



BEFORE THE AUTHORITY FOR ADVANCE RULINGS
for the State of Andhra Pradesh (Goods and Service Tax)
(5th Floor, O/o Chief Commissioner of Commercial Taxes, D.No:5-56, Block-B, R.K
Spring Valley Apartments, Edupugallu, Vijayawada-521151.)

Present:

Sri. J.V.M Sarma (Member)

Sri.Amaresh Kumar (Member)

The 9th day of October, 2018

Ruling No. AAR/AP/ 16 (GST)/2018
In
Application No.AAR/ 24 (GST)/2018

1	Applicant	M/s SRI VENKATESWARA TRADERS (GSTIN:37ADOPM5537H1Z4) # 7-309-1, Near Classic Marbles, NG-5, First Floor, Ramayya Nagar, Ongole, Prakasam District .
2	Jurisdictional Officer	Assistant Commissioner(State Tax), Ongole - II Circle,
3	Present for the Applicant	Sri. B.Srinivasa Rao (Advocate)
4	Present for the Jurisdictional Officer	Remarks Received
5	Date of Personal hearing	14 th September 2018

Note: Under Section 100 of the APGST Act'2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section 99 of APGST Act'2017, within a period of 30 days from the date of service of this order.

M/s Sri Venkateswara Traders, (hereinafter also referred as applicant), having GSTIN: 37ADOPM5537H1Z4 are engaged in the activity of supply of debarked cut sizes of wood of Eucalyptus /Subabul. It is supplied to various paper mills for manufacture of pulp. Here the applicant seeks advance ruling on the following issue...

- ❖ GST @5% is being paid on supply of pulp wood in terms of Chapter 4401. Whether payment of GST at the said rate of tax is correct ?”.

The applicant has filed an application in Form GST ARA-01, dated 25.08.2018, and paid prescribed fee in prescribed format having CPIN : 18083700047139, dated :14.08.2018.

On verification of basic information of the applicant, it is observed that the applicant falls under State jurisdiction, i.e Ongole – II Circle, of Nellore Division (as per the bifurcation lists of tax payers between the Centre and State in the prescribed manner), accordingly, the application has been forwarded to the jurisdictional officers and also a copy marked to the Central Tax authorities to offer their remarks as per the Sec. 98(1) of CGST / APGST Act'2017, and requested for the information. In response to this communication, the concerned jurisdictional officer, offered their remarks, and stated that there were no proceedings pending relating to the applicant, and no proceedings were passed on the issue, for which the advance ruling sought by the applicant.

A personal hearing is called for on 14th September 2018, to hear from the applicant. The authorized representative Sri. Murali Krishna Mandava along with his legal representatives had attended on behalf of the applicant and submitted the facts of the case. The applicant has appraised the fact that they are in supply of Eucalyptus De-barked pulp wood, and exclusively used to obtain pulp, which an important raw material in paper manufacturing. The Eucalyptus / Subabil and causura pulp wood usually purchased in logs form, then chipped and cooked to manufactured pulp. It was also submitted that the state owned forest department corporation in both the states, i.e State of Telengana and the State of Andhra Pradesh have been charging 5% on the supply of pulp wood logs under chapter 4401, as enumerated in S.No 198 in Schedule I of Notification 01/2017 – Central tax (Rate), dated :28th June 2017. At the time of hearing they have submitted a copy of the ruling of the Advance Ruling Authority of the State of Utter Pradesh, dated : 14.06.2008, in the case of M/s Ruchi Enterprises. In support of their argument they have enclosed copies of invoices, issues by themselves and the state forest department corporation, wherein similar transactions are occurred.

We have gone through the application, and the relevant material submitted by the applicant. The applicant carries on the activity of supply of Eucalyptus / Subabul wood as a de-barked pulp wood, in cut-sizes to various paper mills for manufacture of pulp. The applicant drawn the attention of the authority to the S.No. 198 in heading 4401 of Schedule I as per notification no.01/2017 – Central tax (Rate), dated : 28.06.2017 and the said supply of the applicant falls under this head and taxable at 2.5% of CGST and 2.5% of APGST. He further submitted that as per his understanding, the paper mills have also been purchasing the pulp wood from the forest department, Andhra Pradesh, namely Andhra Pradesh Forest Development Corporation Limited, and stated that, the said Forest Department is supplying Eucalyptus pulp wood at the rate of 5%. In para VIII of the submissions of the applicant, the de-barked Eucalyptus wood is cut in to sizes for the convenience of transportation as well as cooking for obtaining pulp, which is the main raw material for production of paper. He submitted that, Eucalyptus, Subabul wood

and Casuarina pulp wood is usually purchase in the form of logs, then chipped and boiled to manufacture pulp. He drawn the attention of this authority to the advance ruling pronounced by the authority for advance ruling of Utter Pradesh, where in , the authority of advance ruling ruled that, the tax applicable under GST would be 5%, on supply of Eucalyptus / De-barked subabul wood, useful for preparation of pulp wood.

On verification of invoices submitted by the applicant, the nature of prodect as described by the applicant, we are of the opinion that the contention of the applicant is to treat the de-barked Eucalyptus / Subabul pulp wood, supplying to paper mills in cut sizes under the entry number 198 of Schedule I of notification no.01/2017 – Central Tax (Rate), dated : 28.06.2017, is justified. Accordingly the ruling is as follows....

RULING

Issue : GST @5% is being paid on supply of pulp wood in terms of Chapter 4401. Whether payment of GST at the said rate of tax is correct ?”

Ruling: Yes, The supply of Eucalyptus / Subabul wood de-barked pulp wood in cut sizes, supplied to various paper mills for manufacture of pulp falls under the Entry No 198 of Schedule I of Notification No 01/2017 – Central tax (Rate), dated : 28th June 2017, and attracts CGST @2.5% and SGST @ 2.5%.



Sd/- (J.V.M SARMA)
Joint Commissioner (State Tax),
Authority for Advance Ruling,
Andhra Pradesh.



Sd/-(AMARESH KUMAR)
Joint Commissioner (Central Tax),
Authority for Advance Ruling,
Andhra Pradesh.

