
	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
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BEFORE THE AUTHORITY OF: Smt. Gayathri P.G., IRS &
: Shri. Abdul Latheef. K

Legal Name of the applicant	Kunnassery Poulouse Joy, M/s. Asian Industries
GSTIN	32ABIPJ6631R1Z9
ARN	AD3210210013643
Address	Kunnassery Poulouse Joy, M/s. Asian Industries, B4, Industrial Estate Palluruthy, Ernakulam, -682006.
Advance Ruling sought for	<ol style="list-style-type: none"> 1. Whether job worker can issue delivery note and e-way bill if the principle is not issuing the delivery note. 2. Value to be shown in delivery note and in e-way bill by the job worker pre and post job work. 3. Any other related or associated questions which may come as a result of questions as listed in 1 & 2 above.
Date of Personal Hearing	01.12.2023
Authorized Representative	Shri. P. Santharam Shenoy, Chartered Accountant

ADVANCE RULING No. KER/36/2023 dated 29/12/2023

1. Shri Kunnassery Poulouse Joy, Proprietor, Asian Industries, Palluruthy, Ernakulam (herein after referred to as the applicant) is a service provider, doing powder coating carried out on the metal provided by the customers.

2. At the outset it is clarified that the provisions of the Central Goods and Services Tax Act, 2017 (*herein after referred to as CGST Act*) and the Kerala State Goods and Services Tax Act, 2017 (*herein after referred to as KSGST Act*) are same except for certain provisions. Accordingly, a reference herein after to the



provisions of the CGST Act, Rules and Notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules and the Notifications issued there under.

3. The applicant requested advance ruling on the following.

- 3.1. Whether job worker can issue delivery note and e-way bill if the principle is not issuing the delivery note.
- 3.2. Value to be shown in delivery note and in e-way bill by the job worker pre and post job work.
- 3.3. Any other related or associated questions which may come as a result of questions as listed in 1 & 2 above.

4. Contentions of the Applicant

4.1. The applicant is a registered tax payer under GST Act, engaged in job work of Aluminium Powder Coating, which is termed as anodization on aluminium sections/hinges/rods etc., provided by the customers or principal. The applicant carried out the process as per the direction from the principal about the colour and texture of the powder coated on the metal. After completing the process of powder coating, the finished metal is returned to the principal.

4.2. The applicant submits that, in most of the cases, the goods are sent directly by the supplier on behalf of principal to the applicant. In such cases, the goods are transported based on invoice & e-way bill generated by supplier. After the job work, the goods are returned to the principal based on supplier invoice, service invoice and e-way bill issued by the job worker. In the e-way bill, the applicant shows the value of goods as per supplier invoice and in addition to above also shows the value of service bill issued by the applicant.

4.3. The applicant submits that, even though there is no need to show service portion in e-way bill, the procedure was adopted after lots of consignment of various registered persons involved in job work were confiscated and were later released by the GST authorities on payment of fine. The applicant has contacted various GST authorities but none of them directed the applicant as to the procedure to be followed for transporting the material including the generation of e-way bill. Later e-way bill portal was updated on 17-03 2021 thereby e-way bill



can't be generated with only SAC codes for services. The confusion of the applicant is still not getting resolved on how to generate an e-way bill for transporting the goods after completing the job work.

4.4. In most of the cases, the principal will be unregistered persons as he is the customer for whom the materials are anodized. However, since he is not registered, he cannot generate e-way bill. So the supplier of the materials transports the same to the job worker on behalf of the principal and the job worker carries out the job work and after finishing the job work, the finished materials send back to the principal. At the time of sending the goods back to the principal, the job worker cannot generate e-way bill based on the service invoice issued by them, because the system does not allow to generate e-way bill using the SAC code. So the job worker generates an e-way bill with HSN code and adds the value of the material including the job work charges. However, in more than one case, such consignments have been withheld by the officials sighting the mismatch in value of the goods transported, which results much burden of tax liabilities to the applicant.

4.5. Further the applicant submits that, the circular No.38/12/2018 dated 26th March 2018 issued by CBEC tries to clarify the position, but it still does not throw much light on the job workers issue, narrated above. Hence the applicant requested to clarify on whether they can issue delivery challan, if the principal is not issuing the same for movement of goods back to principal after job work. Also it is necessary to clarify whether the additional value of service charge, collected by the applicant for job work, is to be added with the value of goods in the delivery challan and e-way bill.

5. Comments of the Jurisdictional Officer

The application was forwarded to the jurisdictional officer as per provisions of section 98 (1) of the CGST Act. The Jurisdictional officer has reported that the applicant has been served with a notice GST ASMT-10 on 23.02.2021 for the variation in outward taxable supply, declared through GSTR 3B returns for the year 2019-20, amounting to Rs. 4,61,96,811.00, which does not match with the e-way bills generated.



6. Personal hearing

The applicant was granted opportunity for personal hearing on 01/12/2023 through Virtual Mode. Shri. P. Santharam Shenoy, Chartered Accountant and Authorized Representative, represented the applicant. The applicant filed detailed statement of facts along with the application. He requested to issue the ruling on the basis of the submissions made by them in the application and during the personal hearing.

7. Discussion and Conclusion:

7.1. The issue was examined in detail. At the outset it has to be examined whether the questions on which advance ruling is sought are admissible as per the provisions of the CGST Act 2017 governing advance ruling. As per section 95(a) of the CGST Act read with section 103 of the Act, the term "advance ruling" means a decision provided by this Authority to the applicant on matters or on questions specified in sub-section (2) of Section 97, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant and the ruling is applicable to only such person and the jurisdictional officer of such person. Thus it can be seen that only an applicant who satisfies the condition mentioned in section 95 can apply for advance ruling.

7.2. Sub-section (2) Section 97 of the CGST / SGST Act states that the questions on which advance ruling is sought shall be in respect of the following.

- (a) Classification of any goods or services or both;
- (b) Applicability of a notification issued under the provisions of this Act;
- (c) Determination of time and value of supply of goods or services or both;
- (d) Admissibility of input tax credit of tax paid or deemed to have been paid;
- (e) Determination of the liability to pay tax on any goods or services or both
- (f) Whether the applicant is required to be registered;
- (g) Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term;



7.3. As far as the first two questions on which advance ruling is sought are concerned, they do not fall under the purview of any of the clauses of section 97(2) of the CGST/KSGST Act 2017. Moreover section 98 of the Act specifies the procedures to be followed on the processing of receipt of an advance ruling application. As per subsection (1) of section 98, the authority shall forward a copy of the application to the concerned jurisdictional officer, if necessary, call upon him to furnish the relevant records. Sub section (2) of section 98 provides that the authority can either admit or reject the application after examining the application and records called for and hearing the applicant and the jurisdictional officer either directly or through authorized representative. Further, it is 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.

7.4. On a combined reading of the above provisions governing advance ruling under the CGST Act it is evident 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 the CGST/SGST Act.

7.5. The Jurisdictional officer has reported that the applicant has been served with a notice GST ASMT-10 on 23.02.2021 under Sect. 61 of the CGST/SGST Act 2017 to the applicant for the discrepancies that the declared outward supply turnover and tax payments does not match with the e-way bills generated during the year 2019-20. The applicant has put in the application for advance ruling only after proceedings were initiated against him by the jurisdictional officer.

7.6. The applicant does not raised any other related or associated questions in connection with the first two questions, listed in 1 & 2 through the application, at the time of personal hearing.

In the light of the facts and legal position as stated above, the following ruling is issued:



RULING

Question No.1. Whether job worker can issue delivery note and e-way bill if the principle is not issuing the delivery note.

Question No.2. Value to be shown in delivery note and in e-way bill by the job worker pre and post job work.

RULING: (Q Nos. 1 & 2 above) :- No ruling can be given since the questions on which advance ruling is sought do not fall under the purview of any of the clauses of sub-section (2) of section 97 of the CGST Act.

Question No.3. Any other related or associated questions which may come as a result of questions as listed in 1 & 2 above.

RULING: No comments.

Gayathri
Smt. Gayathri P.G.

**Joint Commissioner of Central Tax
Member**

Abdul Latheef
Abdul Latheef, K

**Joint Commissioner of State Tax
Member**

To,

Kunnassery Poulouse Joy, M/s. Asian Industries,
B4, Industrial Estate Palluruthy, Ernakulam, Kerala -682006.

Copy submitted to:

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin- 682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram - 695002.

Copy to:

1. The Additional Commissioner, TPS, HQ.
2. The Joint Commissioner, TPS, Aluva.
3. Central Tax, Mattanchery Range, Mattanchery Division.
4. The Deputy Commissioner, ITMD, Thiruvananthapuram for uploading in the website
5. State Tax Officer, Tax payer services Circle, Mattanchery

