

GOA AUTHORITY FOR ADVANCE RULING

[Constituted under Section 96 of the Goa Goods and Services Tax Act,
2017 (Goa Act 4 of 2017) read with Rule 103 of the Goa Goods and
Services Tax Rules, 2017]

BEFORE THE BENCH OF

Shri. Vishant S. N. Gaunekar, Additional Commissioner of SGST, Goa.

Smt. Lakshmi Radhakrishnan, Joint Commissioner of CGST, Goa.

Advance Ruling No. GOA/GAAR/02 of 2025-26/ 6810

Name of the Applicant	M/s. Cremeux Bakeries Private Limited
Address	H. No. 171/5, CMM Arena Complex, 2nd Floor Vaddy, Mercedes, Tiswadi, North- Goa 403 005
GSTIN	30AAFCC2111E1ZO
Date of Application	11.03.2026
Under Section 97(2) of the CGST/GGST Act, 2017 under which question raised	<p>1. Whether the sale of bakery products such as cakes, pastries, sandwiches, savouries, biscuits, slice cakes, bread, rusk and other ready-made items, which are fully manufactured at the Corlim factory and sold through bakery outlets without any cooking, preparation or processing, constitutes a supply of goods under GST ?</p> <p>2. Whether preparation and sale of semi-finished goods such as pizzas at the outlets, wherein pizza base and toppings are supplied from the factory and are blended/prepared at the outlet upon customer order, constitutes restaurant service ?</p> <p>3. Whether the Applicant is permitted under GST</p>

	Law and basis the principles laid out in circular 164-para 3 and para 4 to 1. charge GST as goods for items sold without preparation, and 2. Charge GST as services for items involving preparation/ cooking subject to maintain a separate billing series, accounting records etc. ?
Date of Hearing	27.03.2026
Persons Present for Hearing	Shri Shridhar alias Yatish G. P. Vernekar, Ld. Chartered Accountant.

PROCEEDINGS

(Under Section 98 of the Goa Goods and Services Tax, Act 2017)

The present Advance Ruling Application has been filed under section 97 of the Goa Goods and Services Tax Act, 2017 and the Central Goods and Services Tax, Act 2017 (hereinafter referred to as the ‘**SGST Act**’ and ‘**CGST Act**’ or jointly as “**GST Acts**” or “**GST Law**”) by the registered taxable person **M/s. Cremeux Bakeries Private Limited, H. No. 171/5, CMM Arena Complex, 2nd Floor Vaddy, Mercas, Tiswadi, North- Goa 403 005** seeking an Advance Ruling in respect of the following questions:-

- Whether any particular thing done by the applicant with respect to any goods and / or services or both amounts to or results in a supply of goods and/or services or both, within the meaning of that term

BRIEF FACTS

Applicants Background:

The applicant M/s. Cremeux Bakeries Private Limited, having its office at CMM Arena Complex, 2nd Floor, Vaddy, Mercas, Toswadi, North Goa 403005, is a registered taxable person and holds GSTIN

30AAFCC2111E1ZO.

The Applicant is engaged in the business of manufacturing food products like cakes, pastries, sandwiches, savories, biscuits bread etc. in respect of which the applicant is seeking clarification through the advance on the following questions.

CLARIFICATION REQUIRED ON THE BELOW POINTS:

1. Whether the sale of bakery products such as cakes, pastries, sandwiches, savouries, biscuits, slice cakes, bread, rusk and other ready-made items, which are fully manufactured at the Corlim factory and sold through bakery outlets without any cooking, preparation or processing, constitutes a **supply of goods** under GST?
2. Whether preparation and sale of semi-finished goods such as pizzas at the outlets, wherein pizza base and toppings are supplied from the factory and are blended/prepared at the outlet upon customer order, constitutes **restaurant service**?
3. Whether the Applicant is permitted under GST Law and basis the principles laid out in circular 164-para 3 and para 4 to
 1. charge GST **as goods** for items sold without preparation, and
 2. Charge GST **as services** for items involving preparation/ cooking subject to maintain a separate billing series, accounting records etc. ?

INTERPRETATION OF LAW AND/OR FACTS BY APPLICANT

- As per Section 2(52) of the Central Goods and Services Tax (CGST) Act, 2017, “goods” are defined as every kind of movable property, subject to certain exclusion. Likewise, Section 2(102) defines “services” as anything other than goods, money and securities with certain inclusions. Accordingly, the items mentioned in question no 1 of the application qualify as “goods” by

default, since they are movable properties and are not excluded from the statutory definition.

- Schedule II, Entry 6 of the CGST Act provides that the composite supply of goods being food or any other article for human consumption or any drink (other than alcoholic liquor) by way of or as part of any service, or in any manner whatsoever, for cash, deferred payment, or other valuable consideration, shall be treated as a supply of service. Furthermore, Section 2(30) defines “composite supply” as a supply made by a taxable person to a recipient, consisting of two or more taxable supplies of goods or services or both, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, where one of the supplies is a principal supply. Therefore, while the items mentioned in question no 1 are prima facie goods, if the same item is supplied in a manner that involves preparation blending or any form of cooking etc. for service, or delivery, particularly in the course of a dine-in, takeaway, or similar setup, it assumes the character of a restaurant service, which is classifiable as a supply of service under Schedule 11 of the CGST Act. With respect to question no 2, food items prepared at the outlet upon receipt of the order of the customer, the same would qualify as a service.

(1) Sale of Bakery Products – Supply of Goods

As per Section 2(52) of the CGST Act, bakery items are movable goods

There is transfer of title in goods for consideration

No service element is involved at the point of sale

Reliance is placed on para 4 of CBIC Circular No. 164/20/2021-GST dated 06.10.2021 (attached), which clarifies that:

Sale of pre-manufactured food items without any cooking or preparation amounts to supply of goods

The Applicant’s case is fully covered by the said Circular.

(2) Preparation of semi-finished goods – Supply of Restaurant Service

- . Preparation of pizza involves cooking and service elements at the outlets.

Covered under Entry 3 of CBIC Circular No. 164/20/2021-GST

Classified as restaurant service under Heading 9963

(3) Dual treatment of goods & services supplied.

- . Supply of goods and supply of services can co-exist in the same premises
- . Taxability depends on the nature of individual item supplied
- . Ready-made items attract GST as goods
- . Prepared/ cooked food attracts GST as restaurant service.

Reference is also drawn to ruling of the Hon'ble Gujarat AAR in Riddhi Enterprises (confirmed by both AAR and AAAR enclosed) categorically held that dual tax treatment is permissible, provided the nature of supply is determinable item wise.

The applicant taxpayer has relied on Circular No. 164/20/2021-GST and Circular No. 201/201/12/2023-GST.

PERSONAL HEARING

Shri **Shridhar alias Yatish G. P. Vernekar, Ld. Chartered Accountant** duly authorized representative of applicant taxpayer appeared for personal hearing held on 27/03/2026 before this authority and made oral arguments reiterating the points deliberated in the advance ruling application.

FINDINGS AND DISCUSSIONS

We have carefully read all the written submissions made by applicant taxpayer in the advance ruling application and its enclosures. We have also carefully read the

Advance Rulings of various Advance Ruling Authorities relied upon by the applicant.

The facts placed on record by Shri. Yatish G. P. Vernekar, Ld. C.A. on behalf of applicant taxpayer can be summarized as under for brevity.

- (a) Applicant has a factory located at Corlim, Tiswadi, Goa where various bakery products are manufactured and they are supplied as goods to various outlets in Goa which include 13 outlets which are owned by applicant and several other outlets which are franchisees.
- (b) The present advance ruling is sought only in respect of 13 retail outlets owned by applicant.
- (c) Out of 13 retail outlets, about 3 are of bigger size where restaurant service supply is predominant and all other outlets are of smaller sized premises where there is no adequate place for seating and are pre-dominantly take-away outlets.
- (d) At all 13 outlets the system/procedure is, upon entering the premises the customer looks at price list displayed on wall at the counter, places order and makes payment. Thereafter, if ordered food is pre-manufactured ready goods, it is delivered immediately and it is for the customer to either seat and eat or to carry it home. There is no separate price for in-dine and takeaway but there is a single menu.
- (e) For few particular items like Pizza, pasta, salads, shakes, etc. after placing of order and making payment, these dishes are prepared or made ready and served to customer. While majority food items are pre-manufactured at Corlim factory and are just picked up and delivered to customer.

In the backdrop of above facts, the applicant has sought advance ruling on following points.

1. Whether the sale of bakery products such as cakes, pastries, sandwiches, savouries, biscuits, slice cakes, bread, rusk and other ready-made items, which are fully manufactured at the Corlim factory and sold through bakery outlets

without any cooking, preparation or processing, constitutes a **supply of goods** under GST?

2. Whether preparation and sale of semi-finished goods such as pizzas at the outlets, wherein pizza base and toppings are supplied from the factory and are blended/prepared at the outlet upon customer order, constitutes **restaurant service**?

3. Whether the Applicant is permitted under GST Law and basis the principles laid out in circular 164-para 3 and para 4 to

1. charge GST **as goods** for items sold without preparation, and
2. Charge GST **as services** for items involving preparation/ cooking subject to maintain a separate billing series, accounting records etc. ?

We are of the considered opinion, that in the facts and circumstances of present case, the clarification issued vide Circular No. 164/20/2021-GST dated 06/10/2021 on this issue would be relevant. Para 3.3 to 4.2 of said Circular reads as under.

“3.3 The explanatory notes to the classification of service state that „restaurant service” includes services provided by Restaurants, Cafes and similar eating facilities including takeaway services, room services and door delivery of food. Therefore, it is clear that takeaway services and door delivery services for consumption of food are also considered as restaurant service and, accordingly, service by an entity, by way of cooking and supply of food, even if it is exclusively by way of takeaway or door delivery or through or from any restaurant would be covered by restaurant service. This would thus cover services provided by cloud kitchens/central kitchens.

3.4 Accordingly, as recommended by the Council, it is clarified that service provided by way of cooking and supply of food, by cloud kitchens/central

kitchens are covered under „restaurant service“, as defined in notification No. 11/2017- Central Tax (Rate) and attract 5% GST [without ITC].

4. Supply of ice cream by ice cream parlors

4.1 Representations have been received requesting for clarification regarding the supplies provided in an ice cream outlet.

4.2 Ice cream parlors sell already manufactured ice- cream and they do not have a character of a restaurant. Ice-cream parlors do not engage in any form of cooking at any stage, whereas, restaurant service involves the aspect of cooking/preparing during the course of providing service. Thus, supply of ice-cream parlor stands on a different footing than restaurant service. Their activity entails supply of ice cream as goods (a manufactured item) and not as a service, even if certain ingredients of service are present.

4.3 Accordingly, as recommended by the Council, it is clarified that where ice cream parlors sell already manufactured ice- cream and do not cook/prepare ice-cream for consumption like a restaurant, it is supply of ice cream as goods and not as a service, even if the supply has certain ingredients of service. Accordingly, it is clarified that ice cream sold by a parlor or any similar outlet would attract GST at the rate of 18%.”

We are of the opinion that the Para 4.2 would also apply to all types of bakery products or for that matter any other goods which are pre-manufactured at some other premises other than the restaurant premises and are supplied without involving any service attached to it and hence same has to be treated as a supply of goods and as per the HSN classification of particular goods the gst rate would apply.

However, in respect of certain supplies like that of Pizza, pasta, salads, shakes, etc. which are cooked/prepared/made/blended at restaurant premises, same are to

be treated as supply of 'restaurant service' irrespective of whether customer consumes them on restaurant premises or takes away.

As regards the query of applicant as to whether applicant can charge such two separate gst rates at the same premises, we do not find any legal impediment under GST Law which prohibits a registered taxable person from carrying on the business of restaurant service and supply of goods as a Trader from the same place of business. Hence, the applicant taxpayer may adopt such different gst rates but it shall be the duty of taxpayer to maintain a clear separate record of turnover of outward supplies on account of restaurant services and separately turnover on account of supply of goods.

Hence, the taxpayer will be required to maintain separate series of tax invoices for better clarity as the taxpayer will be under legal obligation to comply with all provisions of GST Law particularly in respect of reversal of input tax credit on inward supplies of inputs and input services. This will pose a serious challenge for practical accounting purposes and best way to tackle would be to maintain separate series of tax invoices for two types of supplies. The onus to maintain clarity on this aspect would rest with the applicant taxpayer.

In view of the above discussion, we rule as follows:

RULING

ADVANCE RULING UNDER SECTION 98 OF THE CGST/ GGST ACT, 2017.

The ruling so sought by the applicant is accordingly answered as under: -

Question: 1. Whether the sale of bakery products such as cakes, pastries, sandwiches, savouries, biscuits, slice cakes, bread, rusk and other ready-made items, which are fully manufactured at the Corlim factory and sold through bakery outlets without any cooking, preparation or processing, constitutes a **supply of goods** under GST?

Ruling: - Yes. Para 4.2 of Circular No. 164/20/2021-GST dated 06/10/2021 on this issue would also apply to all types of bakery products or for that matter any other goods which are pre-manufactured at some other premises other than the restaurant premises and are supplied without involving any service attached to it. Hence, same has to be treated as a supply of goods and as per the HSN classification of particular goods the gst rate would apply.

2. Whether preparation and sale of semi-finished goods such as pizzas at the outlets, wherein pizza base and toppings are supplied from the factory and are blended/prepared at the outlet upon customer order, constitutes **restaurant service**?

Ruling: - Yes. The supply of semi-finished goods such as pizzas, pastas, salads, shakes, etc. which are cooked/prepared/made/blended at restaurant premises upon customer order, constitutes a restaurant service, irrespective of whether customer consumes them on restaurant premises or takes away.

3. Whether the Applicant is permitted under GST Law and basis the principles laid out in circular 164-para 3 and para 4 to

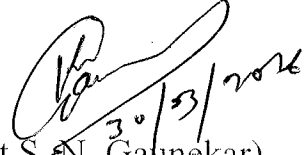
1. charge GST **as goods** for items sold without preparation, and
2. Charge GST **as services** for items involving preparation/ cooking subject to maintain a separate billing series, accounting records etc.?

Ruling: - Yes. However, the taxpayer will be required to maintain separate series of tax invoices for better clarity as the taxpayer will be under legal obligation to comply with all provisions of GST Law particularly in respect of reversal of input tax credit on inward supplies of inputs and input services. This will pose a serious challenge for practical accounting purposes and best way to tackle would be to maintain separate series of tax invoices for two types of

supplies. The onus to maintain clarity on this aspect would rest with the applicant taxpayer.



(Lakshmi Radhakrishnan)
CGST Member



(Vishant S.N. Gaunekar)
SGST Member

Dated: - 30 /03/2026

Place: - Panaji, Goa

To,
M/s. Cremeux Bakeries Private Limited,
H. No. 171/5, CMM Arena Complex,
2nd Floor Vaddy, Mercedes, Tiswadi, North- Goa 403005.

Copy to:

1. The Commissioner of State GST, Altinho, Panaji, Goa;
2. The Commissioner of Central GST, GST Bhavan, Patto Plaza, Panaji;
3. Dy. Commissioner of State Tax, Panaji Ward, Altinho, Panaji, Goa;
4. State Tax Officer, Panaji Ward, Altinho, Panaji, Goa;
5. Superintendent of CGST, Panaji Range, GST Bhavan, Patto Plaza, panaji
6. Nodal Officer for uploading on websites;
7. Office File.
8. Guard File.

