



BEFORE THE AUTHORITY FOR ADVANCE RULING - ANDHRA PRADESH

Goods and Service Tax

D.No.12-468-4, Adjacent to NH-16 Service Road, Kunchanapalli, Guntur-522501

Present

1. Sri. K.RaviSankar, Commissioner of State Tax (Member)
2. Sri.B. Lakshmi Narayana, IRS, Joint Commissioner of Central Tax (Member)

AAR No.12/AP/GST/2023 dated: 21.12.2023

1	Name and address of the applicant	M/s. South India Krishna Oil & Fats Pvt Ltd Survey No.275,279,280,281, Epurur Bit-Ib, Pantapalem, MurthukurMandal, Sri PottiSriramulu Nellore, Andhra Pradesh, 524344
2	GSTIN	37AANCS3846A1ZA
3	Date of filing of Form GST ARA-01	08.11.2023
4	Personal Hearing	01.12.2023
5	Represented by	Rajesh Maddi, CA
6	Jurisdictional Authority - State	Spl Circle Nellore, Nellore-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 both

ORDER

(Under sub-section (4) of Section 98 of Central Goods and Services Tax Act, 2017 and sub-section (4) 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 parimateria 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. South India Krishna Oil & Fats Pvt Ltd(hereinafter referred to as applicant), registered under the AP Goods & Services Tax Act, 2017.

3. Brief Facts of the case:

- 3.1** M/sSouth India Krishna Oil & Fats Pvt Ltd (Hereinafter referred to as "applicant") is engaged in manufacturing of edible oils and has its state-of-the-art manufacturing facility. Applicant is having GST Registration number 37AANCS3846A1ZA.
- 3.2** The Applicant, SIKOF enters into an agreement with its customers for supply of specified quantity of edible oils at specific rate to be delivered within a particular date. When the customer fails to lift the material as agreed, SIKOF collects compensation amounts such as Liquidated damages/ Trade settlement from the customer for breach/non-performing of the contract.
- 3.3** In a few instances, due to unfavorable market conditions, customers may not be able to lift the material as agreed and opts for closure of the contract. If the customer fails to lift the material as agreed and opts for closure of the contract, the Applicant is collecting compensation of losses such as Liquidated damages / Trade settlement for breach of the contract. The compensation amounts such as liquidated damages / trade settlement will be calculated based on the difference between the rate agreed with the customer and the market rate on the date of settlement as agreed.
- 3.4** The applicant has discharged GST liability till the tax period Aug/2022 under the entry heading 9997-Agreeing to tolerate an act. After issuance of Circular by CBIC vide Circular No.178/10/2022-GST dated. 03/08/2022 to clarify the taxability of Liquidated Damages etc., the applicant discontinued collecting any GST on the compensation / liquidated damages / trade settlement amounts received from the customers as the activity does not satisfy the definition of "Supply" specified under Section 7 of CGST/APGST Act, 2017.

4. Questions raised before the authority:

The applicant seeks advance ruling on the following:

- 1) Whether GST is leviable on compensation amounts such as liquidated damages / trade settlement / damages collected from the customers for non-performing of contractual obligations or breach of the contract?
- 2) If GST is leviable on the said activity, what is the HSN Code applicable and the rate of GST applicable for the said activity?
- 3) If GST is not leviable on the said activity, does the restriction of input tax Credit of common services under 42 & 43 of CGST/APGST Rules, 2017 will attract?

On Verification of basic information of the applicant, it is observed that the applicant is under State jurisdiction i.e, Special Circle Nellore, Nellore- Division. Accordingly, the application has been forwarded to the jurisdictional officer and a copy marked to the Central Tax authorities to offer their remarks as per Sec. 98(1) of CGST /APGST Act 2017.

In response, remarks are received from the Central jurisdictional officer concerned stating that no proceedings lying pending with the issue, for which the advance ruling sought by the applicant.

5. Applicant's Interpretation of Law:

1. The Applicant enters into contract/agreement with the customers for supply of edible oil of specific quantity at specific rate to be delivered in a particular period. Representative sample agreements/terms are enclosed along with the application for perusal and records.
2. In a few instances, due to unfavorable market conditions, customers may not be able to lift the material as agreed and opts for closure of the contract.
3. If the customer fails to lift the material as agreed and opts for closure of the contract, the Applicant is collecting compensation of losses such as Liquidated damages / Trade settlement for breach of the contract / non-performance.
4. The compensation amount such as Liquidated damages / Trade settlement will be calculated based on the difference between the rate agreed with the customer and the market rate on the date of settlement as agreed.
5. On introduction of Goods and Services Tax, it becomes imperative that the activity satisfies the definition of Supply as defined under Section 7 of CGST **for levy of GST.**
6. In the present context for determining whether levy of GST, determination of whether the said activity satisfies the definition of "Supply" becomes critical. Accordingly, reference has to be made to the provisions of Section 7 of CGST / APGST Act, 2017.
7. Liquidated damages are a form of compensation paid to one party by another as a result of a breach of contract or an unintentional action. The fundamental question that arises is whether GST should be levied on such payments.
8. One can understand that there was a prior agreement between the Applicant and its customer regarding damages or compensation in case of breach of contract. **However, as per Section 7 of the CGST Act, no supply of goods or services occurred.** This means that the amount customer paid to the

Applicant as compensation is purely consequential and doesn't meet the criteria for consideration as defined under GST.

9. Section 7 (1) of CGST Act reads as follows:

For the purposes of this Act, the expression "supply" includes —

- a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;
- b) import of services for a consideration whether or not in the course or furtherance of business; [and]
- c) the activities specified in Schedule I, made or agreed to be made without a consideration.

10. In the instant case neither of the above-mentioned factors have been fulfilled in the present case to fulfill the definition of "supply". The amount of damages / Compensation received is towards the breach of agreement not as consideration for supply of goods or services.
11. Neither the applicant is carrying on any activity to receive compensation nor can there be any presumption of the intention of the other party to breach or violate the contract and suffer losses. Hence, there is not at all a service / supply element, the amount forfeited or recovered is only compensation due to breach of agreement for the sale of edible oil contract which was not a positive intention.
12. Applicant submits that in the case of **M/s. Lemon tree hotel vs. CCE 2020 (034) GSTL 0220 – (Tri-Delhi)**, it was held that when the hotel charges cancellation charges to its customers, demand of service tax could not be made under section 66E(e) of Finance Act 1994 since the customers pay an amount to the taxpayer in order to avail the hotel accommodation services, and not for agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act. The amount retained by the appellant is for, as they have kept their services available for the accommodation, and if in any case, the customers could not avail the same. Thus, retention amount (on cancellation made) by the taxpayer does not undergo a change in its nature after forfeiture.
13. Recoveries are made from the defaulted customers. Such amounts are towards the indemnification of the loss/damages caused by the customer by breaching the terms of the agreement/ contract and it is not a positive contract to agree to tolerate the breach of the customer. The intention of the parties is to avoid

such breach and not to make breach. Hence, such an amount recovered could be juxtaposed with liquidated damages.

14. In this reference, the Applicant wishes to refer the following legal precedents:

- a) In the case of **AmitMetaliks Limited vs. C.G.S.T 2019 (11) TMI 183 - CESTAT KOLKATA** it was held that the liquidated damages for non-supply of agreed quantity could not be treated as service under Section 66E(e) of the Act.
- b) In the case of **M/s Spring Fresh Drinks vs Collector of Central Excise 1997 (92) ELT A70 (SC)**, it was held that damages/penalty is actually compensation for non-performance of the entire contract. This is an income or profit for the manufacturer, but not the price for the manufacture of goods.
- c) In the case of **M/s K.N. Food Industries Pvt. Ltd. C.G & C.E 2020 (1) TMI 6 - CESTAT ALLAHABAD** it was held that for the purpose of invoking the provisions of section 66E(e) of Finance Act 1994, there has to be first a concurrence to assume an obligation to refrain from an act or tolerate an act etc.
- d) In the case of **Steel Authority of India Vs Comm. of GST & C.EX., Salem. 2021 (55) G.S.T.L. 34 (Tri. - Chennai)**, it was held that Amount collected towards penalty, earnest money deposit forfeiture and liquidated damages cannot be said to be towards any service per se, since neither appellant is carrying on any activity to receive compensation nor can there be any intention of other party to breach or violate contract and suffer a loss - Service Tax not leviable under Section 65B, read with Section 66E(e) of Finance Act, 1994 - Demand, interest and penalty not sustainable.
- e) **South Eastern Coal fields Ltd Vs Commr. Of C.EX. & S.T., Raipur - 2021 (55) G.S.T.L. 549 (Tri. - Del.).**
- f) **Krishnapatnam Port Co. Ltd. V Commr. Of C. Ex. & S.T., Guntur 2023 (72) G.S.T.L. 259 (Tri. - Hyd.),** where it is held that
"9. We find that the term service is defined to mean any activity carried out by a person for another for consideration. The recovery of liquidated damages/penalty from the other party in the instant case cannot be said to be towards any service per se, as the Appellant did not carry on any activity to receive the 'compensation charges'. Hence, scope of levy of Service Tax cannot be extended to apply to situations where the actual activity was non-existent."

15. The cancellation charges / surrender charges recovered cannot be held to be the consideration for providing any service since such cancellation charges / surrender charges are recovered as in the nature of penalty or liquidated damages for putting the service provider into inconvenience by initially agreeing and subsequently cancelled. Also, to encourage the recipient to not to back off after the given commitment. In as much as no service stand provided by the

service provider to their customers and for which purpose no consideration was ever received by them and the same are thus not liable to service tax. (Reliance Life Insurance Company Ltd. v. Commissioner - 2018 (19) G.S.T.L. 366 (Tri. - Mumbai), Jaipur Jewellery Show Vs Commissioner of C.Ex. & ST., Jaipur- 2017 (49) S.T.R. 313 (Tri.-Del.), Collr of C.Ex., Bombay Vs Ram Decorative & Industries Ltd, 2000 (124) E.L.T. 659 (Tribunal)).

16. In this context we wish to submit that while interpreting the phrase ***an obligation to refrain from an act or to tolerate an act or situation*** the Court of Justice of the European Community in case of Landboden-Agrardienste GmbH & Co. KG v. Finanzamt Calau [1998] BVC 70 held that in the absence of actual consumption of goods or services, any compensation received for refraining from doing an act or tolerating an act cannot be considered as 'supply of service'.
17. Hon'ble Bombay High Court, in the case of **Bai Mamubai Trust, Vithaldas Laxmidas Bhatia, Smt. Indu Vithaldas Bhatia v. Suchitra** (109 taxmann.com 200) = 2019 (31) G.S.T.L. 193 (Bom.), has held that GST is not payable on damages/compensation paid for a legal injury. The principle laid down by the Court is that such payment does not have the necessary quality of reciprocity to make it a 'supply' and, therefore, GST is not payable on such amount.
18. The applicant submits that under GST Regime, a Circular was issued by CBIC vide circular No. 178/10/2022-GST Dtd. 03/08/2022 with regard to give a clarity on applicability of GST is applicable on liquidated damages, compensation and penalty arising out of breach of contract or other provisions of law.
19. The relevant paragraph from the circular is extracted for your reference,
*"4. In Service Tax law, 'Service' was defined as any activity carried out by a person for another for consideration. As discussed in service tax education guide, the concept 'activity for a consideration' involves an element of contractual relationship wherein the person doing an activity does so at the desire of the person for whom the activity is done in exchange for a consideration. **An activity done without such a relationship i.e., without the express or implied contractual reciprocity of a consideration would not be an 'activity for consideration'. The element of contractual relationship, where one supplies goods or services at the desire of another, is an essential element of supply.***
- 6.1 A perusal of the entry at serial 5(e) of Schedule II would reveal that it comprises the aforementioned three different sets of activities viz. (a) the obligation to refrain from an act, (b) obligation to tolerate an act or a situation

and (c) obligation to do an act. All the three activities must be under an "agreement" or a "contract" (whether express or implied) to fall within the ambit of the said entry. In other words, one of the parties to such agreement/contract (the first party) must be under a contractual obligation to either (a) refrain from an act, or (b) to tolerate an act or a situation or (c) to do an act. Further some "consideration" must flow in return from the other party to this contract/agreement (the second party) to the first party for such (a) refraining or (b) tolerating or (c) doing. Such contractual arrangement must be an independent arrangement in its own right. Such arrangement or agreement can take the form of an independent stand-alone contract or may form part of another contract. Thus, a person (the first person) can be said to be making a supply by way of refraining from doing something or tolerating some act or situation to another person (the second person) if the first person was under an obligation to do so and then performed accordingly."

20. With reference to liquidated damages, the said circular clarified as follows:

7.1 Breach or non-performance of contract by one party results in loss and damages to the other party. Therefore, the law provides in Section 73 of the Contract Act, 1972 that when a contract has been broken, the party which suffers by such breach is entitled to receive from the other party compensation for any loss or damage caused to him by such breach. The compensation is not by way of consideration for any other independent activity; it is just an event in the course of performance of that contract.

It is common for the parties entering into a contract, to specify in the contract itself, the compensation that would be payable in the event of the breach of the contract. Such compensation specified in a written contract for breach of non-performance of the contract or parties of the contract is referred to as liquidated damages. Black's Law Dictionary defines 'Liquidated Damages' as cash compensation agreed to by a signed, written contract for breach of contract, payable to the aggrieved party.

Section 74 of the Contract Act, 1972 provides that when a contract is broken, if a sum has been named or a penalty stipulated in the contract as the amount or penalty to be paid in case of breach, the aggrieved party shall be entitled to receive reasonable compensation not exceeding the amount so named or the penalty so stipulated.

It is argued that performance is the essence of a contract. Liquidated damages cannot be said to be a consideration received for tolerating the breach or non-performance of contract. They are rather payments for not tolerating the breach of contract. Payment of liquidated damages is stipulated in a contract to ensure performance and to deter non-performance, unsatisfactory performance or delayed performance. Liquidated damages are a measure of loss and damage that the

parties agree would arise due to breach of contract. They do not act as a remedy for the breach of contract. They do not restate the aggrieved person. It is further argued that a contract is entered into for execution and not for its breach. The liquidated damages or penalty are not the desired outcome of the contract. By accepting the liquidated damages, the party aggrieved by breach of contract cannot be said to have permitted or tolerated the deviation or non-fulfilment of the promise by the other party.

In this background a reasonable view that can be taken with regard to taxability of liquidated damages is that where the amount paid as 'liquidated damages' is an amount paid only to compensate for injury, loss or damage suffered by the aggrieved party due to breach of the contract and there is no agreement, express or implied, by the aggrieved party receiving the liquidated damages, to refrain from or tolerate an act or to do anything for the party paying the liquidated damages, in such cases liquidated damages are mere a flow of money from the party who causes breach of the contract to the party who suffers loss or damage due to such breach. **Such payments do not constitute consideration for a supply and are not taxable.**

Examples of such cases are damages resulting from damage to property, negligence, piracy, unauthorized use of trade name, copyright, etc. Other examples that may be covered here are the penalty stipulated in a contract for delayed construction of houses. It is a penalty paid by the builder to the buyers to compensate them for the loss that they suffer due to such delayed construction and not for getting anything in return from the buyers. Similarly, forfeiture of earnest money by a seller in case of breach of 'an agreement to sell' an immovable property by the buyer or by Government or local authority in the event of a successful bidder failing to act after winning the bid, for allotment of natural resources, is a mere flow of money, as the buyer or the successful bidder does not get anything in return for such forfeiture of earnest money. Forfeiture of Earnest money is stipulated in such cases not as a consideration for tolerating the breach of contract but as a compensation for the losses suffered and as a penalty for discouraging the non-serious buyers or bidders. Such payments being merely flow of money are not a consideration for any supply and are not taxable. The key in such cases is to consider whether the impugned payments constitute consideration for another independent contract envisaging tolerating an act or situation or refraining from doing any act or situation or simply doing an act. If the answer is yes, then it constitutes a 'supply' within the meaning of the Act, otherwise it is not a "supply".

21. From the above circular, the Government clarified that the Heading 9997 covers - Agreeing to tolerate an act where it explained that an amount paid only to compensate for injury, loss or damage suffered by the aggrieved party due to breach of the contract and there is no agreement, express or implied, by the

aggrieved party receiving the liquidated damages, to refrain from or tolerate an act or to do anything for the party paying the liquidated damages, in such cases liquidated damages are mere a flow of money from the party who causes breach of the contract to the party who suffers loss or damage due to such breach. Such payments do not constitute consideration for a supply and are not taxable.

22. It is common practice for the applicant to enter into an agreement for the sale of edible oils with their customers. However, in the practical scenario, there would be customers who couldn't complete the terms of the agreement period by duly executing the Trade Confirmation Note. It is also clearly mentioned if the customer fails to lift the material within the delivery date as mutually agreed, the applicant has the right to cancel the contract at par / settlement whenever applicable without recourse.

23. From the above, the applicant understands that the amount of compensation received under head trade settlements charges/ Compensation/ liquidated damages for violating / non-performance of the contract is not taxable at all as per above cited circular issued by Government.

24. If the said activity did not satisfy the definition of Supply as discussed above, the said activity cannot be considered as supply of goods or services or both. Since the activity is not a supply of goods or services or both, then the question of treating such activity as exempted supply / non-GST supply did not arise.

25. The applicability of Section 17 of CGST Act read with Rule 42 & 43 comes into play only when the registered person engaged in taxable as well as exempted supplies. In the instant case, as the said activity is not a supply at all, the question of reversal of common input tax credit Rules 42 & 43 does not arise.

26. Thereby the applicant understands that –

The clarification made by government about GST applicability on liquidated damages, compensation and penalty arising out for breach of contract or other provisions of law as per circular-178/10/2022 is clearly applicable in applicant's case and there is no liability under GST for the Compensation / liquidated damages / trade settlement charges collected from the customers for breach of agreement / contract.

As the answer to the first question is negative, the second question does not arise. As explained above, if the activity did not satisfy the definition of supply, the said activity cannot be considered as an exempt/ non-GST supply. No question of reversal under Rule 42 / 43 as the activity is not an exempt / non-GST supply.

6. Personal Hearing:

The proceedings of Personal Hearing were conducted on 01.12.2023, for which the authorized representative, Rajesh Maddi, CA, attended and reiterated the submissions already made.

7. Discussion and Findings:

We have examined the issues raised in the application in light of the facts and arguments submitted by the applicant. We have considered the submissions made by the applicant in their application for advance ruling. We have considered the issues involved, from which advance ruling is sought by the applicant and the relevant facts along with arguments made by the applicant and also their submissions made during the time of the personal hearing.

The applicant submits that, compensation of losses such as liquidated damages/Trade Settlement for breach of the contract will be collected when the customers fails to lift the material as agreed as per the terms and conditions stipulated in the contract. and opts for closure of the contract. The compensation amounts such as liquidated damages/trade settlement will be calculated based on the difference between the rate agreed with the customer and the market rate on the date of settlement as agreed.

The issue at hand is to determine whether compensation amounts such as liquidated damages collected by M/s. South India Krishna Oil and Fats Pvt Ltd from the customers for non-performing of contractual obligations or breach of the contract. At this juncture, attention is invited to the provisions of Indian Contract Act, 1872 which is applicable to the above scenario. A combined reading of the provisions (1) & (3) of Section 55 of the Indian Contract Act, 1872 reveals that a failure to perform the contract at the agreed time renders it voidable at the option of the opposite party and alternatively such party can recover compensation for such loss occasioned by non-performance. Similarly Section 73 & 74 of the Indian Contract Act enables recipient of supplies under a contract to be compensated with damages for breach of any provision of the contract.

In the present case, compensation amounts are claimed by the applicant from the customers for non-performing of contractual obligations or breach of the contract.

The moot point here is whether the above said activity is supply or not or in words whether the said collection in the form of liquidity damages is consideration or not. It is immaterial to decide whether the amount collected by the applicant is for tolerating the act or for not toleration the act.

In order to decide the same, we have a closer look into the definition of consideration as per GST Act.

section 2(31) '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;

As per the above definition, the meaning of the word consideration is very broad. It includes any payment made or to be made, whether in money or otherwise,

- a) in respect of
- b) in response to
- c) for inducement of supply of goods or services.

In the present case the customers are paying certain amount to the applicant. The amount so paid is neither ad-hoc, unconditional nor at the whims of any customer nor the appellant. There is a clear mathematical formula as to calculation of such amount and the conditions/scenarios contingent upon which the amounts are payable are clearly narrated in the agreement itself.

It is simply inconceivable that any prudent business person will pay amounts for no merit and benefit. It is certain that the customer is paying the said amounts only for certain advantage derived or to ward-off any disadvantage incurred. Hence it is only in response to something done by the applicant. It is inconsequential whether the payment is for tolerating the mistake or not-tolerating.

The circular and case laws relied upon by the applicant is not universal and absolute. The circular is only meant to clarify the position of law and shall be applied reasonably having regard to the facts of the case. The circular had clearly mentioned, *Inter alia*, vide para 7.1.6 that "Therefore, such payments,

even though they may be referred to as fine or penalty, are actually payments that amount to consideration for supply, and are subject to GST, in cases where such supply is taxable. Since these supplies are ancillary to the principal supply for which the contract is signed, they shall be eligible to be assessed as the principal supply, as discussed in detail in the later paragraphs. Naturally, such payments will not be taxable if the principal supply is exempt.

Thus the circular had said payment towards damages are incidental to the main supply and if the main supply is taxable they shall also be taxable and if the principal supply is exempt then the incidental shall also be exempt. Thus the circular shall be understood in the proper context.

Therefore, in the light of section 7 read with definition of consideration u/s 2(31), compensation amounts paid by defaulting party to the non-defaulting party for tolerating the act of non performance or breach of contract have to be treated as consideration for tolerating of an act or a situation under an agreement and hence such an activity constitutes supply of service and the compensation amounts such as liquidity damages are exigible to tax under CGST @ 9% and SGST @9% each under the chapter head 9997 at serial no. 35 of Notification No.11/2017- Central/State tax rate.

RULING

(Under Section 98 of Central Goods and Services Tax Act, 2017 and the Andhra Pradesh Goods and Services Tax Act, 2017)

Question: Whether GST is leviable on compensation amounts such as liquidated damages / trade settlement / damages collected from the customers for non-performing of contractual obligations or breach of the contract?

Answer : Yes

Question: If GST is leviable on the said activity, what is the HSN Code applicable and the rate of GST applicable for the said activity?

Answer :The activity stated supra would be covered within chapter head 9997-'Other Services' and is taxable at 18%(9% CGST and 9% SGST) rate of tax.

Question: If GST is not leviable on the said activity, does the restriction of input tax Credit of common services under 42 & 43 of CGST/APGST Rules, 2017 will attract?

Answer : Doesn't arise.

Sd/-K.Ravi Sankar
Member
State Tax

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

Sd/-B. Lakshmi Narayana
Member
Central Tax


Deputy Commissioner (ST)

Registrar
Authority for Advance Ruling
O/o. Chief Commissioner (State Tax)
Andhra Pradesh, Vijayawada

To

M/s South India Krishna Oil & Fats Pvt Ltd, Survey No.275,279,280,281,Epurur Blt-Ib, Pantapalem, MurthukurMandal, Sri PottiSriramulu Nellore, Andhra Pradesh, 524344
(By Registered Post)

Copy to

1. The Assistant Commissioner of State Tax, Special Circle Nellore, NelloreDivision
(By Registered Post)

2. The Superintendent, Central Tax, CGST Nellore -4 Range, NelloreDivision.
(By Registered Post)

Copy submitted to

1. The Chief Commissioner (State Tax), O/o Chief Commissioner of State Tax, Kunchanapalli, Guntur District, (A.P)

2. The Principal Chief Commissioner (Central Tax), O/o Principal 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.