

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU  
NO.207, 2<sup>ND</sup> FLOOR, PAPJM BUILDING , NO.1 , GREAMS ROAD,  
CHENNAI -600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER  
SECTION 98(4) OF THE TNGST ACT, 2017.**

**Members present:**

Sri. Balakrishna S, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit II Commissionerate, Chennai - 600 034.	Smt. A. Valli, M.Sc., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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**Advance Ruling No. 28/ARA/2024 Dated: 06.12.2024**

- 1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/ TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed, is communicated.*
- 2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
  - (a) on the applicant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling.*
  - (b) on the concerned officer or the jurisdictional officer in respect of the applicant.*
- 3. In terms of Section 103(2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
- 4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
- 5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*



GSTIN Number, if any / User id		33AAACH1479H1ZR
Legal Name of Applicant		M/s High Energy Batteries (India) Limited
Trade Name of Applicant(Optional)		M/s High Energy Batteries (India) Limited
Registered Address / Address provided while obtaining user id		No. 13, "Esvin House" Old Mahabalipuram Road, Perungudi, Chennai, Tamil Nadu- 600096.
Details of Application		Form GST ARA – 01 Application Sl.No.92/2023/ARA, Dated: 27.06.2023
Concerned Officer		Centre: Tiruchirapalli Commissionerate, Tiruchirapalli I Division, City III-Range.  State: Plakarai Assessment Circle Trichy Zone, Trichy Division.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Service Provider
B	Description (in brief)	The applicant is engaged in manufacture of "Silver Oxide Zinc Torpedo Propulsion batteries" falling under Chapter sub heading No. 850640 attracting GST @ 18% (IGST @ 18%, CGST @9% & SGST @ 9%) and secondary Silver Oxide Zinc Rechargeable Batteries falling under Chapter sub heading No. 8501780 attracting GST @ 28% ( IGST @ 28%, CGST @ 14% & SGST @ 14%) and supply the same to various Naval Defence formations (Indian navy) on payment of applicable GST.
Issue/s on which advance ruling Required		1) Determination of time and value of supply of goods or services or both.
Question(s) on which advance ruling is required		<b>Taxability Issue</b>  <b>1.</b> Whether the value of the Silver supplied free of cost by the Naval Formations (in the form of old batteries) are to be included in the taxable value adopted by the applicant on the batteries manufactured by the applicant and supplied to the Naval Formations for the purpose of payment of GST or not.

M/s High Energy Batteries S.F. No. 243/7, 243/8B, Pakkudi road, Mathur Industrial Estate, Mathur (hereinafter called as 'the Applicant') is engaged in manufacture of "Silver Oxide Zinc Torpedo Propulsion batteries" falling under



Chapter sub heading No. 850640 and secondary Silver Oxide Zinc Rechargeable Batteries falling under Chapter sub heading No. 8501780 and supply the same to various Naval Defence formations (Indian navy) on payment of applicable GST. They are registered under the GST Acts with GSTIN: 33AAACH1479H1ZR.

2. The Applicant submitted a copy of challan dated 09-06-2023 evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017.

3. They have preferred this application seeking Advance Ruling on the following:

(1) Whether the value of the Silver supplied free of cost by the Naval Formations (in the form of old batteries) are to be included in the taxable value adopted by the applicant on the batteries manufactured by the applicant and supplied to the Naval Formations for the purpose of payment of GST or not.

4. **Statement of facts in brief:**

4.1. The applicant submits that they are engaged in the manufacture of "Silver Oxide Zinc Torpedo Propulsion Batteries" falling under Chapter sub heading No. 850640 attracting GST @ 18% (IGST @ 18%, CGST @ 9% & SGST @ 9%) and Secondary Silver Oxide Zinc Rechargeable Batteries falling under Chapter sub heading No. 850780 attracting GST @ 28% (IGST @ 28%, CGST @ 14% & SGST @ 14%) and supply the same to various Naval Defence formations (Indian Navy) on payment of applicable GST.

4.2. That the silver required for the manufacture of such batteries are supplied free of cost by the respective Naval formations by way of supplying their used batteries (Non-serviceable). And after extracting the silver from the used batteries the applicant manufactures the "Silver Zinc Batteries" as per the specification provided by the Naval formation. That while fixing the price for the batteries manufactured, the cost incurred by the applicant for extracting the silver from the old batteries is also included. That however the cost of the silver contained in the old batteries which is supplied by the Naval formations free of cost in the form of old batteries are not included in the taxable value for the purpose of payment of GST as the same is supplied free of cost by the Naval formations, who are the customers of the applicant.

4.3. The applicant submitted that the Naval Formations are taking care of insuring free cost material supplied by them while transporting them to the applicant's premises as well as the retention period of the same at the applicant's premises. That these aspects of free supply material in the form of old batteries and extraction of the silver from those batteries and using the same in the manufacture of new batteries have been included in the contract signed between the applicant and their customers.



- 4.4. The applicant quoted the provisions of Section 15(1) of the CGST Act, 2017 which deals with Value of Taxable Supply provides:- The value of supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply. The applicant further stated that Section 15(2)(b) of the said Act specifically states that where any amount which the supplier is liable to pay in relation to a supply but the same is incurred by the recipient on behalf of supplier, and not included in price paid/payable for goods/services, then such value is required to be included in the transaction value.
- 4.5. Further the applicant submitted that to determine whether the value of taxable supply paid by recipient to the supplier is the "sole consideration", it is necessary to refer to the definition of the term "consideration". That the term 'consideration' has been defined under Section 2(31) of the CGST Act, to mean any payment (in money or otherwise) or monetary value of any act or forbearance which is made in respect of, in response to or for the inducement of supply of goods and/or services. That such consideration can flow from the recipient of supply or any other person and it could be either monetary or non-monetary consideration". That the reading of the above provisions indicates that the transaction value agreed between the parties is only relevant for valuation purposes under GST and it is a matter of commercial arrangement between the supplier and recipient of supply of goods/services, as to what is in the scope of each of the parties. That once it is clear that supplier has to only supply final goods, then there is no question of adding the value of the free materials for determining the transaction value.
- 4.6. The applicant submitted that the Circular No.47/21/2018- GST dated 08.06.2018 issued by the CBIC refers to the situation where the moulds, jigs etc., are given by recipient, [Original Equipment supplier-OEM] on [Free of Cost-FOC] basis to the supplier who uses such moulds, jigs etc., to manufacture and supply the finished goods to the recipient of supply. It clarifies that it does not constitute a supply under GST since no consideration is charged by the recipient for the moulds, jigs etc. That this is only when supplier and recipient are not related persons such as group cos. That the Circular also clarifies that value of usage of moulds, jigs etc. (given on FOC basis) shall not be factored or amortized in the value of supply in a situation where the contract sets out that the recipient of supply shall supply moulds, jigs etc. which would be used by the supplier to manufacture the goods, since the said situation is not covered by Section 15(2)(b) of the CGST Act.
- 4.7. The applicant submitted that therefore, value of goods supplied on FOC basis cannot be included in the value of the supply as per the existing provisions of CGST Act read in conjunction with the aforesaid circular. That however it was made clear that the case is different wherein, if the contract between OEM and



component manufacturer was for supply of components made by using the moulds/dies belonging to the component manufacturer, but the same have been supplied by the OEM to the component manufacturer on FOC basis, the amortised cost of such moulds/dies shall be added to the value of the components.

4.8. The applicant submitted that the Advance Ruling in the case of Lear Automotive India Pvt. Ltd (2018 (12) TMI 766) held that the goods owned by the OEM that are provided to a component manufacturer on FOC basis do not constitute supply as there is no consideration. That the Board further clarified that the value of goods provided on FOC basis shall not be added to the value of supply of components. However, the case is different where the contractual obligation is cast upon the component manufacturer to provide moulds/ dies but the same have been supplied by OEM on FOC basis and in such cases, the amortised cost of such moulds and dies shall be added to the value of supply of component. That once it is established that the obligation to provide tools on FOC basis is on the customer then the question of adding the amortised value of tools supplied by the customer does not arise.

4.9. The applicant submitted that in the backdrop of the above and in the light of the agreements signed between the Applicant and their customer the applicant would like to seek for advance ruling on - *Whether the value of the silver supplied free of cost by the Naval formations (in the form of old batteries) are to be included in the taxable value adopted by the applicant on the batteries manufactured by the applicant and supplied to the Naval formations for the purpose of payment of GST or not?"*

## **5. PERSONAL HEARING:**

5.1 The Applicant, was given an opportunity to be heard in person on 19-08-2024. Shri M Ignatius, Director (Operations), Shri R. Swaminathan, Chief Financial Officer and Shri L Suresh, Consultant, appeared for the personal hearing as the Authorised Representatives (AR) of the applicant. The AR submitted a catalogue showcasing the different type of batteries being manufactured by the applicant and he explained in brief about the business of the applicant and reiterated the submissions made in their application.

5.2. The members enquired as to whether any contract exists between the applicant and naval formations. The AR submitted contract no. AS/9074/HQ/MOD (NAVY) dated 02.12.2021 signed between the applicant and naval formation. The members enquired as to what happens to the remaining parts of the battery after extraction of silver and the excess silver if any, other than what is required for manufacture of batteries to be supplied to the naval formations. The AR replied that the other things are returned to the naval formation and also the extra silver, if any, is also returned to them. The members enquired as to what is the cost of extraction of silver from the old batteries and what procedure was adopted during



pre GST era regarding free of cost input received from the recipients. The AR stated that the cost of extraction of silver is approximately Rs. 2500/- per kg and that during Excise period as the clearance to defense formations was exempted for payment of excise duty the same procedure was adopted.

**5.3.** The members enquired if there is anything more to add to the submissions made in the application to which the AR replied that there is nothing more to add.

## **6.0 DISCUSSION AND FINDINGS:**

The submissions made by the applicant in the advance ruling application, the submissions made during the personal hearing, contents of the contract entered into by the Applicant with the Principal Director of Naval Armament, Ministry of Defense and Copy of sample invoice furnished by the Applicant have been carefully considered.

**7.0.** As observed from the application, the applicant is engaged in the business of manufacture of "Silver Oxide Zinc Propulsion Batteries" falling under Chapter sub heading No. 850640 and secondary Silver Oxide Zinc Rechargeable Batteries falling under Chapter sub heading No. 8501780 and supply the same to various Naval Defence formations (Indian Navy) on payment of applicable GST.

**7.1.** The issue involved herein is that the silver required for the manufacture of batteries are supplied free of cost by the respective Naval formations by way of supplying their used batteries (Non serviceable). After extracting the silver from the used batteries the applicant manufactures the "Silver oxide- Zinc Batteries" as per the specification provided by the Naval formations making use of the silver extracted from the old used batteries. It is also noted that while fixing the price for the batteries manufactured, the cost incurred by the applicant for extracting the silver from the old batteries is included, but the cost of the silver contained in the old batteries which is supplied by the Naval formations at free of cost in the form of old batteries are not included in the taxable value for the purpose of payment of GST as the same is supplied free of cost by the Naval formations, who are the customers of the applicant.

**7.2.** The applicant by referring to Section 15 of the CGST Act, 2017 which provides for Value of taxable supply and Section 2(31) of the CGST Act, 2017 which provides for definition of the term "consideration", argued that reading of the above provisions indicates that the transaction value agreed between the parties is only relevant for valuation purposes under GST and it is a matter of commercial arrangement between the supplier and recipient of supply of goods/services, as to what is in the scope of each of the parties. That once it is clear that supplier has to only supply final goods, then there is no question of adding the value of the free materials for determining the transaction value. It is also observed that the applicant has referred to Circular No. 47/21/2018-GST dated 08.06.2018 issued by the CBIC which refers to the situation where the moulds, jigs etc.. are given by recipient, [Original Equipment Manufacturer-OEM] on Free of Cost [FOC] basis to



the supplier who uses such moulds, jigs and Advance Ruling in the case of Lear Automotive India Pvt. Ltd, in their favour.

**7.3.** During the personal hearing, the applicant has filed an agreement in contract No. AS/9074/HQ/MOD (NAVY) dated 02.12.2021, signed between the applicant and naval formation (recipient), from which it is seen that the silver required for manufacture of batteries shall be provided by the recipient to the applicant at free of cost by way of life expired batteries / cells against bank guarantee equivalent to prevailing silver cost. It is also observed that the purity and quantity of silver to be issued to the firm is also worked out and spelt in the contract i.e. 99.99% of purity to the tune of 159.12 Kgs (156 kgs plus 2% irrecoverable manufacturing loss (i.e.)  $156 \text{ kgs} + (2/100) \times 156 = 159.12 \text{ kgs}$ ) (99.99% purity) per battery against bank guarantee equivalent to the prevailing silver cost as per format of BG. Further, as per the contract if the silver content is more than the quantity mentioned above i.e. 159.12 Kgs, the cost of extra silver will be borne by the Seller/ Applicant. If the Silver content during manufacturing of the batteries is found to be less than the quantity indicated above, the exact quantity of Silver used by the seller shall be provided to the seller in the form of life expired batteries. Further, as per the contract the cost of the silver extraction shall be borne by the seller.

**7.4.** On the above facts and circumstances of the case, the Applicant is seeking Advance ruling on the following question;

- (1) *Whether the value of the silver supplied free of cost by the Naval formations (in the form of old batteries) are to be included in the taxable value adopted by the applicant on the batteries manufactured by the applicant and supplied to the Naval formations for the purpose of payment of GST or not?"*

**8.0.** In order to determine the above query, it is imperative to delve into relevant provisions of the CGST Act 2017, which is extracted as below:

Section 9 of the CGST Act 2017, provides for Levy and collection, wherein the Section 9(1) and Section 9(3) envisages as follows:

*9(1) Subject to the provisions of sub-section (2), there shall be levied a tax called the Central Goods and Services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, **on the value determined under Section 15** and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.*

*9(3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient*



*as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.*

**8.1.** In exercise of the power conferred by Sub-section (3) of Section 9 of the CGST Act, 2017, the Central Government, on the recommendations of the Council, by Notification No. 36/2017- Central Tax (Rate), dated 13/10/2017, specified that the supply of "Used vehicles, seized and confiscated goods, old and used goods, waste and scrap", by the Central Government, State Government, Union Territory or Local Authority, in respect of which the Central Tax shall be paid on reverse charge basis by the recipient of the Intra-State supply of such goods and all the provisions of the said Act shall apply to such recipient. It is pertinent to notice that a pari materia Notification in Notification No. 37/ 2017 Integrated Tax (Rate) dated 13/10/2017, has also been issued under Section 5(3) of the IGST Act, 2017, for the Inter-State supply of goods specified therein.

**8.2.** Further, Section 15 of the CGST Act, 2017 provides for value of taxable supply. Section 15(1) and Section 15(2)(b) of the CGST Act, 2017 which are relevant in the instant case are reproduced below for ease of reference;

**Section 15: Value of Taxable Supply.-**

15 (1) *The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where **the supplier and the recipient of the supply are not related** and **the price is the sole consideration for the supply.***

15(2) *The value of supply shall include-*

(a) .....

(b) **any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;**

(c) .....

**8.3.** In terms of Section 2(31) of the Act the term "consideration" is defined as below:

*"Consideration" in relation to the supply of goods or services or both includes-*

(a) *any payment made or to be made, **whether in money or otherwise**, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;*



*(b) the monetary value of any act or forbearance, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government:*

*Provided that a deposit given in respect of the supply of goods or services or both shall not be considered as payment made for such supply unless the supplier applies such deposit as consideration for the said supply;*

**8.4.** It is to be noted that, in terms of Section 15(1) of the CGST Act, 2017, in order to adopt the transaction value as the value of supply of goods or services or both, the following two conditions shall be satisfied,

**a.** the supplier and the recipient of the supply are not related

**b.** the price is the sole consideration for the supply

**8.5.** It is found in the instant case that the supplier i.e the applicant and the recipient i.e. the naval formations obviously are not related persons, as per the Explanation to Section 15. Whereas, as observed from the facts of the case in the case on hand as discussed, it is seen that the consideration is not paid wholly in money. On perusal of the agreement it is inferred that the contract is for the supply of Silver Oxide - Zinc Torpedo propulsion Battery Type A- 187M3- Complete with Hardware. Whereas the main input namely Silver is supplied free of cost against Bank Guarantee in the form of old and used batteries by the recipient, in addition to the consideration in money value for the supply of said Silver Oxide - Zinc Torpedo propulsion Battery. Hence, the provision of Section 15(1) of the CGST Act, 2017 i.e to adopt the transaction value as the value of supply of goods or services or both is not applicable for determining the value of supply in the applicant's case. The contention of applicant that the "consideration" is required to be confined as per the terms of agreement cannot be given a literal interpretation, as the definition of the term "consideration" vide Section 2(31) of the CGST 2017 mandates that "consideration" in relation to supply of goods or services includes - any payment whether **in money or otherwise** made or to be made. Hence, we are of the view that the consideration for the supply of Silver Oxide Zinc Torpedo propulsion Battery is paid in terms of money and Old and used Batteries.

**8.6.** In the instant case, old and used batteries are supplied by the naval formations i.e., by the Central Government Department to the applicant. For the said supply, unless otherwise exempted, the recipient of the said old used goods, that is the applicant is liable for payment of Central tax and State Tax or as the case may be the Integrated Tax, as envisages under Section 9(3) of the CGST Act or Section 5(3) of the IGST Act, read with corresponding Notifications issued, viz., Notification No.36/2017- Central Tax (Rate), dated 13/10/2017 and Notification No. 37/ 2017 Integrated Tax(Rate) dated 13/10/2017, respectively.

**8.7.** In this regard, it is not out of place to mention herein that the two Judges



Bench of Hon'ble HIGH COURT OF CHHATTISGARH, in WPT No.117 of 2022, in the case of M/s Shree Jeet Transport Through Proprietor Vs Union of India, while deciding the question "whether diesel filled by the service recipient on FoC basis, in the truck of the GTA can be added to value of supply being rendered by the GTA for the purpose of levy of GST under the CGST Act, 2017 ?", has observed in para 16 as follows:

*" 16. The Supreme Court in the matter of **VKC Footsteps India Private Limited** (supra) has defined the constitutional scheme of GST. Mainly it demonstrates that the idea which permeates GST legislation globally is to impose a multi stage tax under which each point in a supply chain is potentially taxed. Suppliers are entitled to avail credit of tax paid at an anterior stage. As a result, GST fulfills the description of a tax which is based on value addition. The Supreme Court at paras 44, 45, 46 & 47 held thus :*

*44 The idea which permeates GST legislation globally is to impose a multi stage tax under which each point in a supply chain is potentially taxed. Suppliers are entitled to avail credit of tax paid at an anterior stage. As a result, GST fulfills the description of a tax which is based on value addition. Value addition is intended to achieve fiscal neutrality and to obviate a cascading effect of taxation which traditional tax regimes were liable to perpetuate. In a sense therefore, the purpose of a tax on value addition is not dependent on the distribution or manufacturing model. The tax which is paid at an anterior stage of the supply chain is adjusted. The fundamental object is to achieve both neutrality and equivalence by the grant of seamless credit of the duties paid at an anterior stage of the supply chain.*

*....."*

**8.8.** Further, Section 15(4) of the CGST Act, 2017 stipulates that, where the value of the supply of goods or services or both cannot be determined under sub-section (1) of Section 15, the same shall be determined in such manner as may be prescribed. Accordingly, corresponding Rules are prescribed for valuation purpose. The relevant Rule 27 of the Act is extracted as below for ease of reference:

The Rule 27 enumerates that

*Where the supply of goods or services is for a consideration not wholly in money, the value of the supply shall, -*

*(a) be the open market value of such supply;*

*(b) if the open market value is not available under clause (a), **be the sum total of consideration in money and any such further amount in money as is***



**equivalent to the consideration not in money, if such amount is known at the time of supply;**

(c) if the value of supply is not determinable under clause (a) or clause (b), be the value of supply of goods or services or both of like kind and quality;

(d) if the value is not determinable under clause (a) or clause (b) or clause (c), be the sum total of consideration in money and such further amount in money that is equivalent to consideration not in money as determined by the application of rule 30 or rule 31 in that order.

**8.9.** In view of the above discussions we are of the view that value of the taxable supply on the issue on hand is determined from the Rule 27(b) of CGST Rules 2017, above mentioned.

**8.10.** Further, the judicial precedent in WPT No.117 of 2022, in the case of M/s. Shree Jeet Transport, stated supra, the Hon'ble High Court have also observed in para 23 that

*"-----As has been laid down by the Supreme Court in CLP India Pvt. Ltd. Versus Gujarat Urja Vikas Nigam (2020) 5 SCC 185, **the parties by agreement cannot over-ride the statutory provisions in relation to matter of tariff.**"*

By applying the proposition rendered in the above judicial precedent that, when there is statutory obligation on the tax payer to pay tax in relation to any supply on the entire consideration in **money or otherwise** and there is a liability to pay tax under RCM, on the inward supply of used goods received from the Government Department, the applicant shall not over-ride the statutory provisions based on the agreement entered into between parties.

**8.11.** With regard to the circular No.47/21/2018-GST relied upon by the Applicant, on perusal of the said Circular, it would show that it was confined to that specific subject material of moulds and dies which are being supplied by the Original Equipment Manufacturer (OEM) to a Component Manufacturer free of cost. The clarification issued by the Board relates to Moulds and Dies which are tools used for manufacture, where as Silver in the instant case is one of the essential ingredients used as input in the process of manufacture of batteries. Therefore, the analogy put forth by the applicant is not applicable in the instant case. It is also seen that in the case of M/s Lear Automotive India Private Limited the Maharashtra Advance Ruling Authority by placing reliance on the said Circular, had ruled that the amortized value of tool received on FOC basis from the customer is not required to be included in the value of finished goods manufactured and supplied by the applicant to the customer. Where as in the case on hand from the used batteries supplied by the recipient, Silver has been extracted, which is the main input for the manufacture of the Silver Oxide-Zinc battery and hence the above said Circular as well as the Advance Rulings have no




relevance on the subject issue.

**8.12.** In view of the above discussions we are of the view that value of the taxable supply on the issue on hand is determined from the sum total of consideration in money value including the money value of silver supplied, which is consideration in terms of used Battery.

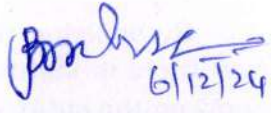
**9.** Based on the above discussions, we rule as under:

**RULING**

In the facts and circumstances of the present application, the value of silver supplied free of cost by the Naval formations (in the form of old batteries) is to be included in the taxable value adopted by the applicant on the batteries manufactured and supplied by them to the Naval formations for the purpose of payment of GST as discussed in para 8.0 to 8.12.

  
(A. VALLI)  
Member (SGST)



  
(BALAKRISHNA S.)  
Member (CGST)

To

**M/s. High Energy Batteries (India) Limited.**

**GSTIN: 33AAACH1479H1ZR**

S.F. No. 243/7, 243/8B, Pakkudi road,  
Mathur Industrial estate, Mathur-622515

**//by RPAD//**

Copy submitted to:

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26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Commissioner of Commercial Taxes,  
2<sup>nd</sup> Floor, Ezhilagam, Chepauk, Chennai – 600 005.
3. The Commissioner of GST & Central Excise, Trichy Commissionerate,  
No. 1 Williams Road, Cantonment, Tiruchirapalli- 620 001.

Copy to:

1. The Assistant Commissioner (ST),  
Palakarai Assessment Circle,  
Trichy Zone, Trichy Division.
2. Stock File / Spare – 2.