

WEST BENGAL AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICE TAX  
14 Beliaghata Road, Kolkata – 700015

Name of the applicant	Garuda Power Private Limited
Address	Joka Industrial Plaza, 65 Diamond Harbour Road, Joka, West Bengal
GSTIN	19AADCG3098M1ZA
Case Number/ ARN	18 of 2018
Date of application	22 <sup>nd</sup> June, 2018
Order No. & date	14/WBAAR/2018-19 dated 01/08/2018
Applicant's representative heard	Sri T P Kar, FCA

1. The Applicant, stated to be a dealer of Cummins India Limited functioning mainly in the trading of diesel engines and its spare parts along with services of diesel engine, either on AMC basis or on an as and when required basis, is seeking a ruling on whether or not the supply of goods and on-site services to customers in SEZ area to any SEZ unit or SEZ developer is zero rated supply under section 16 of the Integrated Goods & Services Tax Act, 2017, and whether GST is chargeable for the supply of goods or services to SEZ unit or SEZ developer.

Although the questions raised in the Application touch upon certain provisions of the IGST Act and supplies to SEZ units or SEZ developers are inter-state supplies under section 5 (b) of the IGST Act, the Applicant, as appears in course of Personal Hearing, ultimately wants to know whether he is liable to pay tax on his supplies. Advance Ruling is admissible on this question under section 97(2) (e) of the CGST/WBGST Acts, 2017 (hereinafter referred to, collectively, as “the GST Act”).

The question raised in the Application is found to be neither decided by nor pending for decision before any authority under any provisions of the GST Act.

The officer concerned raises no objection to admission of the Application.

The Application is, therefore, admitted.
2. The Applicant, as a dealer of Cummins India Limited, supplies diesel engines and its spare parts along with services of diesel engine, either on AMC basis or on an as and when required basis to various companies like Cresmac Foundry Pvt Ltd, Websol Energy Systems Limited, Vikram Solar Pvt Ltd (Fab-II), International Conveyors Limited, Patton International Limited, Best Safety Pvt Limited, all SEZ (Special Economic Zone) Units Falta Special Economic Zone, Candor Tech Space in Rajarhat, Newtown, Kolkata Special Economic Zone.

During Hearing, legal representative of the Applicant has emphasised that supplies are made only to units and entities located in Special Economic Zones.
3. Section 16 of IGST Act deals with “zero rated supply” which includes the supply of goods and services or both to a Special Economic Zone Unit or a Special Economic Zone Developer.

4. Since the Applicant supplies to units and developers of Special Economic Zones only, as stated in the Application and reiterated by the authorised representative during Personal Hearing, the provisions of Section 16 of IGST Act will be applicable in this case and the tax liability will be at zero rate under sub section 1(b) of the IGST Act. He may supply without paying tax subject to the provisions under section 16 (3) (a), or he may supply on payment of tax and claim refund subsequently under section 16 (3) (b) of the IGST Act.

In view of the foregoing we rule as under

### **RULING**

The Applicant shall be liable to pay tax when supplying to Units and Developers of Special Economic Zones subject to the provisions of Section 16 of the Integrated Goods and Services Act, 2017.

This Ruling is valid subject to the provisions under Section 103 until and unless declared void under Section 104(1) of the GST Act.

Sd-

(VISHWANATH)  
Member

West Bengal Authority for Advance Ruling

Sd-

(PARTHASARATHI DEY)  
Member

West Bengal Authority for Advance Ruling