



**BEFORE THE AUTHORITY FOR ADVANCE RULING - ANDHRA PRADESH**

**Goods and Service Tax**

D. No. 5-56, Block-B, R.K. Spring Valley Apartments, Eedupugallu, Vijayawada-521151

**Present**

1. Sri. D. Ramesh, Additional Commissioner of State Tax (Member)
2. Sri. A. Syam Sundar, Additional Commissioner of Central Tax (Member)

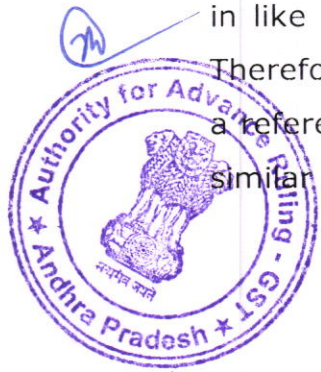
**AAR No. 12 /AP/GST/2021 dated: 22.02.2021**

1	Name and address of the applicant	M/s. Vasudeva Dall Products Private Limited, D.No. 33/1/33/1A, Desu Subbarao Nagar, Suryapalem, Gollapudi, Krishna District- 522647.
2	GSTIN	37AADCV5190J1ZX
3	Date of filing of Form GST ARA-01	23.11.2020
4	Hearing (Virtual)	05.02.2021
5	Represented by	Dr. Ramaraju Srinivasa Rao, Advocate and Tax consultant
6	Jurisdictional Authority - State	Assistant Commissioner (ST), Ibrahimpatnam Circle, Vijayawada-I Division.
7	Clause(s) of section 97(2) of CGST/SGST Act, 2017 under which the question(s) raised	(e) determination of the liability to pay tax on any goods or services or both;

**ORDER**

**(Under sub-section (2) of Section 98 of Central Goods and Services Tax Act, 2017 and sub-section (2) of Section 98 of Andhra Pradesh Goods and Services Tax Act, 2017)**

1. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and SGST 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 APGST Act.



2. The present application has been filed u/s 97 of the Central Goods & Services Tax Act, 2017 and AP Goods & Services Tax Act, 2017 (hereinafter referred to CGST Act and APGST Act respectively) by M/s. Vasudeva Dall Products Private Limited, (hereinafter referred to as applicant), registered under the AP Goods & Services Tax Act, 2017.

**3. Brief Facts of the case:**

- The Applicant is engaged in the business of pulses and dalls. The Andhra Pradesh State Civil Supplies Corporation Limited (APSCSCL), Vijayawada (hereinafter referred as Corporation) is a State Government undertaking engaged in the business of supplying essential commodities to the Fair price shops for public distribution. Corporation purchases red gram from AP Markfed on the directions of the State Government, in order to distribute the resultant redgram dall under PDS and other schemes. The applicant is instructed to supply resultant red gram dall as advance supply in one KG packet form to Mandal Level Stock (MLS) points.
- The applicant submitted that in respect of the above transaction, whole red gram was purchased on their own, converted it into dall and supplied its own dall in advance to the Corporation. Subsequently after receipt of dall, Corporation has sent whole red gram to the applicant as per its convenience and availability. The incidental charges is Rs.4.50 per kg (as per the work order dated 04.09.2019).
- The applicant further opines that though the initial arrangement looks like, 'custom milling', the transaction has actually taken the shape of 'barter' subsequently, for various reasons. Applicant did neither job work nor custom milling. The applicant submits that its own dall has been supplied in advance and it has not milled pulses belonging to the Corporation as it is evident from the books of account and work order.
- The applicant submits that Entry No.55 of Notification No.12/2017- CTR dated 28.06.2017 is applicable to its activity, which reads as follows:-

55	Heading 9986	Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce.	NIL	NIL
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In applicant's view milling of whole red gram into dall is an intermediate production process as job work, covered by the above entry. Hence, no GST would be payable on milling charges if any.

- Transportation of red gram dall to MLS points: The applicant claims that it is ancillary and incidental to the supply of red gram dall, which is generally exempt. The applicant states that it has not provided any transport service and hence no tax payable on such expenditure incurred.
- It is further submitted by the applicant that red gram dall has to be supplied in primary and secondary packing material. There is no separate contract for supply of packing material. It is claimed by the applicant that as packing is incidental and ancillary to the main supply of red gram dall, it is exempt from tax.

#### **4. Questions raised before the authority:**

1. Whether the advance supply of own red gram dall to the AP State Civil Supplies Corporation Limited, Vijayawada and receipt of whole red gram at a later date from the Corporation merits classification as transaction of 'barter'?
  2. Whether the packing charges of Rs. 4.50 received by the applicant for packing 1 Kg. of red gram dall supplied to the said Corporation are taxable?
- On Verification of basic information of the applicant, it is observed that the applicant falls under State jurisdiction, i.e. Assistant Commissioner (ST), Ibrahimpatnam, Circle, Vijayawada-I Division. The application has been forwarded to the jurisdictional officer with a copy marked to the Central Tax authorities for their remarks as per the Sec. 98(1) of CGST /APGST Act 2017 and the remarks are ascertained from the Jurisdictional officer concerned.

#### **Remarks of the Jurisdictional Officer:**

- The State jurisdictional officer concerned submitted that the applicant did job work i.e., custom milling of red gram to AP State Civil Supplies Corporation, Vijayawada and entered into an agreement to that effect and received payments towards incidental charges per quintal on milled red gram.
- The supply of service by way of job work in relation to food products to the Corporation is taxable under APGST Act, 2017. But the applicant reflected the said taxable supplies under exemption turnover in GSTR3B returns during the tax period from July 2017 to till date.



- The jurisdictional officer mentioned that a notice dt: 19.06.2020 had been issued against the applicant under section 70(1) of the APGST Act 2017, calling for production of documents and other evidences if any.
- In the event of the applicant's failure to furnish the information despite the reminders, data had been obtained from APSCSC with year wise supply of red gram dall. In the process of investigation, it is also noticed that the applicant has utilised the e-way bills for the transportation of red gram dall from their milling point to the MLS Points and received payments from APSCSC, towards milling charge which includes the transportation charges and usage of gunny bags.
- Subsequently the jurisdictional officer had conducted inspection on 19.11.2020 basing on the authorisation for inspection or search dt: 05.10.2020 under rule 139 (1) of the APGST Act, issued by the Joint Commissioner (ST), Vijayawada-I Division.
- The Jurisdictional officer submitted that the applicant had approached the Advance Ruling authority on 23.11.2020 in contravention of the proviso to section 98(2) of APGST Act, according to which the application is deemed to be rejected as the issue is already pending with the proper officer.

## 5. Virtual Hearing:

The proceedings of Hearing were conducted through video conference on 05<sup>th</sup> February, 2021, for which the authorized representative, Dr. Ramaraju Srinivasa Rao, Advocate and tax consultant attended and reiterated the submissions already made.

## 6. Discussion and Findings:

We have examined the issues raised in the application and the submissions of the applicant as well. In the context of the remarks submitted by the jurisdictional officer, we examine the admissibility of the application without going into the merits of the case.

In the context of the remarks submitted by the Revenue and upon the observation of the chronology of events, it is evident that the applicant approached the Authority for Advance Ruling on an issue which has already been pending with the proper officer.





It bars this authority to take up or admit an application which has been already pending or decided in any proceedings in case of the applicant under any of the provisions of the Act under proviso to section 98(2), which reads as under,

*"(2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:*

*Provided that the Authority shall not admit the application where the question raised*

*in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of this Act:"*

Hence, the applicant's plea for admission of his application for advance ruling in terms of proviso of sub section (2) of section 98 of CGST Act, 2017 is rejected.

### Proceedings

In view of the foregoing, the application is not admitted.

**Sd/- D. Ramesh**  
**Member**

**Sd/- A. Syam Sundar**  
**Member**

//t.c.f.b.o//

  
Deputy Commissioner (ST)  
**DEPUTY COMMISSIONER (ST)**  
O/o. Chief Commissioner of State Tax,  
Government of A.P., Vijayawada

**To**

1. M/s. Vasudeva dall Products Private Limited, 33/1/33/1A, Desu Subbarao Nagar, Suryapalem, Gollapudi, Krishna District -522647, Andhra Pradesh **(By Registered Post)**

**Copy to**

1. The Assistant Commissioner of State Tax, Ibrahimpatnam Circle, Vijayawada I Division. **(By Registered Post)**
2. The Superintendent, Central Tax, CGST Surya Rao Pet Range, Vijayawada Division. **(By Registered Post)**



**Copy submitted to**

1. The Chief Commissioner (State Tax), O/o Chief Commissioner of State Tax, Eedupugallu, Vijayawada, (A.P)
2. The Chief Commissioner (Central Tax), O/o Chief Commissioner of Central Tax & Customs, Visakhapatnam Zone, GST Bhavan, Port area, Visakhapatnam-530035. A.P. **(By Registered Post)**

**Note:** Under Section 100 of the APGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under Section 99 of APGST Act, 2017, with in a period of 30 days from the date of service of this order.



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