Sai Fertilizers Pvt Ltd

Authority for Advance Ruling — West Bengal

Order No. 20/WBAAR/2019-20 dated 26/08/2019 (Case Number 27 of 2019… Dated **26.08.2019**

Q Questions Before the Authority

- What is the applicable rate of IGST on the export of 'single super phosphate' (SSP, HSN 3103) under Notification No. 1/2017-IT (Rate), as amended, read with Circular No. 54/28/2018-GST dated 09/08/2018, where the applicant pays IGST and claims a refund under section 16(3)(b) of the IGST Act?

F Facts

The applicant manufactures single super phosphate (SSP), classified under HSN 3103, which is used both in agriculture and in industry. It intends to export SSP and to pay IGST at the applicable rate under section 16(3)(b) of the IGST Act, and it sought a ruling on which IGST rate applies.

H Ruling

IGST rate on export of SSP (HSN 3103) where the applicant pays IGST and claims refund under s.16(3)(b) IGST Act	**18% under Sl No. 43 of Schedule III of Notification No. 1/2017-IT (Rate)**	Applies if the applicant opts for refund under s.16(3)(b) IGST Act. The ruling is valid subject to s.103 until declared void under s.104(1) of the GST Act.

The Authority ruled that the applicant, while exporting SSP, shall pay IGST at **18%** under Sl No. 43 of Schedule III of Notification No. 1/2017-IT (Rate). This applies if the applicant opts for refund under section 16(3)(b) of the IGST Act, and the concessional 5% rate for fertiliser is not available for SSP exported outside India.

R Reasoning

The Authority noted that SSP attracts 18% under Sl No. 43 of Schedule III only if it is clearly not to be used as fertiliser, and otherwise attracts 5% under Sl No. 182B of Schedule I. Relying on Circular No. 54/28/2018-GST, it held that the concessional rate is meant for fertilisers used directly as fertiliser or in making complex fertilisers for agricultural use. It then held that the GST Act operates only within the taxable territory under s.2(22) and s.1(2) of the IGST Act, so the fertiliser reference in the Rate Notification is limited to consumption in India. Because export is zero-rated and the place of supply under s.11(b) IGST Act is outside India, the 18% rate applies.

P Provisions Relied On

- Section 16(3)(a) and 16(3)(b), IGST Act, 2017
- Section 2(22), IGST Act, 2017
- Section 1(2), IGST Act, 2017
- Section 11(b), IGST Act, 2017

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Section 97(2)(b), GST Act	Section 100, GST Act
Section 103 and Section 104(1), GST Act	
Notification No. 1/2017-IT (Rate) dated 28/06/2017, Sl No. 43 of Schedule III and Sl No. 182B of Schedule I, as amended	
Circular No. 54/28/2018-GST dated 09/08/2018	

! For the Practitioner

The order settles that exported SSP is taxed at 18% under Sl No. 43 of Schedule III, not at the 5% fertiliser rate, where the applicant claims refund under s.16(3)(b) IGST Act. Practitioners advising fertiliser exporters can rely on it for that position. The order does not decide the rate for domestic supplies of SSP, the position where the applicant instead claims a refund of unutilised ITC under s.16(3)(a), or the rate for SSP used in India as fertiliser.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> wb_aar_20_2019_sfpl_26.08.2019.pdf

Prepared 07-11-2026.

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