

**THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

Advance Ruling No. KAR ADRG 39 / 2021

Date : 30-07-2021

Present:

1. Dr.M.P.Ravi Prasad
Additional Commissioner of Commercial Taxes Member (State)
2. Sri.Mashhood Ur Rehman Farooqui,
Joint Commissioner of Customs & Indirect Taxes, Member (Central)

| | | |
|----|---|---|
| 1. | Name and address of the applicant | M/s Dakshina Kannada Co-op. Milk Producers Union Ltd., Kulshekar, Mangaluru - 545005 |
| 2. | GSTIN or User ID | 29AAAAD0202C1ZN |
| 3. | Date of filing of Form GST ARA-01 | 12.08.2020 |
| 4. | Represented by | Sri K Sham Bhat, C A & Authorised Representative |
| 5. | Jurisdictional Authority - Centre | The Commissioner of Indirect Taxes, Mangalore Commissionerate, Mangaluru. |
| 6. | Jurisdictional Authority - State | LGSTO-260, Mangaluru. |
| 7. | Whether the payment of fees discharged and if yes, the amount and CIN | Yes, discharged fee of Rs.5,000/- under CGST Act vide CIN SBIN20102900200092 dated 14.10.2020 & Rs.5,000/- under KGST Act vide CIN IDIB20012900450357 dated 24.01.2020. |

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

M/s Dakshina Kannada Co-op. Milk Producers Union Ltd., (called as the 'Applicant' hereinafter), having GSTIN number 29AAAAD0202C1ZN, have filed an application for Advance Ruling under Section 97 of the CGST Act, 2017 & KGST Act, 2017 read with Rule 104 of CGST Rules 2017 & KGST Rules 2017, in Form GST ARA-01, discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.

2. The applicant, located at Kulshekar, Mangaluru is a District level Co-operative Society, registered under GST Act. The Applicant is engaged in processing of Milk & Milk Products. The applicant has sought advance ruling in respect of the following questions:



- i) Whether Stainless steel cans of 40 liters capacity is liable to be classified under HSN code 7310 or 7323.
- ii) Whether flavored milk is liable to be classified under HSN code 0402 99 90 or under 2202 99 30.
- iii) Whether milk cream is liable to be classified under HSN code 0403 or 0401.
- iv) Whether cold coffee is liable to be classified under HSN code 0402 99 90 or under 2202 99 30.
- v) Whether provision of subsidized lunch and refreshments to employees through contractors is to be treated as supply and if yes under which tariff classification it has to be classified.

3. The applicant furnishes the following relevant facts having a bearing on the questions on which Advance Ruling is sought.

i) CLASSIFICATION & RATE OF GST APPLICABLE ON STAINLESS STEEL MILK CAN WITH LID OF 40 LTS CAPACITY

The applicant is purchasing stainless steel cans of 40 liters capacity for resale of the same to members for storage of milk. The steel cans are purchased from outside the state. The supplier of the stainless steel can was classifying the same under HSN code 7310 and IGST was collected @18%. However recently the said supplier has started to classify the same under HSN code 7323 and IGST is collected @12%.

Product description of product code HSN 7323 is as under.

Table, Kitchen, or other household articles and parts thereof, of iron or steel wool, pot scourers and scouring or polishing pads and the like of iron and steel.

Product description of product code HSN 73101010 is as under.

Tanks, Casks, Drums, Cans, Boxes, and similar containers, for any material (other than compressed or liquefied gas) of iron or steel, of a capacity not exceeding 300 lts, whether or not lined or heat insulated, but not fitted with mechanical equipment.

ii) CLASSIFICATION AND RATE OF GST APPLICABLE ON FLAVOURED MILK

The applicant is manufacturing and marketing flavoured milk and classified the same under chapter 4 with HSN 04029990 taxable @5%.

As per Food Safety and Standards Authority of India, flavoured milk means" the product prepared from milk or other products derived from milk or both and edible flavorings with or without addition of sugar, nutritive sweeteners, thereon dairy

ingredients, stabilizers and food colours. Flavoured milk shall be subject to heat treatment.

Where flavored milk is dried or concentrated, the dried or concentrated product on addition of prescribed amount of water shall give a product conforming to the requirements of flavored milk.

HSN chapter 4 covers dairy products

- i) Milk (i.e. Full cream milk and partially or completely skimmed milk
- ii) Cream
- iii) Buttermilk, curdled milk and cream, yogurt, kephir and other fermented acidified milk and cream.
- iv) Whey
- v) Products consisting of natural milk constituents not elsewhere specified or included.
- vi) Cheese and curd.

Further chapter 4 doesn't cover

- i) Food preparations based on dairy products.
- ii) Products obtained from milk by replacing one or more of the natural constituents (e.g. oleic fats)
- iii) Ice creams and other edible ice.
- iv) Medicaments
- v) Casein, milkalbuminand hardened casein

The composition of flavored milk as per the test reports issued by Independent laboratory institute is as under

| Component | % of Component in flavored milk |
|-----------|---------------------------------|
| Milk | 91.44% |
| Sugar | 8.50% |
| Flavor | 0.05% |
| Color | 0.01% |
| Total | 100 % |

Our understanding is that one has to follow classification Rules for classifying the product.

As per the Customs Tariff Act, 1975 chapter 4 specifically covers dairy produce, birds' egg, and natural honey, edible products of animal origin not elsewhere specified or included.

Further subheading 0402 covers "Milk and cream, concentrated or containing added sugar or other sweetening matter". As per chapter note 4(b) of chapter 4 of first schedule to the customs tariff Act, 1975 "this chapter does not cover products



obtained from milk by replacing one or more of its natural constituents (for example butyric fats).

Flavored milk is made from milk added with sugar and permitted flavors, which do not alter its essential character of milk. If the natural constituents of the milk are replaced with any other substance, flavored milk could not fall under chapter-4

Further chapter 22 covers Beverages, Spirits and vinegar. As per note 3 of chapter 22 of first schedule to the Customs Tariff Act,1975 "For the purpose of heading 2202, the term non-alcoholic beverages mean beverages of an alcoholic strength by volume not exceeding 0.5% vol. Alcoholic beverages are classified in heading 2203 to 2206 or heading 2208 as appropriate."

Further chapter 22 does not cover liquid dairy products of chapter 4 as per the chapter notes of 22 and we also understand that chapter 2202 covers beverages made up of a concentrate manufactured or prepared with an alcoholic content less than 0.5% of volume.

In the instant case, Flavored Milk is a natural dairy Milk, and doesn't have any alcoholic content as certified in the laboratory report

Further ICAR -National Dairy Research institute southern regional station has confirmed that flavored milk is dairy product.

Further as chapter 22 specifically excludes liquid dairy products falling under chapter 4 as per the chapter note 22, the same cannot be classified under chapter 22.

iii) CLASSIFICATION AND RATE OF GST APPLICABLE FOR CREAM OF MILK

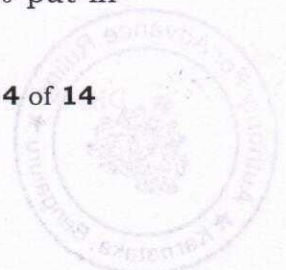
The applicant is selling the cream extracted from milk and has been paying GST @ 5% classifying the same under HSN code 0403. As per the provisions of GST Act the rate of GST applicable for cream is as under.

Tariff item no: 0401: Fresh milk and pasteurised milk, including separated milk, milk and cream, not concentrated nor containing added sugar or other sweetening matter, excluding Ultra High Temperature (UHT) milk.

Tariff item no 0402: Milk and cream, concentrated or containing added sugar or other sweetening matter, including skimmed milk powder, milk food for babies [other than condensed milk]

Tariff item No 0403: Cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.

The cream sold by the applicant is fresh cream with a fat content of 35% put in containers.



As per Food Safety & Standards Authority of India (FSSAI) standard for cream is as under.

2.1.7 Standard for Cream and *Malai*

This Standard applies to Cream and *Malai*s defined in item 1 of this sub-regulation*.

1. Description. -

(a) "Cream" means the fluid product comparatively rich in fat, in the form of an emulsion of fat-in-skimmed milk, obtained by physical separation from cow milk, buffalo milk or milk of any other species as defined under this regulation or a mixture thereof.

(b) "Reconstituted cream" means cream obtained by reconstituting milk products with or without the addition of potable water and with the same end product characteristics as the product described in sub-item (a) of item 1 of this sub-regulation.

(c) "Recombined cream" means cream obtained by recombining milk products with or without the addition of potable water and with the same end product characteristics as the product described in sub-item (a) of item 1 of this sub-regulation.

(d) "Prepared creams" means the milk products obtained by subjecting cream, reconstituted cream or recombined cream or any combination of these, to suitable treatments and processes to obtain the characteristic properties as specified below:

(i) "pre-packaged liquid cream" means the fluid milk product obtained by preparing and packaging cream, reconstituted cream or recombined cream, or any combination of these for direct consumption or for direct use as such;

(ii) "whipping cream" means the fluid cream, reconstituted cream and recombined cream or any combination of these, that is intended for whipping. When cream is intended for use by the final consumer the cream should have been prepared in a way that facilitates the whipping process;

(iii) "cream packed under pressure" means the fluid cream, reconstituted cream and recombined cream or any combination of these that is packed with a propellant gas in a pressure-propulsion container and which becomes Whipped Cream when removed from that container;



(iv) "whipped cream" means the fluid cream, reconstituted cream or recombined cream in to which air or inert gas has been incorporated without reversing the fat-in-skimmed milk emulsion;

(v) "fermented/cultured/sour cream" means the milk product obtained by fermentation of cream, reconstituted cream or recombined cream, by the action of suitable microorganisms that results in reduction of pH with or without coagulation. Where the content of (a) specific microorganism(s) is(are) indicated, directly or indirectly, in the labelling or otherwise indicated by content claims in connection with sale, these shall be present, viable, active and abundant in the product to the date of minimum durability. If the product is heat treated after fermentation the requirement for viable micro-organisms shall not apply;

(vi) "acidified cream" means the milk product obtained by acidifying cream, reconstituted cream or recombined cream, or any combination of these, by the action of acids or acidity regulators, or both to achieve a reduction of pH with or without coagulation.

(e) "*Malai*" means the product rich in milk fat prepared by boiling and cooling of cow milk, buffalo milk or milk of any other species as defined under this regulation or a mixture thereof. It is characterized by presence of insoluble mass, principally fat and denatured protein, formed on heating and cooling of milk.

2. Essential Composition and Quality Factors. -

(a) Raw Material. -

All creams, prepared creams and *malai*. -

- Milk, which may have been subjected to mechanical and physical treatments prior to cream processing;

- Additionally, for creams made by reconstitution or recombination. -

Butter, milk fat products, milk powders, cream powders, and potable water. The milk product should conform to the relevant Food Safety Standards or Regulations;

- Additionally, for prepared creams described in entries (ii) to (vi) of sub-item (d) of item 1;

The product that remains after the removal of milk fat by churning milk and cream to manufacture butter and milk fat products (often referred to as buttermilk) and that may have been concentrated or dried.

(b) Permitted ingredients. -

Only those ingredients listed below may be used for the purposes and product categories specified, and only within the limitations specified. The product shall be free from any ingredient foreign to milk except otherwise provided in this standard.

For use in products only for which stabilizers or thickeners, or both, are justified (see item 3):

- Products derived exclusively from milk or whey and containing 35.0% (m/m) or more of milk protein of any type (including casein and whey protein products and concentrates and any combinations thereof) and milk powders; these products can be used in the same function as thickeners and stabilizers, provided they are added only in amounts functionally necessary not exceeding 20.0 g/kg, taking into account any use of the stabilizers and thickeners permitted as per the Food Safety and Standards (Food Products Standards and Food Additives) Regulation, 2011;

Additionally, for use in fermented cream, only. -

- Starter cultures of harmless micro-organisms;

Additionally, for use in fermented cream and acidified cream, only. -

- Non-animal rennet and other safe and suitable coagulating enzymes to improve texture without achieving enzymatic coagulation; - Sodium chloride.

(c) Composition. -

The product shall contain minimum 10.0 per cent. (m/m) milk fat. Acidity of the finished products, other than fermented and acidified creams, should not be more than 0.15 % (as lactic acid).

3. Food Additives. -

For products covered under this standard, specific food additive permitted in Appendix 'A' of these regulations may be used and only within the limits specified:

Provided that stabilizers, acidity regulators, thickeners and emulsifiers may be used when needed to ensure product stability and integrity of the emulsion, taking into consideration the fat content and durability of the product. With regard to the durability, special consideration should be given to the level of heat treatment applied since some minimally pasteurized products do not require the use of certain additives.

4. Contaminants, Toxins and Residues. -

The products shall comply with Food Safety and Standards (Contaminants, toxins and Residues) Regulations, 2011.

5. Hygiene. -

(a) The products shall be prepared and handled in accordance with the requirements specified in Schedule 4, as applicable, of the Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 and such other guidelines as specified from time to time under the provisions of the Food Safety and Standard Act,2006.

(b) The products shall conform to the microbiological requirements specified in Appendix 'B' of these regulations.

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6. Labelling. -

(a) The name of the food shall be as specified in item 1 of this Standard, as appropriate.

However, "pre-packaged liquid cream" may be designated as "cream" and "cream packed under pressure" may be designated by another descriptive term that refers to its nature or intended use or as "Whipped Cream". The term "prepared cream" should not apply as a designation. The type of cream and the fat content in cream shall be always indicated on the label or in case of non-pre-packaged product; such declaration to be given on the container from which product will be offered for sale to the consumer. Creams which have been manufactured by the recombination or reconstitution of dairy ingredients shall be qualified with the term "Recombined" or "Reconstituted" as appropriate.

If the product conforms to the description in sub-item (e) of item 1, the name of the product shall be 'Malai'.

(b) Cream may be labelled according to milk fat content (m/m) along with product name as specified in item 1 of this Standard, as follows, -

- (i) Low fat cream: Minimum 10 per cent. and less than 40 per cent.;
- (ii) Medium fat cream: Minimum 40 per cent. and less than 60 per cent.;
- (iii) High fat cream: Minimum 60 per cent.

(c) Labels on packages of fermented creams may include reference to the starter culture used for fermentation.

(d) The heat treatment, as per the sub-regulation 2.1.1 relating to General Standards for Milk and Milk Products, to which the product has been subjected to, shall be declared on the label.

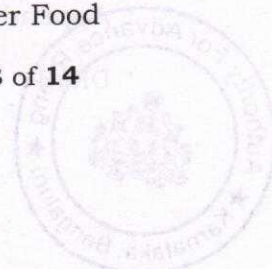
(e) In addition to the above-mentioned labelling requirements, the provisions of the Food Safety and Standards (Packaging and Labelling) Regulations, 2011, shall apply to pre-packaged product.

7. Method of Sampling and Analysis. -

The methods of sampling and analysis mentioned in the manuals as specified by the Food Safety and Standards Authority of India from time to time shall be applicable.

iv) RATE OF GST FOR COLD COFFEE

The applicant is selling milk added with coffee as cold coffee. Milk is mixed with coffee, chilled, bottled and sold. The same is classified under chapter 4 with HSN 0402 9990 taxable @5%. The content of coffee in the said drink is 5%. As per Food



Safety and Standards Authority of India, the product prepared from milk or other products derived from milk or both with added edible flavorings with or without addition of sugar, nutritive sweeteners, other non dairy ingredients, stabilizers and food colours shall be treated as milk. If cold coffee is dried or concentrated, the dried or concentrated product on addition of prescribed amount of water shall give a product conforming to the requirements of cold coffee.

HSN chapter 4 covers dairy products

- i) Milk(i.e. Full cream milk and partially or completely skimmed milk
- ii) Cream
- iii) Buttermilk, curdled milk and cream, yogurt, kephir and other fermented acidified milk and cream.
- iv) Whey
- v) Products consisting of natural milk constituents, not elsewhere specified or included.
- vi) Cheese and curd.

Further chapter 4 doesn't cover

- i) Food preparations based on dairy products.
- ii) Products obtained from milk by replacing one or more of the natural constituents(e.g. oleic fats)
- iii) Ice creams and other edible ice.
- iv) Medicaments
- v) Casein, milk albumin and hardened casein

The composition of cold coffee as per the test reports issued by Independent laboratory institute is as under

| Component | % of Component in flavored milk |
|-----------|---------------------------------|
| Milk | 91.44% |
| Sugar | 8.50% |
| Coffee | 0.0% |
| Color | 0.0% |
| Total | 100 % |

Our understanding is that one has to follow classification Rules for classifying the product.

As per the Customs Tariff Act,1975 chapter 4 specifically covers dairy produce, bords' egg, natural honey, edible products of animal origin not elsewhere specified or included. Further subheading 0402 covers "Milk and cream, concentrated or containing added sugar or other sweetening matter". As per chapter note 4(b)of chapter 4 of first schedule to the customs tariff Act ,1975 "this chapter does not cover products obtained from milk by replacing on or more of its natural



constituents (for example butyric fats). Cold Coffee is made from milk added with sugar and coffee, which do not alter its essential character of milk. If the natural constituents of the milk are replaced with any other substance, cold coffee could not fall under chapter-4

Further chapter 22 covers Beverages, Spirits and vinegar. As per note 3 of chapter 22 of first schedule to the Customs Tariff Act, 1975 "For the purpose of heading 2202, the term non-alcoholic beverages mean beverages of an alcoholic strength by volume not exceeding 0.5% vol. Alcoholic beverages are classified in heading 2203 to 2206 or heading 2208 as appropriate."

Further chapter 22 does not cover liquid dairy products of chapter 4 as per the chapter notes of 22 and we also understand that chapter 2202 covers beverages made up of a concentrate manufactured or prepared with an alcoholic content less than 0.5% of volume.

In the instant case, cold coffee is a natural dairy Milk, and doesn't have any alcoholic content.

Further as chapter 22 specifically excludes liquid dairy products falling under chapter 4 as per the chapter note 22, the same cannot be classified under chapter 22.

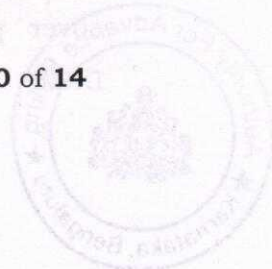
v) WHETHER ANY PARTICULAR THING DONE BY THE APPLICANT WITH RESPECT TO ANY GOODS AND OR SERVICES OR BOTH AMOUNTS TO OR RESULTS IN A SUPPLY OF GOODS OR SERVICES OR BOTH AND DETERMINATION OF THE LIABILITY TO PAY TAX AND CLASSIFICATION AND RATE OF GST

CANTEEN SERVICES

The applicant is providing lunch and refreshments to its employees. For this purpose, a contractor has been engaged and a premises is provided to the contractor in the area of the applicant's factory. The contractor has to cook food, eatables and provide the same to the employees of the applicant at the rate specified by the applicant. The bill for the supply of food to the employees is paid by the applicant. The applicant collects a specified amount from the employees, which is less than the amount paid to the canteen contractor. The canteen contractor collects GST @5% on the value of bill and classifying the same under HSN code 9963. The applicant is paying GST on the amount collected from the employees @5% under HSN code 9963.

PERSONAL HEARING: / PROCEEDINGS HELD ON 08.10.2020.

12. Sri K Sham Bhat, C A & authorised representative of the applicant appeared for personal hearing proceedings held on 08.10.2020 & reiterated the facts narrated in their application.



13. **FINDINGS & DISCUSSION:**

13.1 We have considered the submissions made by the Applicant in their application for advance ruling as well as the submissions made by the authorised representative of the applicant during the personal hearing. We have also considered the issues involved, on which advance ruling is sought by the applicant, and relevant facts.

13.2 At the outset, we would like to state that the provisions of both the CGST Act and the KGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the KGST Act.

13.3 The Applicant seeks advance ruling in respect of the questions mentioned at para 2 supra. The applicant sought advance ruling in respect of classification of certain products. We proceed to examine the classification of each product one at a time. In this regard it is pertinent to mention here that in respect of Tariff Headings and determination of Classification, Explanations (iii) and (iv) appended to the Notification No. 01/2017- Central Tax (Rate), dated 28.06.2017 are relevant. The said explanations are reproduced below for ease of reference.

(iii) *“Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*

(iv) *The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.*

Accordingly we make a reference to the Section Notes and Chapter Notes of the relevant Chapters of the Customs Tariff and also the corresponding Explanatory Notes.

13.6 The first question is with regard to the classification of Stainless Steel cans of 40 ltrs capacity, which were purchased by the applicant from the supplier M/s Geetha Industries, Himachal Pradesh. The applicant being the recipient of the said SS cans, can't seek advance ruling in respect of the classification of the said cans. In this regard we invite reference to the Section 95(a) of the CGST Act 2017, which stipulates that an applicant can seek advance ruling on matters or questions specified under Section 97(2) in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant. In the instant case, with regard to this issue, the applicant is not the supplier of the said SS cans but the recipient. Thus no advance ruling can be given on this issue as the same is beyond the jurisdiction of this authority.



13.7 The second question is with regard to the classification of the product **flavoured milk**. The applicant relied upon the ruling passed by this authority in respect of M/s Karnataka Co-operative Milk Producers Federation Limited, Bangalore, which has been dismissed by the Appellate Authority for Advance Ruling, Karnataka, on the grounds that the appellant therein had suppressed the facts of pending investigation. It is pertinent to mention that the applicant herein being a milk producers union for Dakshina Karnataka, who in turn are part of the said Karnataka Co-operative Milk Producers Federation. Also the brand of the said flavoured milk is one and the same as that of the aforesaid Karnataka Co-operative Milk Producers Federation Limited. Thus no advance ruling can be given by this authority.

13.8 The third question is with regard to the classification of the product **“Crèam of Milk”**. The applicant submitted that at present they classify the said product under HSN 0403 9090 and are paying 5% GST. It is observed that the impugned product can be classified under HSN 0401 or 0402 or 0403 on the basis of the method of production. The applicant have furnished the only information that the product contain fat content of 35% and they sell it in containers. They have not furnished any information as to how the same is produced, whether it fermented or acidified, whether or not concentrated or containing added sugar or any other sweetening matter or flavored or containing added fruit, nuts or cocoa or not.

They applicant were requested for required information, but they furnished, vide their letter dated 09.07.2021, same information that was furnished with the application about the standards for cream under Food Safety & Standards Authority of India (FSSAI) and not furnished any information substantiating their classification under HSN 0403. Thus no ruling is given in this regard for lack of adequate information.

13.9 The fourth question is with regard to the classification of the product **“Cold Coffee Flavoured Milk”**. This question is also similar to the second question except that the flavor is of coffee. In this case the flavor is coffee specific. Therefore this question is similar to the second one and hence no ruling is given even in respect of this question for the reasons stated above at para 13.7 supra.

13.10 The fifth and last question is with regard to the canteen services. The applicant provides lunch and refreshments to its employees, by engaging a contractor & a premises is provided to the contractor in the area of the applicant's factory. The contractor has to cook food, eatables and provide the same to the employees of the applicant at the rate specified by the applicant. The bill for the supply of food to the employees is paid by the applicant. The applicant collects a specified amount from the employees, which is less than the amount paid to the canteen contractor.

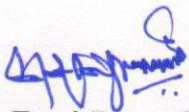


The contractor collects part of the value of the bill (consideration towards service) from the employees along with the GST @ 5%, under SAC 9963, and the remaining part from the applicant along with the GST @ 5%, under SAC 9963. The applicant, in the instant case, merely pays part of the value of the canteen bill, on behalf of the employees, and not involved in provision of any supply to the contractor. Thus the instant activity of the applicant does not amount to supply in terms of Section 7(1) of the CGST Act 2017.

14. In view of the foregoing, we pass the following

RULING

- i) The applicant is not the supplier of the said SS cans but the recipient. Thus no advance ruling can be given on this issue of classification of stainless steel cans of 40 liters capacity as the same is beyond the jurisdiction of this authority.
- ii) The applicant is part of Karnataka Co-operative Milk Producers Federation Limited, in respect of whom advance ruling was given on the issue of classification of flavored milk, which has been dismissed by the Appellate Authority for Advance Ruling, Karnataka, on the grounds that the appellant therein had suppressed the facts of pending investigation. The applicant also produces same branded (Nandini) product flavoured milk and hence this authority can't give any ruling on the said issue.
- iii) No ruling can be given on the issue of classification of milk cream, as the required information has not been furnished by the applicant.
- iv) The cold coffee is similar to flavoured milk with the only difference that the flavor is coffee specific. Thus no ruling can be given by this authority on the issue of classification of cold coffee for the reasons stated at ruling (ii) supra.
- v) The applicant merely pays the part consideration towards the cost of lunch and refreshments to their employees through contractors and hence the said activity does not amount to supply, in terms of Section 7(i)(c) of the CGST Act 2017.



(Dr. Ravi Prasad M.P.)
Member

Karnataka Advance Ruling Authority
Place: Bengaluru, 560 009

Date : 30-07-2021

DKMP



30.07.2021

(Mashhood Ur Rehman Farooqui)

Member
MEMBER

Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,

The Applicant

Copy to :

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bangalore South Commissionerate, Bengaluru.
4. The Asst. Commissioner, LGSTO-40, Bengaluru.
5. Office Folder



[Signature]
MEMBER
Karnataka Advance Ruling Authority
Bengaluru-560 009

[Signature]
MEMBER
Karnataka Advance Ruling Authority
Bengaluru-560 009
Date: 20-07-2021