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**Updates/GST/Advance Ruling/Legal-14/2022**  
**Dt. 03/10/2022**

**(Advance Rulings in Gujarat from 1<sup>st</sup> Sept. to 30<sup>th</sup> Sept., 2022)**

**Advance Ruling Branch**  
**Gujarat State Tax Department**



Rulings given by Authority of Advance Rulings (AAR)



# M/s. Zydu Lifesciences Ltd.

Sr. No.	Advance Ruling sought for	Ruling
1.	<p>Whether the <b><u>subsidized deduction made by the Applicant from the employees who are availing food in the factory/corporate office would be considered as a supply</u></b> by the Applicant under the provisions of Section 7 of Central Goods and Service Tax Act, 2017 and Gujarat Goods and Service Tax Act, 2017.</p> <p>i. In case answer to above is yes, whether GST is applicable on the amount deducted from the salaries of its employees?</p> <p>ii. In case answer to above is no; <b><u>GST is applicable on which portion</u></b> i.e. amount paid by the Applicant to the Canteen Service Provider or only on the amount recovered from the employees?</p>	<p>➤ Subsidized deduction made by the Applicant from the employees who are availing food in the factory/corporate office <b><u>would NOT be considered a supply</u></b> under the provisions of Section 7 of Central Goods and Service Tax Act, 2017 and Gujarat Goods and Service Tax Act, 2017.</p> <p>➤ We have already discussed that the applicant is not liable to pay GST on the amount deducted/ recovered from the employees. Further the applicant is recipient of canteen service to facilitate the employees and Canteen Service Provider raised the Bill of canteen charges inclusive of GST as per the contract. The applicant collects/ recovers the partial amount from the employees and is <b><u>required to pay the gross amount inclusive of GST to the canteen service by adding residual amount in the employees' portion and is required to pay gross amount of Bill inclusive GST to the Canteen Service Provider.</u></b></p>

# M/s. Kirloskar Oil Engines Ltd.

Sr. No.	Advance Ruling sought for	Ruling
1.	What is the 8 digit <u>HSN and GST tax rate of HTP kirloskar Power Sprayer (engine driven)</u> ?	<ul style="list-style-type: none"><li>➤ The 8 digit HSN code of product 'HTP kirloskar Power Sprayer' is <b><u>8424 89 90.</u></b></li><li>➤ GST Tax rate on goods viz. HTP kirloskar Power Sprayer' would be <b><u>18%</u></b> {CGST @9%+SGST @9% and IGST @18%}</li></ul>

# M/s. Shakti Marine Electric Corporation

Sr. No.	Advance Ruling sought for	Ruling
1.	<p><b><u>Whether, GST Rate of 5%</u></b> in terms of Sr.No.252 of Schedule-I of Notification No. 1/2017-CTR, corresponding notification issued by Gujarat State and Notification No.1/2017-ITR <b><u>is applicable in the case “Combined Wire Rope” used as a part of Fishing Vessel?</u></b></p>	<p>➤ Combined Wire Rope is <b><u>not used as a part of fishing vessel</u></b> and the impugned goods does not cover under entry No. 252 of Schedule-I of Notification No. 1/2017-CT(Rate) dated 28-06-2017 as amended and <b><u>is not eligible to GST @ 5%</u></b> {CGST 2.5% + SGST 2.5% and IGST 5%}.</p>

Rulings given by Appellate Authority of Advance  
Rulings (AAAR)

# M/s Vadilal Industries Ltd

Sr. No.	Advance Ruling sought for	Ruling
1.	<p>The appellant had raised the following questions seeking advance ruling in the application for Advance Ruling filed by it.</p> <ol style="list-style-type: none"><li data-bbox="341 668 1370 901">i. Whether the product viz. <b><u>'Paratha'</u></b> i.e. various varieties of Paratha produced by the applicant <b><u>merit classification under HSN Code 19059090?</u></b></li><li data-bbox="341 922 1370 1350">ii. Whether the product, namely, 'Paratha' i.e. all varieties of Paratha produced by the applicant are <b><u>chargeable to 5% GST</u></b> (i.e. 2.5% SGST and 2.5% CGST) under Sl. No. 99A of Schedule-I of Notification No. 01/2017-CT (Rate) and Notification No. 01/2017-IT (Rate) dated 28-06-17?</li></ol>	<ul style="list-style-type: none"><li data-bbox="1411 479 2430 843">➤ Thus, the Parathas supplied by the appellant <b><u>are different from Plain Chapatti or Roti</u></b> and cannot be treated as or covered under the Category of Plain Chapatti or Roti and <b><u>appropriate classification of Parathas would be under Chapter heading 2106.</u></b></li><li data-bbox="1411 865 2430 1222">➤ In view of the foregoing, we <b><u>reject the appeal</u></b> filed by appellant M/s Vadilal Industries Ltd and <b><u>uphold the Advance Ruling</u></b> No. GUJ/GAAR/R/20/2021 dated 30.06.2021 of the Gujarat Authority for Advance Ruling.</li></ul>



# M/s. Hilti Manufacturing India Pvt. Ltd.

Sr. No.	Advance Ruling sought for	Ruling
1.	<p>The appellant has raised the following question for advance ruling in the application for Advance Ruling filed by it.</p> <p>i. Whether the <b><u>services provided by the applicant to the entities located outside India is covered under Section 13(2)</u></b> of the Integrated Goods and Services Tax Act, 2017?</p> <p>ii. Whether the services provided by the applicant is liable to Central Goods and Service Tax and State Goods and Service Tax or Integrated Goods and Services Tax or <b><u>is it eligible to be treated as 'zero rated supply'</u></b> under Section 16 of the Integrated Goods and Services Tax Act, 2017.</p>	<p>➤ The appellant has now <b><u>presented new facts which have not been placed before the GAAR</u></b> and the <b><u>ruling given by the GAAR is thus based on different facts</u></b>. Further, as the appellant have got the subject advance ruling based on different set of facts, the advance ruling given is not valid in view of the provisions of Section 103(2) and 104(1) of the CGST Act, 2017.</p> <p>➤ We find it fit to remand the matter to the Authority for Advance Ruling i.e. the GAAR for fresh decision. The GAAR will take into consideration all aspects of the matter and decide the case afresh following the principles of natural justice.</p> <p>➤ In view of the foregoing, <b><u>the Advance Ruling in question is set aside and the case is remanded back to the Gujarat Authority for Advance Ruling (GAAR)</u></b> to issue necessary ruling after hearing the appellant afresh.</p>

# Thanks

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**Note:**

- a) The above rulings are available on the department's website for reference.**
- b) Please contact the Advance Ruling Branch in case of any ambiguity in the above rulings.**