

AUTHORITY FOR ADVANCE RULING –UTTAR PRADESH
4, Vibhuti Khand, Gomti Nagar, Lucknow

**PROCEEDING OF THE AUTHORITY FOR ADVANCE RULING U/S. 98 OF
THE GOODS AND SERVICES TAX ACT, 2017**

Sub:- GST ACT, 2017 – Advance Ruling U/s 98 – liability to tax under GST Act in respect to application dated 13.09.2019 of M/s Laxmi Traders (Pramod Kumar), C-9, Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh - Order- Reg.

1) M/s Laxmi Traders (Pramod Kumar), C-9, Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh (here in after called the applicant) is a registered assessee under GST having GSTIN: 09APPPK6139J1ZA.

2) The applicant is a proprietorship firm engaged in the business of printing and dyeing of textiles fabrics, provided by manufacturer, as per their requirement. In this process the applicant uses colours, dyes & chemicals and the job of printing/dyeing is done through printing machines. Some process also required manual printing. Further, after completion of work, the textile fabrics is send back to the manufacturer.

3). Accordingly, following questions have been posted by the applicant, in his application dated 13.09.2019 (application completed in all aspect received by the Authority on 10.10.2019), before the Authority: –

- i. What is GST Rate on Job work of printing and colouring of Textile fabrics provided by manufacturer of textile fabric.

4). The applicant further submitted that in 16th meeting of the GST Council, it has been decided that job work service in relation to textile yarns and fabrics may be taxed at the rate of 5%. Stating this, the applicant further submitted that in terms of GST Council decision and Notification Number 11/2017-Central Tax(Rate) dated 28.06.2017, the GST rate in respect of Job work on textile fabrics would be 2.5% SGST and 2.5% CGST.

5). The application for advance ruling was forwarded to the Jurisdictional GST Officer to offer his comments/views/verification report in the matter, which was received in this office vide letter no- 580/D.C./Com. Tax. SKD dated 23.11.2019, wherein it has been reported that:

- i. *Applicant is engaged in dyeing and printing service on job work basis wherein he is using colour, chemical and tinplate of his own, thus making a composite supply.*
- ii. *Presently applicant owes liability on service part only and not on the material transfer of his own, while he is claiming the refund of ITC on material transfer of his own.*
- iii. *Applicant is doing the job work of dyeing and printing of textile cloth which does not fall under the category of manufacturing services as there is no new thing or textile product comes into emergence.*
- iv. *GST Council has notified the dyeing and colouring services under the HSN heading 9997 chargeable @9%.*

6). The applicant was granted a personal hearing on 06.01.2020. Shri Rajesh Kumar Singhal, Advocate, Authorized representatives of the applicant and Sh. Pramod Kumar, proprietor, appeared for hearing on the given date.

During the personal hearing, they reiterated the submissions already made vide advance ruling application and also submitted additional written submissions, gist of which is as under:

- i. The textiles fabric is provided by the manufacturer and as per their requirement, the work of printing, design and colour is done by the applicant.
- ii. In this process, the applicant uses colour, dyes and chemicals with the help of printing machines and some time manually too.
- iii. Different ratios of colour, dyes and chemicals are used for different type of printing. Colour printing on textiles fabrics requires nearly 30-55% of Inputs i.e. Colour, Dyes and chemicals.

DISCUSSION AND FINDING

7). At the outset, we would like to make it clear that the provisions of both the CGST Act and the UPGST 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 provision under the UPGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / UPGST Act would be mentioned as being under the 'CGST Act' 2017.

8). We have gone through the submissions made by the applicant and have examined the explanation submitted by them. We also observe that the Deputy Commissioner Commercial Tax, Sikandrabad, vide letter 70/डी० कमि० व०क०, सि० बाद/ dated 03.01.2020 has informed that with reference to the refund claim filed by the applicant, a Show Cause Notice was issued to the applicant vide RFD-08 and the refund application of the applicant was rejected by the jurisdictional authority vide RFD-06 dated 20.07.2019. Further, on perusal of the said Refund Rejection Order dated 20.07.2019, we observe that the jurisdictional authority, before rejecting the said refund claim, has discussed, in lengths, about the classification and rate of duty of the activity performed by the applicant.

9). We further observe that as per the proviso of Section 98 (2) of CGST Act, 2017:-

“The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:

Provided that the Authority shall not admit the application where the question raised in the application is already pending or decided in any proceedings in the case of an applicant under any of the provisions of this Act.”

10). Accordingly, we observe that the question asked by the applicant before the advance ruling authority has already been decided by the jurisdictional

SGST authority. Further, vide aforesaid letter dated 03.01.2020, the jurisdictional SGST authority has informed that the applicant has not preferred an appeal against the said refund rejection order.

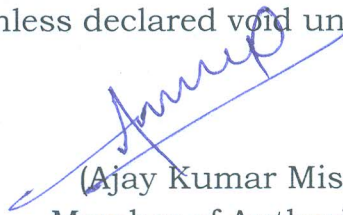
11). In view of the above discussions, we, both the members unanimously rule as under;


RULING

Question:- What is GST Rate on Job work of printing and colouring of Textile fabrics provided by manufacturer of textile fabric.

Answer:- The application shall not be admitted in terms of the provisions of Section 98(2) of CGST Act, 2017, as the question raised in the application has already been decided by the SGST authorities, Sikandrabad.

12) This ruling is valid subject to the provisions under Section 103(2) until and unless declared void under Section 104(1) of the CGST Act, 2017.


(Ajay Kumar Misra)
Member of Authority for
Advance Ruling


(Dinesh Kumar Verma)
Member of Authority for
Advance Ruling

To,

M/s Laxmi Traders (Pramod Kumar),
C-9, Industrial Area, Sikandrabad,
Bulandshahar,
Uttar Pradesh- 203 205.

AUTHORITY FOR ADVANCE RULING -UTTAR PRADESH

Order No. 48

Date: 06-01-2020

Copy to -

1. The Chief Commissioner, CGST & Central Excise, Lucknow, Member, Appellate Authority of Advance Ruling.
2. The Commissioner, Commercial Tax, Uttar Pradesh, Member, Appellate Authority of Advance Ruling.
3. The Commissioner, CGST & CX, Gautam Budh Nagar, Uttar Pradesh.
4. The Assistant Commissioner, CGST & Central Excise, Division-Bulandshahr, Plot No. 3, 3rd Floor, Wegmans Business Park, KP-III, Greater Noida, Uttar Pradesh - 201 308.
5. Through the Additional Commissioner Grade-I, Zone-II, Commercial Tax, Ghaziabad, Uttar Pradesh to Jurisdictional Tax assessing officers.

Note: An Appeal against this advance ruling order lies before the Uttar Pradesh Appellate Authority for Advance Ruling for Goods and Service Tax, 4, Vibhuti Khnad, Gomti Nagar, Lucknow - 226010, within 30 days from the date of service of this order.