

Ratan Projects & Engineering Co Private Limited

Authority for Advance Ruling — West Bengal

49/WBAAR/2018-19 dated 28/03/2019

Q Questions Before the Authority

- Whether dispatch of consumable materials like furnace oil, zinc, and nickel to a job worker is to be treated as supply from the principal to the job worker if they are not returned within the time allowed under section 143(1)(a) of the GST Act.

F Facts

The applicant manufactures cable trays and sends steel structures to a job worker for galvanising. Along with the steel, the applicant provides consumables including furnace oil, zinc, and nickel which are consumed during the galvanising process. The applicant sought a ruling on whether the non-return of these consumed materials constitutes a taxable supply under section 143(3) of the GST Act.

H Ruling

Consumables sent to job worker

Not a supply

Provided they are entirely consumed in the galvanising process and inseparable from the galvanised goods.

The Authority held that the return of the galvanised goods satisfies the condition of receiving back inputs under section 143(1)(a). It ruled that the consumed materials should not be treated as a supply under section 143(3) provided they are entirely used up in the galvanising process.

R Reasoning

The Authority reasoned that galvanising is an intermediate manufacturing process where inputs are consumed. Relying on the Explanation to section 143, it determined that 'inputs' include intermediate goods where the original materials are embedded or consumed. Citing judicial precedent, it concluded that the requirement to return inputs does not necessitate the physical return of materials that have been exhausted during the process. Therefore, the return of the galvanised structure itself constitutes sufficient compliance with the law.

P Provisions Relied On

Section 2(68) of the GST Act

Section 97(2)(g) of the GST Act

Section 100(1) of the GST Act

Section 103 of the GST Act

Section 104(1) of the GST Act

Section 143(1)(a) of the GST Act

Section 143(3) of the GST Act



For the Practitioner

This ruling provides **significant relief** to manufacturers who send raw materials for galvanising, confirming that consumed consumables do not trigger a deemed supply liability. It clarifies that the physical return of exhausted inputs is not required if the final processed goods are returned. However, practitioners should note that this ruling is **fact-specific** and relies on the materials being entirely consumed in the process.

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 49 2018-19 rpecpl.pdf](#)

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