



This alert summaries the AAR Rulings under the GST Regime, rulings of courts and tribunals under the erstwhile Indirect Tax Regime along with an expected amendment in IGST law:

- Transportation of goods after loading into trucks couldn't be classified as 'Cargo Handling Services' : [Swayam Shipping Services \(P.\) Ltd. Vs. CCE & ST \(Ahd. – CESTAT\)](#)
- Supply of UPS & battery if supplied under single contract at combined price is Mixed supply : [Switching Avo Electro Power Ltd. \(West Bengal – AAR\)](#)
- Booking space for cargo transportation in airlines or ships not classifiable as 'Business Auxiliary Service' : [Interfreight Services \(P.\) LTD. Vs. CST \(Chennai – CESTAT\)](#)
- Hotel accommodation services to employees & guests of SEZ units, outside SEZ are taxable as 'Inter-State' services : [Gogte Infrastructure Development Corporation Ltd \(Karnataka – AAR\)](#)
- Assessee entitled to rebate of duty paid on export of capital good by reversing ITC : [Union of India Vs. Sterling Industries \(Bom. – HC\)](#)
- Ancillary services related to transportation of goods ancillary activities of loading, unloading not classified as 'cargo handling service' : [Diamond Shipping Agencies \(P.\) Ltd. Vs. CCE \(Chennai – CESTAT\)](#)
- CENVAT Credit couldn't be denied as capital assets were used at other premises : [CCE Vs. Bharath Sanchar Nigam Ltd \(Mad. – HC\)](#)
- Value of certain reimbursable activities included as a part of service : [Union Of India Vs. Intercontinental Consultants And Technocrafts Pvt. Ltd \(S.C\)](#)

SWAYAM SHIPPING SERVICES (P.) Ltd. Vs. CCE & ST (2018) 93 taxmann.com 259 (Ahd. – CESTAT)

- The assessee was involved in loading and unloading of timber logs into the truck and transporting the same to the location of the importer.
- It was issuing consignment note for transportation and discharged its duty under the category of 'Goods transport agency service'.
- The department held that the services provided by the assessee would fall under the category of 'Cargo handling service'.
- The tribunal held that the ancillary activity undertaken with main contract of the transportation would not change the activity of the service provider.
- Therefore, the services provided by the assessee would not fall under the category of 'Cargo handling service'.

SWITCHING AVO ELECTRO POWER LTD., (2018) 92 Taxmann.com 223 (AAR-WEST BENGAL)

- The assessee supplies UPS along with the battery
- The assessee filed an application for Advance Ruling on the classification of the supply when it supplies UPS along with the battery.
- The assessee supplies UPS along with the battery.
- The authority for advance ruling held that the supply of UPS and battery is to be considered as Mixed Supply as they are two different and independent items which are supplied under a single contract at a combined single price i.e., not naturally bundled

INTERFREIGHT SERVICES (P.) LTD. Vs. CST (2018) 93 Taxmann.com 197 (CHENNAI – CESTAT)

- The assessee, a customhouse agent, engaged in booking the space for cargo transportation in airlines or ships and pays the charges for booking the space to the airlines/agents and therefore collects the same from the customers by charging freight.
- The department held that the activities undertaken by the assessee would fall under the category of 'Business auxiliary services'.
- The tribunal held that the notional surplus earned from purchase and sale of space and not by acting on behalf of client who had space/slot in the vessel.
- Therefore, it does not fall under the category of 'Business auxiliary services' as they do not act on behalf of the client

GOGTE INFRASTRUCTURE DEVELOPMENT CORPORATION LTD., In Re (2018) 93 Taxmann.com 201 (AAR – Kar.)

- The applicant provides hotel accommodation and restaurant services to the employees and guests of SEZ units and were charging GST at applicable rates.
- The SEZ units contended that the services has been supplied to SEZ and hence the rate of GST would be NIL and therefore filed an application seeking advance ruling on 'whether such services would be treated as supply of goods & services to SEZ units or not.
- The authority of Advance ruling held that the place of supply of the services by way of lodging shall be the location of immovable property and incase of restaurant and catering services shall be the location where the services are actually performed.
- Hence the services provided to the employees and guests of SEZ units could not be treated as supply of goods and services to SEZ units.

UNION OF INDIA Vs. STERLING INDUSTRIES (I) Ltd. (2017) 87 Taxmann.com 201 (Bom.)

- The assessee imported used aluminum casting machines as capital goods.
- It availed credit of duty on those capital goods that were exported on payment of duty by reversing the input tax credit availed.
- Subsequently, the assessee claimed rebate of duty paid on export of capital goods.
- The department rejected the rebate claim of the assessee.
- The High Court held that the duty paid by debiting the credit entry, rebate claim was allowable and it was not open to the department authorities to argue to the contrary.
- Therefore, the assessee was entitled to rebate of duty paid on export of capital goods by reversing the input tax credit

DIAMOND SHIPPING AGENCIES (P.) Ltd. Vs. CCE (2017) 87 taxmann.com 177 (Chennai – CESTAT)

- The assessee is registered under customs house agent services and was engaged in transporting break-bulk cargo from one port to another.
- The department held that the assessee was providing cargo handling service as it was involved in transportation, storage, security, loading and unloading at yard.
- The tribunal held that the essential character of activity carried out by assessee was only transportation of goods.
- Mere fact that it also performed ancillary activities of loading, unloading goods etc., same would not be classified under category of 'cargo handling service'

CCE Vs. BHARATH SANCHAR NIGAM Ltd. (2017) 84 taxmann.com 13 (Mad.)

- The assessee is in the business of providing telephone services throughout India and it has created Secondary Switching Areas in various parts of the country.
- The capital equipment, which was received by a zone SSA was used for provisioning of telephone services by other SSA's and claimed the Cenvat Credit on such equipment.
- The department issued a notice and raised demand along with interest and penalty.
- The High Court held that the assessee could not be denied Cenvat credit as there consist nothing in rule 3(1)(i) which suggested that Cenvat Credit would be available to an output service provider only if, capital goods were used in the very same premise.

UNION OF INDIA Vs. INTERCONTINENTAL CONSULTANTS AND TECHNOCRAFTS PVT. LTD 2018 (10) G.S.T.L. 401 (S.C.)

- The assesses are rendering services like, consulting engineering services, Share transfer agency services, Customs house agent services covered under the head "clearing and forwarding agent" and site formation, clearances, excavation, earthmoving and demolition services and service tax is been paid on the same.
- While rendering the aforesaid services they are also been getting reimbursement on certain services rendered by them which are not included in 'Gross Value' and service tax is not paid on the same.
- The department alleged that the value of the said reimbursable activities is also to be included as a part of service provided.
- The Supreme court dismissed the appeal under the fact that all expenditure or cost incurred by the service provider in the course of providing the taxable services shall be treated as consideration for the taxable services and shall be included in the value for the purpose of charging service tax

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DAA | CHENNAI

#13/L, 3rd Floor, Bhagawathi Palace, J Block,
3rd Avenue, Anna Nagar (East),
Chennai 600 102

DAA | BANGALORE

#46/3, Lakshmi Nivas, 1st Floor, 6th Main Road,
Opp. Adhyatma Prakasha Karyalaya, Tata Silk Farm,
Bangalore 560 028

DAA | HYDERABAD

#311, H.No 1-7-79/A & B, Legend Crystal,
Above Indian Overseas Bank, Paradise,
Secunderabad 500 003

DAA | NASIK

Flat No.1, Rajkamal Residency, Plot No.83,
Opp. Burkule Lawns, Shravan Sector D, CIDCO
Nasik, MH 422 009

DAA | MUMBAI

#306-308, Bonanza, Sahar Plaza,
Next to Kohinoor Hotel, J.B. Nagar, Andheri (E),
Mumbai 400 059

DAA | COIMBATORE

#466, CPC Corporate Hub, 3rd Floor,
Thadagam Road, RS Puram,
Coimbatore 641 001

DAA | PUNE

#91 Spring Board, Sky Loft, Creaticity,
Opp. Golf Course, Off Airport Road, Shastrinagar,
Yerwada, Pune, MH 411 006

DAA | DELHI

#16, Nehru Apartment, Outer Ring Road, Kalkaji,
New Delhi, 110 019

+91 98407 95565 / +91 80561 02618



www.daa-india.com