M/s. V K Enterprises, Raipur Sahakari Audyogic Kherea, Hardwar, Uttarakhand

Authority for Advance Ruling — Uttarakhand

Ruling No. 06/2019-20 dated 10 December 2019 (Authority for Advance R… Dated **11.12.2019**

Q Questions Before the Authority

- What is the classification of goods (Rubber Pad) if supplied in semi-finished condition to any person other than railways?
- What will be the applicable rate of GST on Rubber Pad in semi-finished condition supplied by the applicant?

F Facts

The applicant manufactures rubber pads and has been supplying them to the Railways at a GST rate of 5%. It now intends to supply the same goods, in semi-finished condition, to persons other than the Railways. At the personal hearing on 05.11.2019 it produced samples of finished rubber pad, semi-finished rubber pad and green sheet/preform cutting compound sheet, together with a flow chart of the manufacturing process.

H Ruling

Classification of Rubber Pad in semi-finished condition supplied to persons other than Railways	**Chapter 4016 of the GST Tariff Act, 2017**	The operative ruling does not separately address semi-finished versus finished pads. It treats 'Rubber Pad' generally.
Applicable GST rate on Rubber Pad in semi-finished condition supplied by the applicant	**18% (9% CGST + 9% SGST)**	Rate stated as applicable on the date of the order. The 5% rate applies only to Chapter 86 goods supplied to Railways.

Rubber Pad falls under Chapter 4016 of the GST Tariff Act, 2017. GST at **18% (9% CGST and 9% SGST)** as on the date of the order is applicable on Rubber Pad. The Railways concession at 5% is confined to Chapter 86 goods and does not extend to rubber pads supplied to other buyers.

R Reasoning

The authority noted that the applicant had supplied rubber pads to the Railways at 5% and now proposed supplies to other buyers, so it examined the classification and rate for non-Railway supplies. It relied on Circular No. 30/4/2018-GST dated 25.01.2018, which states that only Chapter 86 goods supplied to Railways attract 5% GST, while other goods attract the general applicable rate even when supplied to Railways. Since rubber pad is not a Chapter 86 good, the general rate under the GST Tariff applies, which the authority found to be 18%. The ruling was made under Section 97(2)(a) and (e) of the CGST/SGST Act, 2017.

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

P Provisions Relied On

Section 97(2)(a) of the CGST/SGST Act, 2017 (classification of goods)

Section 97(2)(e) of the CGST/SGST Act, 2017 (determination of liability to pay tax)

Section 100(1) of the Uttarakhand GST Act, 2017 (appeal to the Appellate Authority, as noted in the order)

GST Tariff Act, 2017, Chapter 4016

Circular No. 30/4/2018-GST dated 25.01.2018 (applicable GST rates on supplies to Indian Railways)

! For the Practitioner

This ruling helps suppliers of rubber pads who previously relied on the 5% Railways rate and now want to sell to other buyers. It confirms that the Railways concession does not carry over to non-Railway supplies, which are taxed at 18% under Chapter 4016. It does not separately decide the classification of semi-finished pads, so a practitioner should check whether the factual position matches the applicant's and whether the ruling binds only the applicant under the Act.

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 -> ms vk enterprises.pdf

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