

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
NO.206, 2ND 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:

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| Smt. D. Jayapriya, I.R.S., Additional Commissioner/ Member(CGST), Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -600 034. | Smt. T Indira, Joint Commissioner/Member(SGST), Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-600 006. |
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Advance Ruling No.112/AAR/2023 Dated:10.11.2023

- 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 Service Tax Act and the Tamil Nadu Goods and Service Tax Act (herein referred to as an 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 Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.*

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| GSTIN Number, if any / User id | | 33AAACG2038F1Z7 |
| Legal Name of Applicant | | M/s BUTTERFLY GANDHIMATHI APPLIANCES LIMITED |
| Registered Address / Address provided while obtaining user id | | 143, Butterfly, Vandalur-Kelambakkam Road, Pudupakkam, Tamil Nadu, Kanchipuram 603103. |
| Details of Application | | GST ARA – 01 Application Sl.No.48/2022 dated 14.09.2022 |
| Jurisdictional Officer | | Centre : Chennai Outer Commissionerate; |
| Concerned Officer | | State : Chengalpattu Division, Kelambakkam Circle |
| Nature of activity(s) (proposed / present) in respect of which advance ruling sought for | | |
| A | Category | Factory/Manufacturing |
| B | Description (in brief) | The Applicant is a manufacturer of various Domestic Appliances such as pressure cookers, LPG stoves, Mixers, Grinders etc. |
| Issue/s on which advance ruling required | | 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. |
| Question(s) on which advance ruling is required | | Whether sending finished goods for the purpose of packing in combi-packs by another registered vendor to be returned to us for eventual taxable supply, tantamount to taxable supply in their hands(at the time of sending for packing) or whether such sending can be treated as sending for jobwork. |

1. M/s Butterfly Gandhimathi Appliances Limited, 143, Butterfly, Vandalur-Kelambakkam Road, Pudupakkam, Tamil Nadu, Kanchipuram 603103 (hereinafter referred to as The Applicant), a GST Registrant, is under the Administrative control of Centre and is engaged in the manufacture of various Domestic Appliances such as pressure cookers, LPG stoves, Mixers, Grinders etc.

2.1 The Applicant submitted a copy of Electronic Cash Ledger 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.

2.2 The Applicant has submitted that –

- They supply different products with different HSN codes and taxes and few of these goods are in combination forming part of multiple combi-packs and such combi-packs are supplied on payment of appropriate GST.
- Few products are manufactured by them and few others are procured from domestic sources, which are combined to form one combi-pack.
- They plan to send one product manufactured by them to a vendor, who will pack in a carton packing along with a GST paid another product procured by the vendor as a combi-pack and receive the same as final finished goods for further taxable supply.
- They would follow the job procedure prescribed under Rules 45 & 46 of CGST Rules and also file the details of job work in Form GST ITC 04, as required; Also undertake to defray the full tax with interest on goods sent for job work, if in case the goods sent are not received back within the stipulated time.
- No waste or scrap is expected to be generated at the job worker premises in connection with the present job work.
- The ruling is now sought on the point whether the activity of sending finished goods for the job work of further packing in combi-packs and return for eventual taxable supply tantamount to a taxable supply.

3.1 On interpretation of law, the Applicant stated that –

- In terms of Section 2(68) of the CGST Act, 2017, 'job work' means any treatment or process undertaken by a person on goods belonging to another registered person and the expression 'job worker' shall be construed accordingly.
- Section 143 of the CGST Act, 2017, does not seek to make any distinction between semi-finished goods and finished goods sent for job work as it refers only to 'Goods belonging to another registered person'. Rule 45 of the CGST Rules, 2017 allows sending inputs and capital goods for job work.
- The principal unit(the Applicant) and the vendor(job worker) are registered entities under GST and are located in the state of Tamil Nadu.

1.2 Based on the above, the Applicant interpreted that since there is no tax loss to the Government, since all the goods are eventually received back and intended to be supplied on payment of applicable GST when finally sold, the activity of sending

finished goods for the job work of further packing in combi-packs and return for eventual taxable supply does not tantamount to a taxable supply.

4.1. The Centre authority, vide letter dated 11.11.2022, has stated that

- The process of combination packing involves transfer of property of goods from the vendors to the Applicant.
- The vendor's contribution is not limited to labour and skill done with the help of his own tools, gadgets and machinery but also involves supply of goods by the vendor which constitutes substantial portion of the value of supply in the form of combination pack.
- Hence the process undertaken at the hands of the vendor is therefore, not job work as defined under Section 2(68) of CGST Act, 2017.
- Therefore, the activity of sending finished goods to the vendor and subsequent packing of the same in combi-packs and return to the Applicant for subsequent taxable supply from the Applicant tantamount to a taxable supply.
- There are no pending proceedings in their jurisdiction on the issue raised by the applicant in the application filed by them.

4.2. The concerned State authority has not submitted any remarks and hence it is construed that there are no proceedings already decided or are there any pending proceedings with respect to the Applicant.

5.1 The Applicant, after consent, was given an opportunity to be heard in person on 10.10.2023. However none appeared for the hearing. Another opportunity to be heard in person was given on 01.11.2023. Shri S Viswanathan, Advocate, who is the Authorized Representative of the Applicant appeared before the Authority and submitted that the Applicant wishes to withdraw the Advance Ruling application. The Authority requested the AR to submit a letter in this regard signed by the authorised signatory of the Applicant. The AR agreed to submit the same at the earliest.

5.2. The AR, vide email dated 03.11.2023, submitted a letter dated 02.11.2023 from the Applicant, signed by the authorised signatory, wherein it was stated that they wish to withdraw the advance ruling sought for vide their application ARA No. 48/2022 dated 14.09.2022, as the subject transaction of job work is no longer required by them.


DISCUSSION AND FINDINGS:

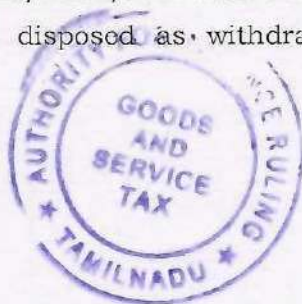
6. After due consideration, we take on record, the letter dated 02.11.2023 of the Applicant, wherein they have stated that they have decided to withdraw the application ARA No. 48/2022 dated 16.10.2022 which was filed by them, as the subject transaction of job work is no longer required by them. As the Applicant has requested for withdrawal of their Advance Ruling Application, their request is considered and the application is allowed to be treated as withdrawn without going into the merits or detailed facts of the case.

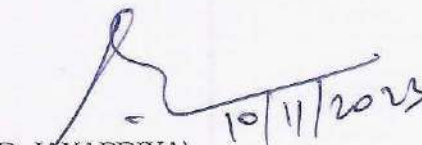
In view of the above, we rule as under:

RULING

The ARA Application Sl.No.48/2022/ARA dated 14.09.2022 filed by the Applicant seeking Advance Ruling is disposed as withdrawn as per the request of the Applicant.


(T.INDIRA)
Member (SGST)




(D.JAYAPRIYA)
Member (CGST)

To

M/s Butterfly Gandhimathi Appliances Limited,
143, Butterfly, Vandalur-Kelambakkam Road,
Pudupakkam, Tamil Nadu,
Kanchipuram 603103

//By RPAD//

Copy submitted to:-

1. The Principal Chief Commissioner of CGST & Central Excise,
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,
Chennai – 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai – 600 005.

Copy to:

3. The Principal Commissioner of GST & C.Ex.,
Chennai Outer Commissionerate.
4. The Assistant Commissioner(ST)
Kelambakkam Assessment Circle
5. Master File / spare – 1.