahmedabad
Date: 06.09.2025