



**RAJASTHAN AUTHORITY FOR ADVANCE RULING  
GOODS AND SERVICES TAX**

**KAR BHAWAN, AMBEDKAR CIRCLE, NEAR  
RAJASTHAN HIGH COURT  
JAIPUR – 302005 (RAJASTHAN)**



**ADVANCE RULING NO. RAJ/AAR/2019-20/12**

|   |   |  |
|---|---|--|
| J.P.Meena<br>Additional Commissioner  | : | Member (Central Tax)   |
| Hemant Jain<br>Joint Commissioner   | : | Member (State Tax)   |
| Name and address of the applicant   | : | M/s Jaipur Zila Dugdh Utpadak Sahakari Sangh Ltd., Saras Sankul, JLN Marg, Jaipur 302017                                     |
| GSTIN of the applicant  | : | 08AAAAJ0767G1ZR  |
| Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised | : | b. Applicability of a notification issued under the provisions of this act, classification of goods and/or services or both; |
| Date of Personal Hearing  | : | 13.06.2019   |
| Present for the applicant   | : | Shri S.C.Gupta, CA (Authorised Representative) and Shri Govind Gupta, Manager (Finance)                                      |
| Date of Ruling  | : | 19.06.2019   |

**Note:** Under Section 100 of the CGST/RGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/RGST Act, 2017, within a period of 30 days from the date of service of this order.



- *At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".*
- The issue raised by *M/s Jaipur Zila Dugdh Utpadak Sahakari Sangh Ltd., Saras Sankul, JLN Marg, Jaipur 302017* (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (b) given as under :
  - b. applicability of a notification issued under the provisions of this act, classification of goods and/or services or both;
- Further, the applicant being a registered person (GSTIN is 08AAAAJ0767G1ZR as per the declaration given by him in Form ARA-01) the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the applicant is admitted to pronounce advance ruling.

**1. SUBMISSION AND INTERPRETATION OF THE APPLICANT:**

- a. The applicant is a registered co-operative society registered under Rajasthan Co-operative Societies Act, 1965, which is now governed by Rajasthan Co-operative Societies Act, 2001 and having its address at near Gandhi Nagar Railway Station, Jaipur, Rajasthan, 302015.
- b. The applicants deals in manufacturing of Milk, Ghee, Chhach, Butter, Dahi, Lassi, Panner, Ice-cream and related milk





products. The applicant procures raw milk from the rural areas through its primary milk producer's dairy co-operative societies.

Most of the sale of the Jaipur dairy is of milk, which is an exempted sale as per the provisions of the GST regime. A part from the exempted sale it is also engaged in providing taxable sale also.

## **2. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

Whether the applicant being a cooperative society registered under the Rajasthan Co-operative Societies Act, 1965, now consolidated to Rajasthan State Co-operative Society Act, 2001 is liable to deduct tax at source (TDS) under GST from payment made to it by vendors for providing/procuring taxable goods and services for making its supplies?

## **3. PERSONAL HEARING**

In the matter personal hearing was granted to the applicant on 13.06.2019 at Room no. 2.29 NCRB, Statue Circle, Jaipur. On behalf of the applicant Shri S.C.Gupta, CA (Authorised Representative) and Shri Govind Gupta, Manager (Finance) appeared on behalf of the applicant for PH. During the PH, they reiterated the submissions already made in the application and requested for early disposal of the application.

## **4. COMMENTS OF THE JURISDICTIONAL OFFICER**

The jurisdiction officer (Assistant Commissioner, CGST Division-E, CGST Jaipur Commissionerate, Jaipur) has submitted his comments vide letter dated 04.06.2019 and stated that, On the plain reading of the certificates for registration submitted by the applicant, it appears that the applicant is registered under



Rajasthan Co-operative Societies Act, 1965 and is not covered under categories of person specified under sub section (1) of section 51 of the CGST Act, 2017 for liable to deduct tax at source.

#### **5. FINDINGS, ANALYSIS & CONCLUSION:**

- a. We observe that, the applicant deals in manufacturing of Milk, Ghee, Chhach, Butter, Dahi, Lassi, Panner, Ice-cream and related milk products.
- b. While going through the documents along with signed and attested copy of co-operative society registration, we observe that the applicant is a co-operative society registered under the Rajasthan Co-operative Societies Act, 1965 which is now governed by Rajasthan State Co-operative Society Act, 2001 having its address at near Gandhi Nagar Railway Station, Jaipur-302015 Rajasthan.
- c. To determine whether applicant is liable to deduct tax at source (TDS) under GST from payment made to vendors for providing/procuring taxable goods and services for making its supplies, we need to examine Section 51 of GST Act, 2017, the relevant provision is reproduced below:-

*51. (1) Notwithstanding anything to the contrary contained in this Act, the Government may mandate,—*

*(a) a department or establishment of the Central Government or State Government; or*

*(b) local authority; or*

*(c) Governmental agencies; or*

*(d) such persons or category of persons as may be notified by the Government on the recommendations of the Council,*

*(hereafter in this section referred to as “the deductor”), to deduct tax at the rate of one per cent. from the payment made or*





credited to the supplier (hereafter in this section referred to as "the deductee") of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:

*Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient.*

*Explanation.—For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the central tax, State tax, Union territory tax, integrated tax and cess indicated in the invoice.*

- d. Further, the Central Government by way of Notification No. 50/2018 (Central Tax) dated 13.09.2018 appointed the 1st day of October, 2018, as the date on which the provisions of section 51 of the said Act shall come into force with respect to persons specified under clauses (a), (b) and (c) of sub-section (1) of section 51 of the said Act and the persons specified below under clause (d) of sub-section (1) of section 51 of the said Act, namely:-

(a) an authority or a board or any other body, -

- (i) set up by an Act of Parliament or a State Legislature; or  
(ii) established by any Government,  
with fifty-one per cent or more participation by way of equity or control, to carry out any function;

(b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);

(c) Public sector undertakings.


- e. While going through the Section 51 of GST Act, 2017 read with Notification No. 50/2018 (Central Tax) dated 13.09.2018, we find

that the applicant is neither established under Societies Registration Act, 1860 (21 of 1860) nor it is established/constituted by any government (viz. Central Government/State Government/Local Authority). The applicant thus does not fall under any category of Section 51 of the GST Act, 2017. Therefore provisions of TDS are not applicable in accordance with Section 51 of the GST Act, 2017.


6. In view of the foregoing, we rule as follows:-

**RULING**

The applicant is not covered under the provisions of Section 51 of GST Act, 2017, therefore not liable to deduct tax at source.

  
J.P. MEENA 19/6/19  
Member  
(Central Tax)



  
HEMANT JAIN 19/6/19  
Member  
(State Tax)

**SPEED POST**

M/s Jaipur Zila Dugdh  
Utpadak Sahakari Sangh Ltd.,  
Saras Sankul, JLN Marg,  
Jaipur 302017

F.No. AAR/Jaipur-Dairy/2018-19/75-78 Dated: 20<sup>06</sup>/<sub>2019</sub>

Copy to:-

1. Commissioner, SGST & Commercial Taxes, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
2. Commissioner, CGST and Central Excise Jaipur Commissionerate, NCRB, Statue Circle, Jaipur 302005.
3. Deputy/Assistant Commissioner, CGST Division-E, CGST Jaipur Commissionerate, Sector-10, Vidyadhar Nagar, Jaipur 312001.