

**AUTHORITY FOR ADVANCE RULING, TAMILNADU
INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, DOOR NO.32,
5TH FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,
CHENNAI - 600 003.**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.**

Members present:

Shri R.Gopalsamy, I.R.S., Additional Commissioner / Member, Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -600034	Tmt N.Usha, Joint Commissioner (ST)/ Member, Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-600003
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Advance Ruling No. 03/ARA/2023 Dated: 28.03.2023

1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Rulings, Chennai as under Sub-Section (1) of Section 100 of CGST Act / TNGST Act 2017, within 30 days from the date on 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) of 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 Service Tax Act and the Tamil Nadu Goods and Service Tax 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 Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

GSTIN Number, if any / User id		33AAACH5917Q1Z9
Legal Name of Applicant		Hosur Coir Foams Private Limited
Registered Address / Address provided while obtaining user id		No.16&17, SIDCO Industrial Estate Phase III, Hosur - 635126.
Details of Application		GST ARA - 01 Application Sl.No.19/2022 dated 19.05.2022
Jurisdictional Officer		Centre : Salem Commissionerate ; Division: Hosur - II State : Hosur North - I Assessment Circle.
Concerned Officer		
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for		
A	Category	Manufacturing
B	Description (in brief)	The applicant is a manufacturer of Rubberized Coir Bare Blocks and Coir Mattresses.
Issue/s on which advance ruling required		Determination of the liability to pay tax on any goods or services.
Question(s) on which advance ruling is required		1. Applicability of IGST rate on supply of Mattress to Hostel students of Government Schools, Educational Institutions of Government of Karnataka, Department of Social Welfare. 2. Applicability of IGST rate on supply of Mattress to any Hostel of Educational Institutions.

The applicant M/s Hosur Coir Foams Private Limited, having registered premises at No.16 & 17, SIDCO Industrial Estate Phase - III, Hosur - 635126 (hereinafter referred as the applicant) is registered under the GST Act 2017 with GSTIN 33AAACH5917Q1Z9. The Applicant has sought Advance Ruling on the following questions:

1. Applicability of IGST rate on supply of Mattress to Hostel students of Government Schools, Educational Institutions of Government of Karnataka, Department of Social Welfare.
2. Applicability of IGST rate on supply of Mattress to any Hostel of Educational Institutions.

1.2 The applicant submitted a copy of challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST Rules 2017 and SGST Rules 2017.

2.1 The Applicant states that they are manufacturer and supplier of Rubberized Coir Mattresses and Bare Blocks and claims that their supply to educational institutions are exempted.

2.2 On interpretation of law, applicant has merely mentioned Schedule III.

3.1 The applicant, after consent, was given an opportunity to be virtually heard on 17.08.2022. The Authorized Signatory (AS) Sri M.V.R.K.Kishore, Manager (F&A) of the applicant appeared before the authority and reiterated the submissions. When asked about the details of goods, recipients of goods and the exemptions, if any availed, the AS stated that they are manufacturer of Mattress, issued two invoices with GST @ 18% to a Karnataka State undertaking intended for student hostels run by Karnataka State Social Welfare Department and no exemption was claimed on the supplies already made against tender. The AS was asked to furnish copy of Tender / Contract with recipient of goods along with copy of invoice. Consequent to change of members of Authority, a fresh personal hearing was extended to the applicant. AS appeared for the virtual hearing on 08.12.2022, wherein he reiterated the submissions already made. When asked to state whether any supply was directly made to Hostels run by Government, AS stated that supplies were not made directly to hostels run by Government.

3.2. The applicant vide letter dated Nil received on 02.11.2022, submitted copy of Purchase Order No.09 and 11 dated 03.01.2022 issued by M/s Coir Industrial Co-operative Society Limited, Mallanayakanahalli, Karnataka with one of the condition that Mattresses and pillows must have Federation Brand label. The said letter also enclosed copy of Invoice No.HCF/2766/2021-22 dated 08.01.2022 and HCF/2894/2021-22 dated 18.01.2022 issued to M/s Coir Industrial Co-operative Society Limited and the goods were shipped to Principal, Mino Morarji Desai Res School, Muddebihala, Karnataka and Department of Minority Welfare, Vijayapura, Karnataka respectively. In both the said invoices, Mattress and Pillow with HSN 940429 were supplied at 18% IGST.

4. The applicant is under the administrative control of Central Tax. The said jurisdictional authority was addressed to report if there are any pending proceedings

against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. The said authority vide letter dated 15.06.2022 stated that there are no pending proceedings on the issue raised by the applicant in the ARA application. It is further stated that no separate exemption for GST rate is given with respect to supply of Mattress to any recipient; that supply of Mattress under HSN 9404 is covered under Sl. No.438 of Notification No.01/2017 CTR dated 28.06.2017; that IGST @ 18% is applicable on supply of Mattress to hostel students of Government schools, educational institutions of Government of Karnataka under Department of Social Welfare; that 18% IGST is applicable on supply of Mattress to any hostel of educational institutions.

5. The State Tax Officer vide letter Roc. No.658/2022/A2 dated 25.05.2022 stated that no pending proceedings in the assessment circle against M/s Hosur Coir Foams Private Limited regarding the issue raised by the applicant.

6.1 We have carefully considered the submissions made by the applicant in the advance ruling application, the additional submissions made during the personal hearings and the comments furnished by the Centre and State Tax Authorities. The applicant filed advance ruling application for determination of the liability to pay tax on any goods in respect of supply of Mattresses to hostel students of Government schools, educational institutions or hostels of educational institutions, within the meaning of that term as per Section 97(2)(e) of GST Act, 2017. We also take cognizance of the fact that they have already supplied the said goods and continue to supply through M/s Coir Industrial Co-operative Society Limited under Tender process, for use of hostel students of Government schools run by Department of Social Welfare of the Government of Karnataka.

6.2 The question which needs to be answered is the rate of GST applicable for the supply of Mattresses intended for hostel students of educational institutions run by Government of Karnataka and other educational institutions through M/s Coir Industrial Co-operative Society Limited under Tender process.

7.1 It is seen from the submissions and documents enumerated in para 3.2 supra that the applicant has supplied Mattresses classified under HSN 940429 @ IGST 18% on "Bill to" "Ship to" basis to M/s Coir Industrial Co-operative Society Limited.

7.2 The copy of invoices submitted by the applicant, discussed in para 3.2 supra, reveals that the Mattresses were delivered to the respective educational institutions but sold to M/s Coir Industrial Co-operative Society Limited.

8.1 The applicant has classified Mattresses under HSN 940429. The said goods are supplied by the applicant from the State of Tamil Nadu to a receiver in the State of Karnataka, which is an inter-state supply. The rate of IGST applicable to HSN 9404 as per Notification No.1/2017 I.T (Rate) dated 28.06.2017 as amended by Notification No.43/2017 IT(Rate) dated 14.11.2017 vide Sl. No.438 of Schedule III – 18% is as follows;

Sl. No.	Chapter / Heading / Sub- heading / Tariff item	Description of Goods
438.	9404	“Mattress supports; articles of bedding and similar furnishing (for example, mattresses, quilts, eiderdowns, cushions, pouffes and pillows) fitted with springs or stuffed or internally fitted with any material or of cellular rubber or plastics, whether or not covered [other than coir products (except coir mattresses), products wholly made of quilted textile materials and cotton quilts]”

8.2 Perusal of Notification No.02/2017 IT (Rate) dated 28.06.2017 reveals no exemption available for HSN 9404, leave alone supplies to hostel students of Government educational institutions.

8.3 The applicant has merely mentioned Schedule III as applicant’s interpretation of law and/or facts. Schedule III of the Act provides various activities or transactions which shall be treated neither as a supply of goods nor a supply of services, wherein the goods supplied by applicant, on which clarification is sought by the applicant, is not found mentioned.

8.4 It is pertinent to note that Notification No.02/2017 IT (Rate) dated 28.06.2017 providing exemption for inter-state supply of goods and Notification No.1/2017 I.T (Rate) dated 28.06.2017 providing effective rate of tax for inter-state supply of goods,

have not provided any exemption or concessional rate of IGST based on end use of Mattresses.

9. In view of the above, we rule as under;

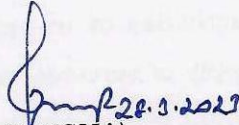
RULING

1. Applicability of IGST rate on supply of Mattress to Hostel students of Government Schools, Educational Institutions of Government of Karnataka, Department of Social Welfare.

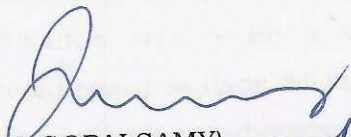
Mattresses, classified by the applicant under HSN 940429, supplied by the applicant in the State of Tamil Nadu to hostel students of Government Schools, educational institutions of Government of Karnataka under Department of Social Welfare, through M/s Coir Industrial Co-operative Society Limited is liable to IGST @ 18% vide serial number 438 under Schedule III of Notification No.01/2017 I.T (Rate) dated 28.06.2017, as amended by Notification No.43/2017 I.T (Rate) dated 14.11.2017.

2. Applicability of IGST rate on supply of Mattress to any Hostel of Educational Institutions.

Mattresses, classified by the applicant under HSN 940429, supplied by the applicant in the State of Tamil Nadu to any hostel of educational institutions in other State is liable to IGST @ 18% vide serial number 438 under Schedule III of Notification No.01/2017 I.T (Rate) dated 28.06.2017, as amended by Notification No.43/2017 I.T (Rate) dated 14.11.2017.


(N. USHA)
Member (SGST)




(R. GOPALSAMY)
Member (CGST) 28/03/23

To

M/s Hosur Coir Foams Private Limited,
No.16&17, SIDCO Industrial Estate Phase III,
Hosur - 635126

//By RPAD//

Copy submitted to:-

1. The Principal Chief Commissioner of CGST & Central Excise,
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,
Chennai – 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai – 600 005.

Copy to:

3. The Commissioner of GST & C.Ex.,
Salem Commissionerate.
4. The Assistant Commissioner (ST),
Hosur North-1 Assessment Circle, Hosur – 635109.
5. Master File / spare – 1.