

AUTHORITY FOR ADVANCE RULING, TAMILNADU
DOOR NO.32, INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX
5TH FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI -600 003.

PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF
THE GOODS AND SERVICES TAX ACT, 2017

Members present are:

Shri. R.Gopalsamy, I.R.S., Additional Commissioner /Member, Office of the Principal Chief Commissioner of GST & Central Excise, Chennai 600 034.	Smt. N.Usha, Joint Commissioner (ST)/ Member, Office of the Authority for Advance Ruling, Tamil Nadu. Chennai 600 003.
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Advance Ruling No. 11/AAR/2023, Dated: 06.06.2023

- 1. Any appeal against this Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, under Sub-section (1) of Section 100 of Central Goods and Service Tax Act / Tamil Nadu Goods and Service Tax Act 2017("the Act" in short) within 30 days from the date on which the ruling sought to be appealed against is communicated.*
- 2. In terms of Section 103(1) of the Act, this 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. In terms of Section 104 of the Act, where the Authority finds that advance ruling pronounced by it under sub-section (4) of Section 98 or under sub-section (1) of section 101 has been obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the applicant as if such ruling had never been made.*

5. At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax 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.

GSTIN Number, if any / User id		33AYNPV8899B1ZM
Legal Name of Applicant		Mr. Vignesh Guru Traders (Trade name)
Registered Address / Address provided while obtaining user id		No. 13-1-63/5, Akkammappettai, Sankagiri, Salem 637301.
Details of Application		Form GST ARA – 01 Application Sl.No.36/2022/ARA dated 17.06.2022.
Concerned Officer		State: Sankagiri Assessment Circle Centre: Salem Commissionerate
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		Supply of bulk cement
A	Category	Trader/wholesale dealer
B	Description (in brief)	The Applicant is a trader/wholesale/distributor of bulk cement
Issue/s on which advance ruling required		Applicability of a notification issued under the provisions of the Act
Question(s) on which advance ruling is required		Whether the activity of bulk cement sales (purchased from manufacturers directly) using own transport will be treated as composite supply or not.

1. M/s Guru Traders, Prop: Vignesh, (hereinafter called as the 'Applicant') registered under GST Act with GSTIN 33AYNPV889981ZM having their Principal Place of Business at 13.1.63/5, Akkamappettai, Sankari, Salem, Tamilnadu 637301 are engaged sale of Bulk cement. They also acts as Goods Transport Agency. The Applicant has filed an application in Form GST ARA - 01 under section 97 of the Central Goods and services

Tax and the Tamilnadu Goods and Services Tax Act, 2017, seeking Advance Ruling on the following question;

whether the activity of bulk cement sales (purchased from manufacturers' directly) using own transport will be treated as composite supply or not?

2.0. The Applicant is basically a trader/wholesale distributor engaged in the sale of Bulk cement and also acts as Goods Transport Agency. The Applicant had submitted, *interalia*, that they have identified that there is a potential market for supply of bulk cement transported through tankers in the areas between Salem to Coimbatore. The Applicant has identified many construction units, who are willing to buy bulk cement from them. The Applicant wants to know the GST Rates applicable for procurement and transport of bulk cement as all the clients need two separate invoices, one for the supply of goods @28% and another for transport @12% for transport of goods.

2.1 The supply of bulk Cement falling under Chapter 27 of the GST Tariff attracts 28% GST. (CGST-14% & SGST-14%). As regards transport of goods, the Applicant opines that as they were taking cement from the factories on ex factory basis in their own lorries they felt that it attracts 12% GST.

2.2. The Applicant had submitted, *interalia*, that as per Sec 2(30) of CGST Act, 2017 composite supply is defined as under:

"composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Illustration- Where goods are packed and transported with insurance, the supply of goods, packing materials, transport and insurance is a composite supply and supply of goods is a principal supply."

2.3 But, the Applicant submits that their case will not fall in the above definition of composite supply as the supply of bulk cement and transport can be separated. Further, the applicant submits that they are not insuring the bulk cement transported in their vehicle.

3.0 The State Jurisdictional Authority, Assistant Commissioner(ST), Sankari Assessment Circle, who has the administrative jurisdiction over the applicant vide his letter

dated 12.07.2022, informed that no specific proceedings is pending for adjudication in respect to the Applicant and has submitted the following remarks:

- (i) That the activity of bulk cement supply using own transport has to be treated as composite supply only.
- (ii) The principal supply is the supply of cement and the transport services of cement by the Applicant is the ancillary service which is naturally bundled as they are usually provided together in the normal course of business and cannot be separated.

3.1 The Centre Jurisdictional Authority, Joint Commissioner, Salem Commissionerate, vide his letter dated 27.07.2022, informed that no specific proceedings is pending in respect to the Applicant and has submitted the following remarks:

- (i) When a customer places an order for purchase of bulk cement to be deliver at their door step, it involves supply of cement and transportation of cement and to deliver the same at the customer's premises.
- (ii) Both activities are bundled together and hence, squarely fit into definition of composite supply as defined under Section 2(30) of CGST Act, 2017. Hence, the activity of Applicant to supply cement through their vehicles, raising bills for supply of cement and transportation charges should be treated as composite supply. As the principal supply is the supply of cement, the composite supply should be charged at 28% GST.

4.0 Personal hearing was posted in digital platform on 15.03.2023. The Applicant did not appear for the personal hearing but sent an email dated 15.03.2023, stating that;

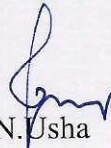
"Subject to the above, now I am suffering ill health for the past six months and not able to start the business. Hence, I request to drop the advance ruling in which I initiate. I regret for the inconvenience."

4.1 We take on record, the email dated 15.03.2023 of the Applicant, wherein he has requested permission to withdraw the ARA application filed by them due to his ill health and has not been able to start the said business. As the Applicant has requested for withdrawal of their Advance Ruling Application, the application is treated as withdrawn without going into the merits or detailed facts of the case.

5.0 In view of the above, we rule as under:

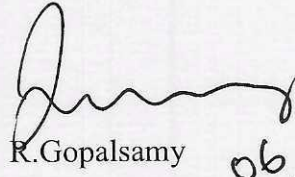
RULING

The ARA Application Sl.No.36/2022/ARA filed by the Applicant seeking Advance Ruling is disposed as withdrawn as per the request of the Applicant.


N. Usha

(Member SGST)




R. Gopalsamy

(Member CGST)

To

M/s. Guru Traders,
No. 13-1-63/5, Akkammappettai,
Sankagiri, Salem 637301.

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600 034.
2. The Principal Secretary/Commissioner of Commercial Taxes,
II Floor, Ezhilagam, Chepauk, Chennai-600 005.

Copy to:

1. The Commissioner of GST & Central Excise,
Salem Commissionerate.
2. The Assistant Commissioner (ST),
Sankagiri Assessment circle,
RDO Office Compound,
Tiruchengodu Road,
Sankagiri – 637 301.
3. Master File/ Spare-2