

GOODS AND SERVICES TAX-

GST on Pre- packaged & labelled items



INDIA

RJA

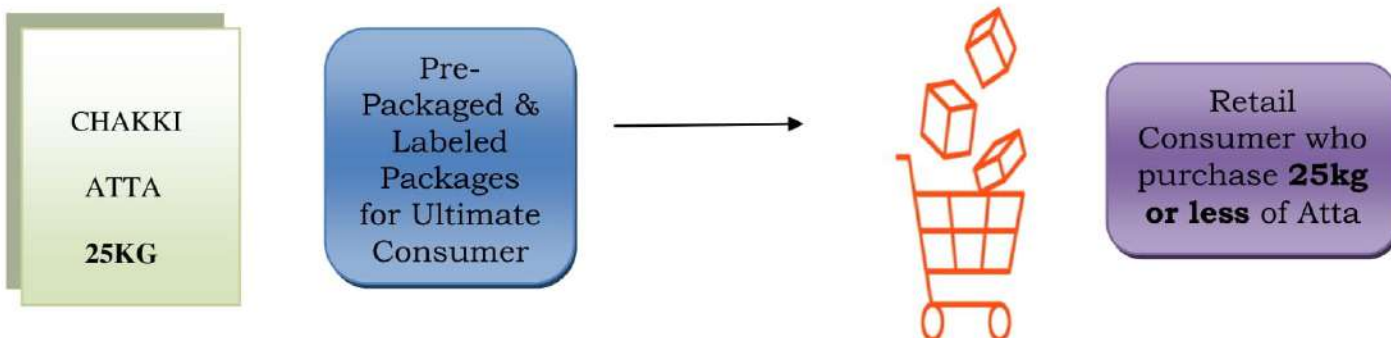
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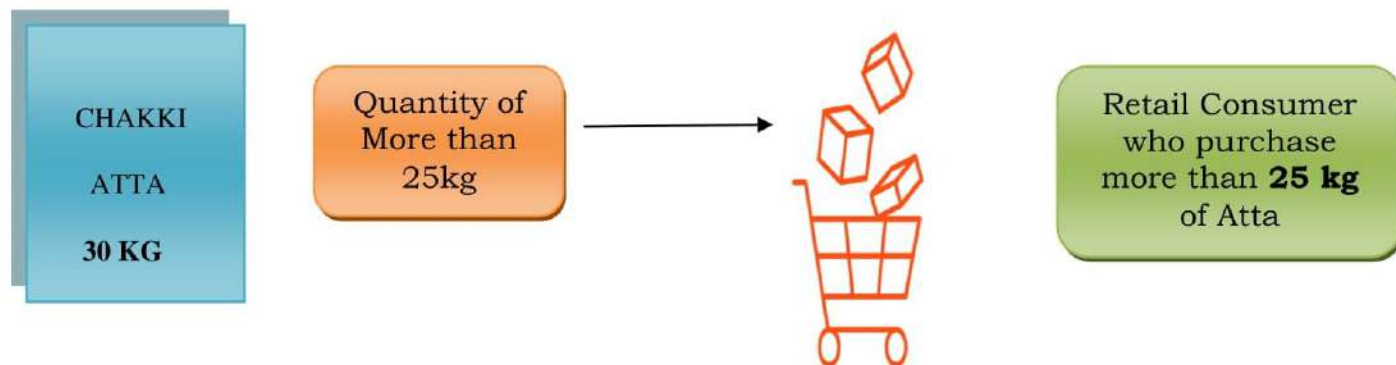
**“PRE-PACKAGED & LABELLED PACKAGES AS PER
FAQ F. No. 190354/172/2022-TRU DATED 17.07.2022”**

Various Scenarios have been reproduced as per FAQ



Taxability:

Supply of pre-packed atta meant for retail sale to ultimate consumer of 25 Kg shall be **liable to GST**.

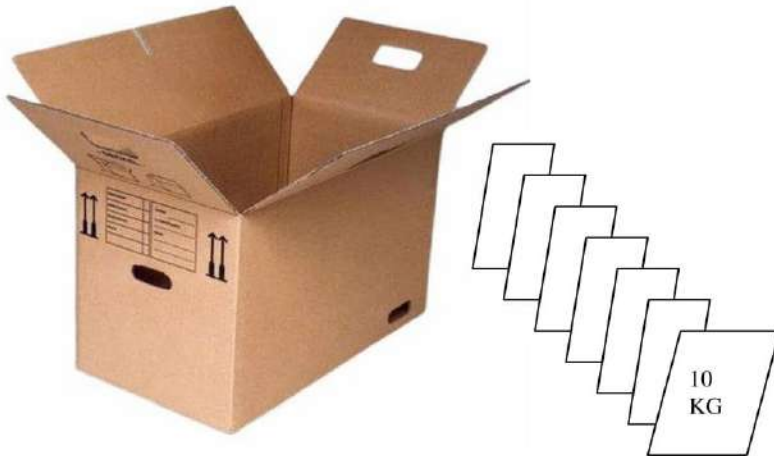


Taxability:

Single package of these items [cereals, pulses, flour etc.] containing a quantity of more than 25 Kg/25 litre **would not fall in the category of pre-packaged and labelled** commodity for the purposes of GST and would **therefore not attract GST**.

“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

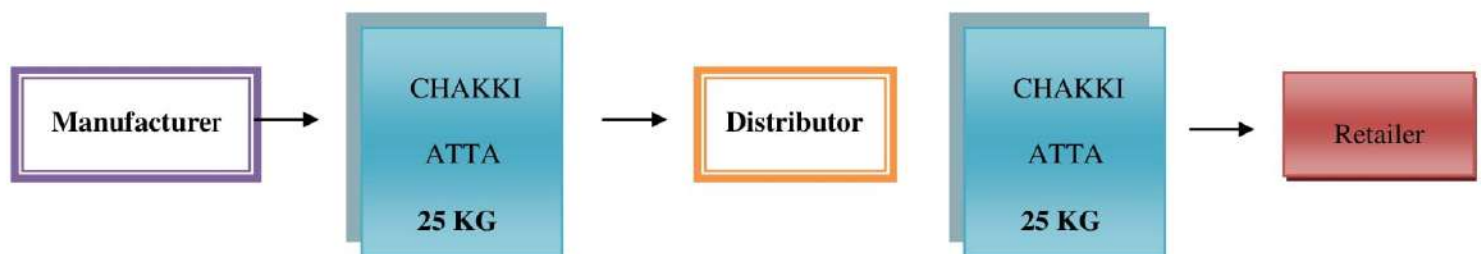
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Small packages of 10 Kg
in large box containing in
Total 100 Kg i.e. 10 x 10

Taxability:

Yes, if several packages intended for retail sale to ultimate consumer, say 10 packages of 10 Kg each, **are sold in a larger pack**, then **GST would apply to such supply**.



GST is **Payable at Every Stage** from Manufacturer to Retailer.

Now, **Retailer Supplies in Loose Quantity from 25KG** Package then,



Selling Loose Quantity to
So many consumers as per
their demand



Such Supply by retailer is **not a supply** of packaged commodity for the purpose of GST levy.

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Packaged commodities are supplied for consumption by **industrial consumers or institutional consumers**



Taxability:

Supply of packaged commodity for consumption by industrial consumer or institutional consumer is excluded from the purview of the Legal Metrology Act by virtue of rule 3 (c) of Chapter-II of Legal Metrology. Therefore, if supplied in such manner as to attract exclusion provided under the said rule 3(c) **it will not be considered as pre-packaged and labelled for the purposes of GST levy.**

SUGGESTIVE POINTS:

- **Loose commodity** supply will not attract GST as the same should not be Pre-packed & Labelled
- Commodity supply will not attract GST if quantity is more than 25KG/25Litre as the same is not required to be Pre-packed & Labelled as per the Legal Metrology Act.
- Commodity supply which is pre-packed & labelled *mandate* as per Legal Metrology Act then GST will be applicable (exclusions are available such as supply to industrial consumer or institutional consumer etc.)
- Supply of such specified commodity having the following two attributes would attract GST
 - i. It is pre-packaged; and
 - ii. It is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder

Note:- In the context of food items (such as pulses, cereals like rice, wheat, flour etc), the supply of specified pre-packaged food articles would fall within the purview of the definition of 'pre-packaged commodity' under the Legal Metrology Act, 2009, and the rules made thereunder, *if such pre-packaged and labelled packages contained a quantity upto 25 kilogram [or 25 litre]* in terms of rule 3(a) of Legal Metrology (Packaged Commodities) Rules, 2011, subject to other exclusions provided in the Act and the Rules made thereunder. (ii) It is required to bear the declarations under the provisions of the Legal Metrology Act, 2009 (1 of 2010) and the rules made thereunder.