AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD, CHENNAI 600 006.

ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND UNDER SECTION 98(4) OF THE TNGST ACT, 2017

Members present:

Shri C.Thiyagarajan, I.R.S., **Additional Commissioner/Member (CGST),** **Office of the Commissioner of GST and Central Excise,** **Audit I Commissionerate,** **Chennai - 600 101.**	**Shri B.Suseel Kumar, B.E., MBA.,** **Joint Commissioner/Member (SGST),** **Authority for Advance Ruling,** **Tamil Nadu,** **Chennai - 600 006.**

Advance Ruling No.44/ARA/2025, dated 31.10.2025

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.

2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-

(a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.
(b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.

3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.

5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.

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GSTIN Number, if any / User id	33AATCS0544F1ZD
Legal Name of Applicant	TVL. ADITYA BIRLA GLOBAL TRAINING (INDIA) PRIVATE LIMITED
Trade Name of Applicant	TVL. ADITYA BIRLA GLOBAL TRAINING (INDIA) PRIVATE LIMITED
Registered Address / Addre provided while obtaining user id	SF No. 461, Ragavendra Garden, Subramaniyam Palayam Road, G.N. Mills Post, Coimbatore – 641 029.
Details of Application	GST ARA – 01 Application dated 28.03.2025
Jurisdictional Officer Concerned Officer	State: Velandipalayam Assessment Circle, Coimbatore Division Center: Coimbatore Commissionerate, Coimbatore - II Division
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for A Category B Description (in brief)	 Wholesale Business and Service Provision The applicant is engaged in the business of (i) import and trading of certain goods, and (ii) providing cargo handling services. The applicant presently import and trade in Tea, Wood Charcoal, Coal, dried leguminous vegetable in the state of Tamil Nadu. It is contemplating to restructure its business operations and diversify to other products such as mineral ore and petrochemical products. They are already undertaking such business in other states.
Issue/s on which advance rulin required	1. Classification of goods and / or service or both 2. Determination of time and value of supply of goods or services or both. 3. Determination of the liability to pay tax on any goods or services or both. 4. Whether any particular thing done by the applicant with respect to any goods and / or services or both amounts to

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	or results in a supply of goods and / or services or both, within the meaning of that term.
Question(s) on which advance ruling is required	1. Whether the supply of goods under the Sales contract and supply of handling services under the Service Contract would be regarded as independent supplies? 2. If the response to (Question No.1) above is affirmative, what would be the classification of Goods and Services supplied under the Sales Contract and Service Contract, respectively?

M/s. Aditya Birla Global Trading (India) Private Limited, SF No. 461, Ragavendra Garden, Subramaniyam Palayam Road, G.N. Mills Post, Coimbatore–641029 (hereinafter **'the Applicant'**) The Applicant is engaged in the business of (i) import and trading of certain goods, and (ii) providing cargo handling services. While the Applicant presently import and trade in Tea (HSN 0902), wood charcoal (HSN 4402), coal (2701) dried leguminous vegetables (HSN 0713) in the state of Tamil Nadu, it is contemplating to restructure its business operations and diversify to other products such as mineral ore (HSN chapter 26), petrochemical products (HSN Chapter 27, 28, 29), (hereinafter referred to as "Goods"). The Applicant is already undertaking such business in other states. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and SGST Rules, 2017.

2. The Applicant is providing certain services in the nature of storage, cargo handling and security which includes 3PL/4PL logistic services to the buyers or any other person as may be required by them. The Applicant has requisite expertise in yard management and the team not only supervises the working of 3PL service providers, but also give instructions for efficient yard management and securitization of cargo. The Applicant is duly registered in the state of Tamil Nadu vide GSTIN 33AATCS0544F1ZD. In logistics, a 3PL (Third-Party Logistics) provider handles specific, execution-level tasks like warehousing and transportation, whereas a 4PL (Fourth-

Party Logistics) provider acts as a supply chain integrator, offering strategic oversight and managing multiple 3PLs to optimize the entire supply chain process from end to end. Therefore the main difference lies in the scope of services, i.e., while 3PLs focus on operational execution, 4PLs provide comprehensive strategic management and coordination of the supply chain.

3.1 As stated above, the Applicant is engaged in import and trading of Goods (i.e., coal, mineral ore, petrochemicals, and scrap). The Applicant company presently follows a business model whereby it first enters a sales contract with the customer. As per the terms of the sales contract, the risk as to the Goods are transferred to the buyer on execution, but the title to the subject goods is transferred to the buyer on payment of consideration. The Invoice is issued by the Applicant for supply for goods. The Applicant company also executes a service contract for providing handling services whereby it provides services in the nature of storage, insurance, loading, security of the cargo, water sprinkling, etc. Under this business model, the Applicant company issues two invoices, (i) for sale of goods (ie coal, iron ore, scrap, etc.) where it charges GST at applicable rate based on the HSN code of the goods; and (ii) for supply of handing services where it charges GST at 18%. To bring in complete clarity & to avoid any sort of interpretational challenges, the present business model is being re-evaluated by the Applicant. The Applicant company has observed significant business opportunity in offering handling services independently to buyers of Goods or to any other person. Therefore, it is contemplating to change its business model to delink the sale contract and the service contract and propose to offer handling services independently as a separate offering.

3.2 The Applicant wishes to state that the Applicant company has received a Show Cause Notice in the state of Gujarat proposing to impose penalty under Section 122 of the CGST Act on the grounds that the Applicant company has actually not provided any service under the service contract. The Applicant company has filed its reply to the said show cause notice and the same is pending for adjudication. A copy of a Show Cause Notice

bearing Ref No. DGGI/GRU/36-13/2024-25 dated 31 July 2024 issued on the Applicant in the state of Gujarat (GSTIN 24AATCS0544F1ZC) is attached by the applicant.

3.3 The Applicant states that the proposed business model with respect of goods in the state of Tamil Nadu is that it includes two primary agreements: (i) a "**Sales Contract**" for the sale of Goods imported by the Applicant; and (ii) a "**Service Contract**" for post-sale handling and storage services. Under the Sales Contract, the Applicant sells goods (which may be specified in an approximate quantity with a variation of +/- 10% at the time of sale) to customers. The terms of the Sales Contract stipulate that the goods, as covered under the tax invoice, are sold on an ex-port or ex-warehouse basis, with payment terms that vary depending on the terms of agreement with the buyer. Unlike the earlier arrangement, the present business model envisage that the title of the Goods get transferred to the buyer upon invoicing, after which the buyer must handle the storage, security and insurance, loading etc. In case of payment defaults, the Applicant retains the right to resell the goods to other parties without notifying the buyer.

3.4 The Service Contract covers post-sale logistics, including storing and securing goods at the Applicant's storage site, insuring against potential risks (like natural disasters or theft), and managing tasks such as loading goods onto trucks and weighing them. The Applicant assumes responsibility for the goods within their plot but not for any losses post-loading. The buyer is responsible for generating the E-way bill required for transport, though the Applicant may assist in specific cases. If the buyer delays in picking up the Goods, the Applicant has the right to sell them to mitigate losses, similar to the provisions in the Sales Contract.

3.5 Since the provision of Central Goods and Services Tax Act 2017 ("CGST Act") and the Tamil Nadu Goods and Service Tax Act, 2017 ("TNGST Act") are identical, the Applicant has referred only to the provision of CGST Act in the present application. Any reference to the CGST Act and rules

thereunder should be considered as reference to the Tamil Nadu Goods and Services Tax Act, 2017 and rules thereunder.

3.6 Considering the changes in the business model and the terms of the Sales Contract as well as the Service Contract, the Applicant seeks advance ruling on the following issue:

a. Whether the supply of goods under the Sales Contract and supply of handling services under the Service Contract would be regarded as independent supplies?
b. If the response to (a) above is affirmative, what would be the classification of services supplied under the Service Contract?

4.1 Under the 'Statement of facts' having a bearing on the question No.1, the applicant has stated as follows :-

1. The proposed business model being contemplated by the Applicant involves (i) sale of Goods imported by the Applicant by executing a 'Sales Contract'; and (ii) once goods are sold (ie title in the goods are transferred in-situ), the buyer may either transport the goods to their own warehouse / storage facility or let goods stored at the plot and transport the same on a later date, under a 'Service Contract'. There will be two separate agreements executed with the buyers, namely, sales contract for goods and cargo handling service contract.
2. The Sales Contract provides for an approximate quantity of the Goods, subject to a +/- 10% variation Pricing is set on an ex-port or ex-warehouse basis, and payment terms includes cash and carry, letter of credit, EMD, initial payments, etc.—as may be mutually agreed upon depending on the relationship and contract details. Title transfer to the buyer happens on the invoice date, and from that point, the buyer must secure and insure the goods. The Invoice would be issued by the Applicant on date of execution of the contract where the goods are available for immediate delivery or on receipt of goods by the Applicant where the goods are not available for delivery to the Buyer on the date of execution of the Sales Contract. Should the buyer delay or default on

payment, the Applicant reserves the right to sell the goods to third parties without prior notice to mitigate any potential losses.

3. The Applicant, after selling the goods to a buyer, may provide services in the nature of storage, security and handling of such goods if specifically requested by the buyer under the Service Contract. The Service Contract outlines that the Applicant will accept delivery of the Goods on behalf of the buyer, store them, and provide security and handling services. The Applicant will take out insurance covering fire, floods, storms, earthquakes, theft, and related risks on behalf of the buyer. To prevent spontaneous combustion, the Applicant may be required to regularly sprinkle water on the Goods, particularly coal. They will handle the loading of goods onto trucks for the buyer's transport, manage truck weighment, and carry out other cargo handling tasks. Additionally, the buyer is responsible for E-way bill compliance when removing goods. The Invoice for provision of handling services would be issued by the Applicant on date of completion of service or the date of payment whichever is earlier. Should the buyer default or delay in collecting the goods, the Applicant has the right to sell the remaining quantity to third parties without prior notice to mitigate losses.
4. In such a case, once the goods are sold the Applicant continue to hold possession of the goods as a bailee under a contract of bailment. A contract of bailment involves a legal arrangement where the owner of physical property (Bailor), temporarily transfers possession of the property to another party (Bailee), for a specific purpose. This transfer of possession does not include ownership rights. The bailee is entrusted with the property and is obligated to care for it according to the terms agreed upon, and to return it to the bailor or dispose of it as directed once the purpose of the bailment is fulfilled. Under contract law, the concept of bailment is primarily explained under the Indian Contract Act 1872. Section 148 defines bailment as a *"delivery of goods by one person to another for some purpose, upon a contract that they shall, when the purpose is accomplished, be returned or otherwise disposed of according to the directions of the person delivering them."* In the present case, the

Applicant received the possession of goods back from the buyer under a contract of providing handling services under the terms of Service Contract.

5. The Applicant is of the considered opinion that supply of goods and the supply of services are two separate transactions. Services covered under the Service Contract commence only on acceptance of delivery of goods for and on behalf of the buyer. In view of the above, any service provided by the Applicant after the said constructive delivery cannot be regarded as being provided along with the supply of goods.

4.2 Under the 'Statement containing the applicant's interpretation of law' in respect of question No.1, the applicant has stated as follows :-

1. Sales Contract and the Service Contract are not interdependent on each other. These are separate transactions and are not provided in a combination. The buyer is free to take physical delivery of goods on the date of transfer of title and have the same transported to their warehouse. However, it is only upon specific request from the buyer that the Applicant agrees to provide handling and security services and execute the Service Contract. In fact, the Applicant enters into a separate agreement with the buyer and consideration for the services are agreed separately.
2. The Applicant may provide handling and security services to any person, even without the sale of goods with similar or additional scope of work. The sale of goods and supply of services are not provided as a package and can be availed separately. Therefore, sale of goods and provision of services are completely independent transactions in the sense that removal of one supply would not affect the nature of supply of the other.
3. At this juncture, it is pertinent to refer to the definition of 'composite supply' under Section 2(30) of the CGST Act, which reads as under:

   "composite supply means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and

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supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply"

4. Based on the above definition, following key elements can be derived from Section 2(30) of the CGST Act:

- ***Composite supply means a supply:*** The definition starts with the words 'a supply'. This indicates that the economic activity which is to be examined for being c composite supply or not needs to a single supply.
- ***made by a taxable person to a recipient:*** Here the of the words 'a taxable person' and 'a recipient' indicates that the single supply (referred supra) is made by a single taxable person to a recipient.
- ***Consisting of two or more taxable supplies of goods or services or both, or any combination thereof:*** This means that the 'a supply' referred above consists of a combination of two or more taxable supplies of goods or services or any combination thereof.
- ***Which are naturally bundled:*** The two or more elements of goods or services are so linked with one another they are naturally bundled. The concept of naturally bundled is same as in the erstwhile service tax regime, wherein following indicators were provided[1]:
  - **i** There is a single price, or the customer pays the same amount no matter how much of the package they actually receive or use.
  - **ii** The elements are normally advertised as a package.
  - **iii** The different elements are not available separately.
  - **iv** The different elements are integral to one overall supply – if one or more is removed, the nature of the supply would be affected.
- ***and supplied in conjunction with each other in the ordinary course of business:*** This indicates that different elements of the supply are so integrally linked that they form a single indivisible economic activity.
- ***one of which is a principal supply:*** Out of different elements of the supply (referred supra), one is the principal supply.

5. In this case, it is important to highlight that the Sales Contract and Service Contract are entirely independent of each other. These are separate transactions, not bundled together. The buyer has the option to take physical possession of the goods upon the transfer of title and arrange transport to their own warehouse. The Applicant provides handling and security services only upon specific request from the buyer as there is uncertainty on part of buyer for relating to lifting of the goods, entering into a distinct agreement for these services with separate consideration.
6. Therefore, based on this arrangement, the sale of goods and provision of services would not qualify as a composite supply under GST regulations. As a result, the GST rate applicable to each will depend on the specific nature of the supply, whether goods or services.

4.3 Under the 'Statement of facts' having a bearing on the question No.2, the applicant has stated as follows :-

1. Salient features of the **Sales Contract** are -
    a) The Sales Contract identifies quantity of the goods with an approximate variation of +/- 10%. When the Applicant enters into contract for sale of Goods, it may be comingled with a larger lot on the date of the contract. The quantity is ascertained on an approximate basis, and exact quantity is mentioned when the Applicant issues invoice at the time of delivery of the goods.
    b) The price of the goods is ex-port / ex-warehouse basis.
    c) Payment terms are mutually negotiated between the parties depending on the relationship and quantity/value of the contract. Payment terms could be Letter of Credit, Clean Credit, Pay and lift, EMD / Initial payment, etc.
    d) Delivery of the goods would be given by the Applicant to the buyer (or his agent) on constructive manner on the date of invoice.
    e) The risk is transferred on signing of contract or arrival of good which-ever is later and title to the goods would be transferred from

the Applicant to the buyer on the date of Invoice, subject to contractual obligations and rights of the unpaid seller.

f) Post-delivery, the Buyer would be required to arrange for security and insurance of goods.

g) If the Buyer defaults/delays in making the payment, the Applicant would be entitled to sell the goods to third parties without any requirement of notice to the Buyer, to mitigate its losses/ damages.

2. Salient features of the **Service Contract** are -

a) The Applicant would accept delivery of Goods for and on behalf of the buyer and store them.

b) The Applicant would ensure security of the goods at the plot.

c) The Applicant would take insurance cover for fire, floods, storm, earthquake, theft, etc. in respect of the goods belonging to the buyer.

d) The Applicant would ensure water sprinkling on the Goods (specially coal) so as to avoid the risk of spontaneous combustion.

e) The Applicant would ensure loading of goods on to the trucks for transport by the Buyer.

f) Weighment of trucks; and other sundry works related to cargo handling.

g) The Applicant would be responsible for any loss of goods inside the plot except for handling loss.

h) Any loss post loading of goods on the trucks at the instruction of buyer would borne by the buyer.

i) The Applicant would not be liable for generation of E-way bill, it would be the sole responsibility of the buyer to comply with the provisions of E-way bill at the time of removing the goods.

j) If the Buyer defaults or delays in lifting of the goods, the Applicant would have the right to sell the balance quantity of the goods to third parties without any requirement of notice to the buyer to mitigate its losses/damages.

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4.4 Under the 'Statement containing the applicant's interpretation of law' in respect of question No.2, regarding the 'Treatment of sale of goods under the Sales Contract', the applicant has stated as follows :-

1. CGST Act delineates the taxable event as the 'supply of goods or services or both'. While the term 'supply' is not explicitly defined, Section 7 of the CGST Act provides illustrative examples of its expansive scope, encompassing transactions such as sale, transfer, rental, lease, barter, exchange, and other similar activities. The term "sale" has not been defined under the CGST Act. Therefore, the meaning of the word 'sale' needs to be understood from the provisions of Sale of Goods Act 1930 ("SOGA"). As per Section 4(1) of SOGA, a contract of sale of goods is a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price. A contract for the sale of goods must specify (i) goods (ii) quantity (iii) rate and (iv) delivery schedule. The essence of the contract is to transfer property in the goods.
2. Further, Chapter III of the SOGA lays down conditions for transfer of property. As per Section 19 of the SOGA, property in goods is transferred to the buyer at such time as the parties to the contract intend to be transferred subject to the following conditions:
   (a) Goods must be present.
   (b) Goods must be ascertained. In case of unascertained goods, goods must be appropriated before delivery.
   (c) Goods must be in deliverable state.
3. As per Section 2(2) of SOGA 'delivery' is the voluntary transfer of possession from one person to another. Delivery may be actual, constructive or symbolic. Constructive delivery takes place when the person in possession of the goods acknowledges that he holds the goods on behalf of and at the disposal of the buyer. For example, where the seller, after having sold the goods, may hold them as bailee for the buyer, there is constructive delivery ***Duni Chand Rataria vs. Bhuwalka Brothers Ltd. [(1954) INSC 117 (SC)].***

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4. As per Section 31 of the CGST Act, the Applicant is required to issue Tax Invoice on or before delivery of the goods. Therefore, the Applicant can issue Tax Invoice on the date of execution of the Sales Contract itself.
5. The proposed business model of the Applicant envisage that the Goods may be sold by the Applicant either before arrival of vessel at the Indian ports or after arrival of goods at the port. In case of sale of goods before arrival of goods, once the vessel is loaded or discharged there is communication to the customers (ie Applicant in the present case) as to the nature and quantity of the goods. Since Section 31 of the CGST Act requires the Applicant to issue Tax Invoice on or *before* delivery of the goods, therefore, the Applicant would issue the Tax Invoice on the date of contract itself. In case the sale is made after arrival of vessel at Indian ports, the Goods are present (commingled in larger lot) at the time of execution of the Sales Contract. The Applicant would issue the Tax Invoice on the date of contract itself. The Goods would be apportioned before delivery by appropriately marking the lot at the time of issuance of the invoice and transfer of the property in the subject goods is affected.
6. Under the terms of Sales Contract, the Applicant delivers the goods on the date of the invoice and under the terms of the Cargo Handling Service, accepts delivery for and on behalf of the buyer. Once the constructive delivery is completed, the Applicant holds custody of the goods as bailee. Therefore, under both situations, the Applicant would be issuing the Tax Invoice at the time of executing the Sales Contract.
7. At this juncture, it is relevant to refer to the decision of Tamil Nadu Authority for Advance Ruling (TNAAR) in **Automotive Components Technology India Private Limited [2020 (34) GSTL 619 (AAR - GST-TN)]**. The facts involved in this case include supply of automotive components such as door locks and strikers (in short 'parts') for various sectors of the automotive industry. The Applicant supply such parts to a wide range of customers which inter-alia include molds and tools (in short 'molds'). The manufacturer of such parts / molds agrees to supply the same, to the Applicant Indian company (in short 'Indian buyer'),

located in the State of Tamil Nadu. The Applicant places an order for manufacturing the said parts and molds on a Thailand Company ('Foreign supplier'). Accordingly, the foreign supplier manufactures the parts and the same are physically imported into India. However, the molds developed by the foreign supplier are retained in Thailand and are not physically imported into India. Thus, there is only a transfer of ownership in the mold from the foreign supplier to Applicant and the foreign supplier retains the physical possession of the molds. With regard to the invoicing, the foreign supplier raises an invoice on the Applicant for the parts and molds separately. Similarly, the Applicant raises separate invoices on the Indian buyer ie, one for the supply of parts and another for transfer of ownership of the molds from the Applicant to the Indian buyer. The Applicant has stated that in the present case as well, only the title in molds is transferred to the Indian buyer, wherein the molds physically continue to remain in possession of the foreign supplier. There are two questions raised in the present case:

- T1: Transfer of title in moulds from the foreign supplier to the Applicant
- T2: Transfer of title in moulds from the applicant to the Indian buyer.

8. Accordingly, the TNAAR has concluded in the aforesaid as follows :-

"From the above, it is evident that 'transfer of the title in goods' is supply of goods. In the case at hand there is transfer in title of moulds for a consideration and the supply is in the course of business therefore, the same constitutes supply of goods and GST is liable to be paid on such supply."

9. It is evident from the above that the requirement of issuance of invoice is based on the actual delivery or otherwise making available of the goods (constructive delivery) under Section 31 of the CGST Act. Therefore, the Applicant is of the considered opinion that the Applicant would be required to issue invoice on the date on which title and constructive delivery is passed on to the buyer (ie within 30 days from the date of execution of the contract). Since the date of invoice, which precedes the

date of receipt of payment, the liability to pay GST would arise on the date of invoice.

10. Applicable rate of GST on the Goods would be as under:

Goods	HSN	Rate
Coal	2707	5%
Iron Ore	260111	5%
Petro Products	Naphtha	18%
Scrap	720449	18%
Tea	090240	5%
Packing Material	481940	18%

Regarding the *'Treatment of supply of handling services under the Service Contract'*,

1. The term "service" has been defined under Section 2(102) of the CGST Act to mean anything other than goods, money and securities. The definition of 'service' is extensive and includes within its ambit any this done or agreed to be done for consideration.

11. As stated above, under the terms of the Service Contract, the service commences on acceptance of constructive delivery of goods by the buyer till goods are loaded on the trucks. Therefore, such transaction would be regarded as supply of service and attract GST at 18%.

5.1 The Joint Commissioner (ST), Coimbatore Intelligence vide their letter dated 05.06.2025 has conveyed their remarks on the questions raised by the applicant that there is no pending proceedings in their office.

5.2 Since, no remarks have been received from the Assistant Commissioner (ST), Velandipalayam Assessment Circle and Central GST jurisdictional Authorities, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application.

PERSONAL HEARING

6.1 Personal hearing was held on 01.09.2025. Shri. Pranay sahay, Advocate, Shri. Dinesh Kumar Agarwal, Advocate and Shri Roopam Jain, Manager, Authorised Representatives (AR) of the applicant appeared and AR reiterated the submissions made in their original application. During the hearing, they furnished additional submissions containing copies of the Order-in-Original dated 31.01.2025, in respect of the Show Cause Notice dated 31.07.2024 issued by the Gandhidham Regional Unit of DGGI, the appeal filed against the said O-in-O, Extracts of Sale of Goods Act and the Contract Act, comparison of Sales contract showing changes in the Old sales contract made by the new proposed contract, and a few case laws in support of their defence.

6.2 They further stated that the facts and circumstances of the case and the terms of contract related to the issue of show cause notice to their Gandhidham unit is different from the facts of the instant case for which the application for advance ruling has been sought by the applicant. AR submitted that the earlier agreement / business model is different from the proposed agreement / business model and therefore Advance ruling application is not affected by the Show Cause Notice / Order-in-Original / Appeal filed. For that, the members asked AR to submit clause by clause differentiation of the earlier and the proposed contract and also highlight the differences in their earlier business model with the proposed business model.

6.3 The Members enquired that in respect of those cases where the ownership of goods changes multiple times, whether the applicant has service contract with all owners of goods. The AR replied that the service contract post sale of goods is made only with the 1st buyer of goods and not with any other person who may subsequently own the title of goods. Further to a specific query as to whether they have filed any application with any other Authority for Advance Ruling, the AR replied in negative.

DISCUSSION AND FINDINGS

7.1 We have carefully examined the submissions made by the applicant in their advance ruling application, the additional submissions furnished during the personal hearing and further submissions made after the personal hearing.

7.2 The questions on which an advance ruling is requested are as follows :-

a. Whether the supply of goods under the Sales Contract and supply of handling services under the Service Contract would be regarded as independent supplies?

b. If the response to (a) above is affirmative, what would be the classification of services supplied under the Service Contract?

7.3 As the above questions get covered under the category of 'Whether any particular thing done by the applicant with respect to any goods and / or services or both amounts to or results in a supply of goods and / or services or both, within the meaning of that term', 'Determination of time and value of supply of supply goods or services or both' and 'Classification of goods or services or both', they are found to be falling within the purview of Section 97(2) of the CGST Act, 2017 and are prima-facie liable to be admitted for consideration.

7.4 However, we are of considered opinion that the crucial aspect relating to the issue of show cause notice and the adjudication thereof, on a similar issue in respect of their Gandhidham unit is required to be examined, before proceeding to discuss the merits of the instant case. This is in view of the fact Section 98(2) of the CGST Act, 2017, comes up with a conditional provision for admission or rejection of the application, as the case may be, and it reads as –

(2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorized representative and the concerned officer or his authorized representative, by order, either admit or reject the application:

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:*

Provided *further that no application shall be rejected under this sub-section unless an opportunity of hearing has been given to the applicant:*

Provided *also that where the application is rejected, the reasons for such rejection shall be specified in the order.*

7.5 Perusal of the Show Cause Notice No.DGGI/GRU/36-13/2024-25 dated 31.07.2024 issued to the Gandhidham unit of the applicant reveals that the Importer's (noticee) use the customs-bonded warehouse for storage of coal after filing Bill of Entry and further supply it to coal traders who in turn sells the same to second stage traders or end users in India at multiple stages; that up to the point of time when the coal gets physically cleared from the warehouse, the importer is required to incur expenses of various types for upkeep and storage of the same, like Cargo handling services, clearing and forwarding services, Warehousing Services, etc., which are charged to GST at 18%, while the sale of coal is charged to GST at 5%. Under these circumstances, it was observed therein that the immediate customer of noticee received the goods only, i.e., coal from them by way of transfer of title of goods, who in turn supplies it to another trader or end-user, and that the immediate customer did not avail any type of services relating to handling of coal in any manner. It was therefore alleged in the show cause notice that the noticee does not supply any cargo handling service to its customer and yet they are issuing tax invoice of 'cargo handling services' and furnishing the details of such invalid invoices into their GSTR-1M, enabling the coal recipients to avail and utilize the ineligible input tax credit, without actual supply of corresponding services. It was also alleged that by doing so, the noticee collects tax in the form of cash from customers and while filing the GSTR-3B they pay such tax from Input Tax Credit which lies accumulated in their electronic credit ledger. Accordingly, penalty under Section 122(1) of the CGST Act, 2017, read with

Section 20 of the IGST Act, 2017, equivalent to the irregular/fraudulent ITC passed on, was proposed to be imposed on the noticee.

7.6 Under the additional submissions furnished by the applicant during the personal hearing held on 01.09.2025, a copy of the Order-in-Original dated 31.01.2025 passed in this regard by the Additional Commissioner, CGST, Kutch Commissionerate, Gandhidham, has also been enclosed. On perusal of the same, it is seen that the said adjudicating authority has observed that the noticee has not provided services of any kind to the buyers and only invoices have been issued with the purpose of passing on accumulated ITC to the buyers, and has imposed penalty under Section 122(1) of the CGST Act, 2017, as proposed in the notice. A copy of the appeal filed by the noticee against the aforesaid O-in-O has also been enclosed.

7.7 At this juncture, it becomes imperative to refer and analyse the first proviso to Section 98(2) of the CGST Act, 2017, which reads as –

> ***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:*

The aforesaid provision indicates the fact that where the matter of dispute or the question raised in the application, is either pending or decided in any proceedings in the case of **an** applicant, the application is not liable for admission. However, it could be seen that the second proviso that follows, reads as –

> ***Provided*** *further that no application shall be rejected under this sub-section unless an opportunity of hearing has been given to* ***the*** *applicant:*

Whereby it becomes evident that **the** applicant is required to be heard, in case the application is being considered for rejection. We are therefore of the opinion that the conscious usage of the articles 'an' and 'the', before the term 'applicant', in two situations under the same sub-section 2 to section 98 of the Act, ibid, conveys the legislative intent to empower the Authority

to reject the application in the cases where there is repeated filing of the application before the Authority on the same issue which is either pending for decision or already decided.

7.8 Accordingly, when the Members enquired about this aspect during the personal hearing, the AR stated that the facts and circumstances of the case and the terms of contract related to the issue of show cause notice to their Gandhidham unit is different from the facts of the instant case for which the application for advance ruling has been sought by the applicant. They further stressed that the earlier agreement / business model is different from the proposed agreement / business model and therefore Advance ruling application is not affected by the Show Cause Notice / Order-in-Original / Appeal filed. Accordingly, the Members requested the AR to highlight the differences in their earlier business model with the proposed business model, and the AR furnished a 'Comparative Table', bringing out the clause by clause differentiation of the earlier and the proposed contract. Under the said table, the clauses relating to Quality determination, Price Adjustment, Quantity determination, Payment terms, Delivery, Insurance, and Risk & Title, were discussed and differentiated.

7.9 Under the facts and circumstances of the instant case as furnished by the applicant, it is indeed clear that the clauses of the earlier contract differ from the proposed contract. However, it is to be noted here that the crux of the issue in the instant case lies around the basic question raised in the application, i.e., *"Whether the supply of goods under the Sales Contract and supply of handling services under the Service Contract would be regarded as independent supplies?"* In this regard, we find that the Show Cause Notice dated 31.07.2024 issued to the Gandhidham unit of the applicant, deals exactly with the said issue and had come up the allegation that the noticee have not made any supply of cargo handling service to their customers and yet they are issuing tax invoice of 'cargo handling services'. Accordingly, we observe that while the supply of goods, 'coal' remains undisputed, the aspect relating supply of service, 'cargo handling service' which forms part of the query raised by the applicant stands disputed

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under the said show cause notice/Order-in-Original. We would also like to make it clear that in this case, as long as the basic business model remains the same, changes in clauses/terms of the contract which normally tend to differ from each other, do not have any bearing on the basic business model, as in the instant case. Accordingly, we are of the considered opinion that since the query raised by the applicant already stands decided/adjudicated by the Additional Commissioner, CGST, Kutch (Gandhidham) Commissionerate, vide O-in-O No.GDM-GST-ADC-VKI-35-2024-25 dated 31.01.2025, the question of answering the said query and any other query related to it does not arise, as the application itself becomes liable for rejection in view of the first proviso to Section 98(2) of the CGST Act, 2017.

8. Based on the above discussion, we rule as under.

RULING

The advance ruling application filed by the applicant is rejected in view of the reasons discussed in para 7 supra.

31/12/2025

(B. Suseel Kumar)
Member (SGST)

AUTHORITY FOR ADVANCE RULING GOODS AND SERVICE TAX TAMILNADU

31/12/25

(C. Thiyagarajan)
Member (CGST)

To
M/s. Aditya Birla Global Trading (India) Private Limited,
SF No. 461, Ragavendra Garden,
Subramaniyam Palayam Road,
G.N. Mills Post, Coimbatore – 641 029. **/By RPAD/**

Copy submitted to

1. The Principal Chief Commissioner of GST & Central Excise,
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2. The Commissioner of Commercial Taxes,
   2nd Floor, Ezhilagam, Chepauk, Chennai – 600 005.

3. The Commissioner of GST & Central Excise,
   Coimbatore Commissionerate,
   6/7, A.T.D. Street, Race Course,
   Coimbatore – 641 018.

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Copy to

1. The Assistant Commissioner (TNGST),
   Velandipalayam Assessment Circle,
   Commercial Taxes Annexure Building,
   First Floor, Dr. Balasundaram Road,
   Coimbatore – 641 018.

2. Master File/ Spare – 2.