

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 35/2024  
Dated: 22.07.2024**

Present:

**1. Dr. M.P.Ravi Prasad**

Additional Commissioner of Commercial Taxes ..... Member (State Tax)

**2. Sri. Kiran Reddy T**

Additional Commissioner of Customs & Indirect Taxes... Member (Central Tax)

1.	Name and address of the Applicant	M/s. RAIBAG TALUKA MSPC, No. 1118 B, Pakalli Thota, Chinchalli, Raibag Belagavi-591217.
2.	GSTIN or User ID	29AAAAR9206N1Z0
3.	Date of filing of Form GST ARA-01	27.03.2024
4.	Represented by	Sri Kiran Kumar Shavi, Chartered Accountant
5.	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Belagavi GST Commissionerate, Belagavi.
6.	Jurisdictional Authority - State	Asst. Commissioner, LGSTO-385, Athani.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/ under CGST Act & Rs. 5,000/ under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2903230305758 dated 25.03.2023

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 &  
UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s RAIBAG TALUK MSPC (herein after referred to as 'Applicant'), No. 1118 B, Pakalli Thota, Chinchalli, Raibag, Belagavi-591217, having GSTIN 29AAAAR9206N1Z0, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017, read with Rule 104 of the CGST Rules 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules 2017, in Form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and KGST



RAIBAG TALUK MSPC

2. The Applicant states that they are registered as a "Society" under Karnataka Societies Registration Act 1960. The Applicant is engaged in supplying the supplementary products to Anganwadi centers through Child Development Project Office (herein after referred as CDPO for brevity) and the activities and operations of MSPC are supervised by the CDPO of the concerned Taluks.

3. In view of the above, the applicant has sought advance ruling in respect of the following questions:

- a) *Whether exemption is available to the applicant as per S.N.66 clause (b)(ii) of notification No. 12/2017-Central Tax (Rate) dated 28.06.2017*
- b) *Whether "as per circular No. 149/05/2021- GST dated: 17.06.2021 and Entry 66 clause (b)(ii) of notification No. 12/2017- central tax (Rate) dated 28.06.2017 exempt services provided to an educational institution by way of catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union Territory. This entry applies to pre-school and schools' is exemption available to the applicant.*
- c) *Whether clarification as per clarification No: KSA/GST.CR-05/2029-20 dated: 23.06. 2021 is applicable to the applicant.*
- d) *Whether Product Pushti supplied by the applicant not considered as pre-packaged and labeled" product and not taxed as per Notification No.07/2022 Central Tax (Rate) dated: 13<sup>th</sup> July 2022 read with entry No. 78 of Notification No. 02/2027 Central Tax (Rates) dated 28<sup>th</sup> June 2017.*
- e) *Whether Product Pushti supplied by the applicant considered as "pre-packaged and labeled" product and taxed as per Notification No. 06/2022 Central Tax (Rate) dated: 13<sup>th</sup> July 2022 read with entry No. 59 of Notification No. 01/2017 Central Tax (Rate) dated: 28<sup>th</sup> June 2017.*

4. **Admissibility of the application:** The question is about the "determination of the liability to pay tax on any goods or service or both" and applicability of a notification issued under the provisions of the Act" which is covered under Section 97(2)(e) and 97(2)(b) of the CGST Act 2017 respectively and hence the instant application is admissible.

5. **Brief Facts of The Case:** The applicant has furnished the following facts relevant to the issue:

5.1 The Applicant states that he is registered under the provisions of Central Goods and Services Tax Act, 2017 as well as Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and KGST/SGST Act respectively). The Applicant is registered as a "Society" under Karnataka Societies



Registration Act, 1960.

5.2 That, as per the Integrated Child Development Services (ICDS) Scheme of Government of India, Karnataka State Government has established Mahila Supplementary Production and Training Center (hereinafter referred as MSPC for brevity) in all taluks of the State. MSPC supply supplementary food to anganwadi centers through Child Development Project Office (herein after referred as CDPO for brevity) and the activities and operations of MSPC are supervised by the CDPO of the concerned Taluks.

5.3 The applicant states that the society i.e. MSPC is all women association with the main objective of member's welfare especially widows, women in reservation cadre, backward communities and SC/ST. Further, the society also aims at providing high nutrition food products to beneficiaries under ICDS Scheme. The applicant states that the Society is formed with the motive of social welfare and not monetary benefits.

5.4 The applicant states that currently they are supplying below mentioned product as per the requirement of CDPO. Product description and proportions are mentioned below.

Product Name : **Pushti**

<b>Ingredients</b>	<b>Percentage %</b>
Sugar	25
Ground Nut	16.5
Fried Gram	17
Green Gram	17
Soya	4.4
Yalakki	0.1
Rice	20
<b>Total</b>	<b>100</b>

5.5 The applicant states that they purchase the above raw materials/ ingredients from the open market and does cleaning, roasting and powdering of above ingredients in the mentioned percentage and pack it as 'Pushti' product and supply to CDPO. On the pack of the Pushti product it's mentioned as "Free supply and not for sale". "The product is pre-packaged but not labeled".

5.6 The Applicant states that as per Advance Ruling No. KAR ADRG 56/ dated 29.10.2021 it has been ruled that,

"Pushti', which is a powdered mixture of Ragi, Rice, Wheat, Green gram, Fried gram, Moong dhal, and Soya in different proportions, is classified under HSN code 1106."



5.7 The Applicant states that, "Pushti" is a mixture of various ingredients specified above and is not bearing a registered brand name supplied in packages weighing from 0.5/1 kg each , whereas it is mentioned on package as "Free Supply and not for Sale" as per the Government G.O's.

5.8 This product is exclusively supplied only to CDPO and this product is not available in the open market and end user of this product are beneficiaries of Anganwadi Centers such as children from 06 months to 3 years, pregnant women and lactating mothers.

5.9 The Applicant states that they are supplying below mentioned goods to CDPO and in turn CDPO supplying them to Anganwadi centers for the benefit of beneficiaries such as pregnant women, Lactating mothers and Children.

Sr. No.	Product List
01	Ground Nuts
02	Green Gram
03	HDP Plastic Bags
04	Jaggery
05	Jaggery Powder
06	LDP
07	Moog Dall
08	Oil
09	Parched Gram
10	Pusti
11	Salt
12	Sambhar Powder
13	Soyabean
14	Sugar
15	Tur Dal
16	Woven Sack Bags

5.10 The Applicant states that Circular No. 149 /05 /2021 -GST dated: 17.06.2021 and Entry 66 clause (b)(ii) of notification No. 12/2017 - Central Tax (Rate) dated 28.06.2017, exempts services provided to an educational institution by way of catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union Territory. This entry applies to pre-school and schools.

5.11 The Applicant states that, the Commissioner of Commercial Taxes clarified as per clarification No: KSA/GST.CR-05/2019-20 dated: 23rd June 2021:

*"Service provided to educational institutions and by way of serving of food(catering including mid-day meals) is exempt from levy of GST irrespective of its funding from Government grants or corporate donations (under said entry 66(b)(ii) Educational institutions as defined in the notification include anganwadi. Hence, Serving of food to anganwadi*



shall also be covered by said exemption, whether sponsored by government or through donation from corporate.”

5.12 Accordingly, as per said entry 66, any catering service provided to an educational institution is exempt from GST. The entry further mentions that such exempt service includes midday meals service as specified in the entry. The scope of this entry is thus wide enough to cover serving of any food to a school, including pre - school. Further, an anganwadi inter alia provides pre-school non-formal education. Hence, anganwadi is covered by the definition of educational institution (as pre- school).

5.13 The Applicant states that, product “Pushti” is powdered mixture of cereals and pulses. The product ‘pushti’ should be classified under HSN 1106 as per serial No. 78 of Notification No. 2/2017 – Central Tax (Rate) dated 28.06.2017, and as per serial No. 59 of Notification No. 01/2017 of central tax(Rate) dated 28th June 2017 and the same is reproduced below:

<b>Notification No</b>	<b>Sl No.</b>	<b>Chapter/Heading/ sub - heading / Tariff item</b>	<b>Description of Goods</b>	<b>Rate</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
02/2017	78	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. [ <b>other than those put up in unit container and bearing a registered brand name</b> ]	Nil
01/2017	59	1106	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses)[other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8, [ <b>put up in unit container and bearing a registered brand name</b> ]	5%



5.13.1 Whereas, in Notification No. 06/2022 Central Tax (Rates) dated: 13th July 2022, amendment has been made to S. No. 59 of Notification No.01/2017 Central Tax (Rate) dated: 28th June 2017, which was as below

*"In column (3), for the portion beginning with the words **"put up in"** and ending with the words and bracket **"as in the ANNEXURE]"**, the words **"pre-packaged and labelled"** shall be substituted"*

59	1106	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses)[other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8, [ <b>pre-packaged and labeled</b> ]	5%
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5.13.2 Whereas, in Notification 07/2022 Central Tax (Rate) dated: 13th July 2022, amendment has been made to S. No. 78 of Notification 02/2017 Central Tax (Rates) dated: 28th June 2017, as below

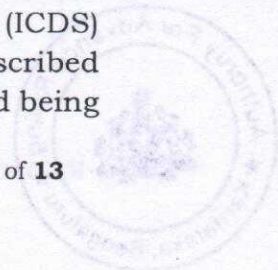
*"in column (3), for the portion beginning with the words **"[other than those]"** and ending with the words **"conditions as in the ANNEXURE I]"**, the words **"other than pre packaged and labelled"** shall be substituted"*

78	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. [ <b>other than pre packaged and labelled</b> ]	Nil
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5.14 The Applicant states that, the GST Act, 2017 has not defined the meaning of "pre-packed and labeled", Notification 06/2022 Central Tax (Rates) Dated; 13th July 2022 refers to Legal Metrology Act, 2009 (1of 2010) for the definition of the "pre - packed and labeled"

As per section 2(l) of Legal Metrology Act, 2009(1 of 2010), "pre-packaged commodity" means a commodity which without the purchaser being present is placed in a package of whatever nature, whether sealed or not, so that the product contained therein has a pre-determined quantity;

5.15 The Applicant states that, they are supplying the product "Pushti" to the Karnataka Government under the Integrated Child Development Services (ICDS) Scheme, based on the agreement the product will be packed in a prescribed quantity, i.e., it is not packed to sale in open market without the purchased being



present and pre-determined quantity.

5.16 As per section 2(f) of Legal Metrology Act, 2009(1 of 20100 says, "label" means any written, marked, stamped, printed or graphic matter affixed to, or appearing upon any pre-packaged commodity;

5.17. The Applicant states that, "Free Supply and not for Sale" will be written on the package, which does not serve any commercial purpose, rather it printed for awareness and product of your applicant needs the clarification regarding is it pre - packed or not.

#### **PERSONAL HEARING/PROCEEDINGS HELD ON 27.05.2024**

6. Sri Kiran Kumar Shavi, Chartered Accountant & Authorized Representatives of the applicant appeared for personal hearing proceedings and reiterated the facts narrated in their application

#### **FINDINGS & DISCUSSION**

7. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

8. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant and the relevant facts along with the arguments made by their authorized representative and also their submissions made during the time of hearing.

9. The Applicant states that, as per the Integrated Child Development Services (ICDS) Scheme of Government of India, Karnataka State Government has established Mahila Supplementary Production and Training Center (hereinafter referred as MSPC for brevity) in all taluks of the State and these MSPCs' supply supplementary food to Anganwadi centers through Child Development Project Office (herein after referred as CDPO for brevity) and the activities and operations of MSPC are supervised by the CDPO of the concerned Taluks.

The applicant states that the society i.e. MSPC is all women association with the main objective of member's welfare especially widows, women from backward communities, scheduled Caste and scheduled Tribe. Further, the society also aims at providing high nutrition food products to beneficiaries under ICDS Scheme.



10. The applicant is a society which is into supply of 'Pushti', a powdered mixture of Sugar, Groundnut, Fried gram, Green gram, Soya, Rice and Elaichi in different proportions. The Applicant states that they are also into supply of goods like Jaggery, Jaggery powder, Oil, Moong dal, Ground nut, Green gram, HDP plastic bags, Parched gram and Salt to CDPO and CDPO in turn supplies the same to Anganwadis which will be distributed to children, pregnant women and lactating mothers.

10.1 The Applicant states that Pushti', is a powdered mixture of Sugar, Groundnut, Fried gram, Green gram, Soya, Rice and Elaichi in different proportions as mentioned below.

Ingredients	Percentage %
Sugar	25
Ground Nut	16.5
Fried Gram	17
Green Gram	17
Soya	4.4
Yalakki	0.1
Rice	20
<b>Total</b>	<b>100</b>

10.2. On observation of the above ingredients, we observe that the product 'pushti' is a powdered mixture of cereals, pulses and sugar. The applicant wants to know whether their product *Pushti* can be considered as "pre-packaged and labeled" product and taxed as per entry No.59 of Notification No. 01/2017 Central Tax (Rate) dated:28.06.2017 further amended vide Notification 06/2022 Central Tax (Rate) dated:13.07. 2022.

Entry No. 59 of the above-mentioned notification is reproduced below:

**Schedule I-2.5%**

Sl. No	Chapter/Heading /Sub-heading/ Tariff item	Description of Goods
59	1106	Meal and powder of the dried leguminous vegetables of heading 0713 (pulses)[other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8, <b>pre-packaged and labeled</b>





The above entry mentions 'Meal and powder of the dried leguminous vegetables' but, the Applicant's product 'pushti' is a powdered mixture of cereals, pulses and sugar. Hence the same is not covered under the above-mentioned entry.

11. The applicant wants to know whether their product *Pushti* is not considered as *pre-packaged and labeled* and not taxed as per entry No. 78 of Notification No. 02/2027 Central Tax (Rates) dated:28.06.2017 further amended vide Notification No. 07/2022 Central Tax (Rate) dated:13.07.2022.

Entry No. 78 of Notification No. 02/2027 Central Tax (Rates) dated:28.06.2017 is reproduced below:

Sl. No	Chapter/Heading /Sub-heading/ Tariff item	Description of Goods
78	1106	Flour, of the dried leguminous vegetables of heading 0713 (pulses) [other than guar meal 1106 10 10 and guar gum refined split 1106 10 90], of sago or of roots or tubers of heading 0714 or of the products of Chapter 8 i.e. of tamarind, of singoda, mango flour, etc. <b>[other than pre packaged and labelled]</b>

The above entry mentions 'Flour, of the dried leguminous vegetables' but, the Applicant's product 'pushti' is a powdered mixture of cereals, pulses and sugar. Hence the same is not covered under the above-mentioned entry.

12. The Applicant wants to know whether exemption is available to them as per S.N.66 clause (b)(ii) of Notification No. 12/2017-Central Tax (Rate) dated:28.06.2017 and as per circular No. 149/05/2021- GST dated17.06.2021 and as per clarification No. KSA/GST.CR-05/2019-20 Dated:23.06.2021.

12.1 Now we discuss one by one. Entry No. 66 of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 is reproduced below:

Sl. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
66	Heading 9992	Services provided - (a) by an educational institution to its students, faculty and staff; (aa) by an educational institution by way of conduct of entrance examination	NIL	NIL



		<p>against consideration in the form of entrance fee;</p> <p>(b) to an educational institution, by way of, -</p> <p>(i) transportation of students, faculty and staff;</p> <p>(ii) catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory;</p> <p>(iii) security or cleaning or house-keeping services performed in such educational institution;</p> <p>(iv) services relating to admission to, or conduct of examination by, such institution; [***]98</p> <p>(v) supply of online educational journals or periodicals:</p> <p>Provided that nothing contained in [sub-items (i), (ii) and (iii) of item (b)]100 shall apply to an educational institution other than an institution providing services by way of pre-school education and education up to higher secondary school or equivalent.</p> <p>Provided further that nothing contained in sub-item (v) of item (b) shall apply to an institution providing services by way of,-</p> <p>(i) pre-school education and education up to higher secondary school or equivalent; or</p> <p>(ii) education as a part of an approved vocational education course.</p>	
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12.2. Circular No. 149/05/2021- GST dated 17.06.2021 This circular was issued to clarify the applicability of GST on supply of food in Anganwadis and Schools, and the same is reproduced below (Applicable portion):

*Sub- Clarification regarding applicability of GST on supply of food in Anganwadis and Schools -reg.*

*Representations have been received seeking clarification regarding applicability of GST on the issues as to whether serving of food in schools under Mid-Day Meals Scheme would be exempt if such supplies are funded*



by government grants and/or corporate donations. The issue was examined by GST Council in its 43rd meeting held on 28th May, 2021.

2. Entry 66 clause (b)(ii) of notification No. 12/2017-Central Tax (Rate) dated 28th June, 2017, exempts Services provided to an educational institution, by way of catering, including any mid-day meals scheme sponsored by the Central Government, State Government or Union territory. This entry applies to pre-school and schools.

3. Accordingly, as per said entry 66, any catering service provided to an educational institution is exempt from GST. The entry further mention that such exempt service includes mid- day meal service as specified in the entry. The scope of this entry is thus wide enough to cover any serving of any food to a school, including pre-school. Further, an Anganwadi inter alia provides pre-school nonformal education. Hence, anganwadi is covered by the definition of educational institution (as pre-school)

4. Accordingly, as per recommendation of the GST Council, it is clarified that services provided to an educational institution by way of serving of food (catering including mid- day meals) is exempt from levy of GST irrespective of its funding from government grants or corporate donations [under said entry 66 (b)(ii)]. Educational institutions as defined in the notification include anganwadi. Hence, serving of food to anganwadi shall also be covered by said exemption, whether sponsored by government or through donation from corporates.

On careful reading of the above circular, we understand that this clarification is issued with respect to Entry No. 66 of Notification No. 12/2017 Central Tax (Rate), dated 28.06.2017.

12.3 now let us examine whether the Applicant is supplying goods or services. "Goods" is defined under subsection 52 of section 2 of CGST Act 2017 as below:

*"goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and things attached to or forming part of the land which are agreed to be severed before supply or under a contract of supply;*

"Services" is defined under subsection 102 of section 2 of CGST Act 2017 as below:

*"services" means anything other than goods, money and securities but includes activities relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged;*

13. The applicant states that that they are supplying the goods mentioned in para 9 supra to the CDPO and CDPO in turn supplies the same to Anganwadis. As explained in the paras supra, the applicant is purchasing and supplying only goods and not into supply of any service. Since Notification No. 12/2017 Central Tax (Rate), dated:28.06.2017 deals with supply of services which are exempted, the same cannot be applied to supply of goods as in the case of the applicant.



Since the Notification No. 12/2017 Central Tax (Rate), dated 28.06.2017 is not applicable to the applicant's case, Circular No. 149/05/2021-GST, dated:17.06.2021 also is not applicable to the applicant's case. Clarification No. KSA/GST.CR-05/2019-20 Dated:23.06.2021 is same as Circular No. 149/05/2021-GST, dated:17.06.2021 but issued by the State of Karnataka and hence the same is not applicable to the applicant's case.

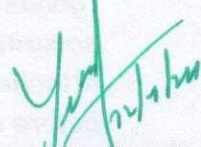
14. In view of the foregoing, we rule as follows

**RULING**

- a) Exemption is not available to the Applicant as per S.N.66 clause (b)(ii) of notification No. 12/2017-Central Tax (Rate) dated 28.06.2017.
- b) Circular No. 149/05/2021- GST dated: 17.06.2021 is not applicable to the Applicant.
- c) Clarification No: KSA/GST.CR-05/2019-20 dated: 23.06. 2021 is not applicable to the Applicant.
- d) The Applicant's Product "Pushti" is not taxed as per entry No.78 of Notification 02/2017 Central Tax (Rates) dated: 28.06.2017 further amended vide Notification 07/2022 Central Tax (Rate) dated:13.07.2022.
- f) The Applicant's Product "Pushti" is not taxed as per entry No. 59 of Notification 01/2017 Central Tax (Rate) dated: 28.06.2017 further amended vide Notification No. 06/2022 Central Tax (Rate) dated:13.07.2022

  
(Dr.M.P. Ravi Prasad)  
Member  
MEMBER

Karnataka Advance Ruling Authority  
Bengaluru - 560 009  
Date : 22.07.2024

  
(Kiran Reddy T)  
Member  
MEMBER

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

To,

The Applicant

Copy to :

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.



3. The Principal Commissioner of Central Tax ,Belagavi Commissionerate,  
Belagavi

4. The Asst. Commissioner, LGSTO-385, Athani.

5. Office Folder.

