

GIB/KN/Deputy Conservator/03.03.2020/AAAR-33**Appellate Advance Ruling Category :** HSN**State :** Karnataka**Order No.:** GIB/KN/Deputy Conservator/03.03.2020/AAAR-33**Name of Entry :**

Deputy Conservator of Forests

Date : 03-03-2020**Breif Issue :****Issue & Fact of the Case:**

The appeal against Advance Ruling order No 20/2019 dated 26.08.2019 was received in the office of the Appellate Authority for Advance Ruling on 04.12.2019.

Logging operations amounts to forestry and the same attracts nil rate of tax against entry Sl.no. 24 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 as amended which pertains to support services to agriculture, forestry, fishing, animal husbandry falling under heading 9986. As per explanation (iii) to the said entry, support services to forestry means

‘(iii) Carrying out an intermediate production process as job work in relation to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce’

Therefore, the finding of the Advance Ruling Authority in para 5.8 of impugned Ruling to the effect that activity of logging is not support service to forestry and hence, is not covered under entry No. 24 of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017 is not correct/rational and the same is not in harmony with the wordings of the Notification.

Manufacturing is an activity which brings out a new product with different nomenclature, usage, identity in the market. However, the operation of logging is only an activity of segregating timbers, poles, firewood, pulp etc., from tree. This activity is said to be harvesting activity of forest. Therefore, these activities does not result in emergence of new product to amount to ‘manufacture’. Thus, it is evidently clear that there is no manufacturing and the same is a misconception by the respected Advance Ruling Authority. Resultantly, the said ruling to the extent it relates to this aspect is liable to be set aside as not sustainable in facts of the case and in law

The Hon’ble Advance Ruling Authority has not offered an opportunity to the Appellant applicant to defend themselves with written submissions against the proposed ruling holding logging operations to be manufacturing service attracting CGST of 9% and SGST of 9% OR

IGST of 18% against entry no. 26 vide **Notification No. 11/2017-Central Tax (Rate)** dated **28.06.2017**.

To go through for AAR check the link given below

Decision of Advance Ruling Authority :

Decision:

We dismiss the appeal filed by the appellant The Deputy Conservator of Forests, Bangalore Urban Division, Department of Forest, Government of Karnataka, Aranya Bhavan, 18th Cross, Malleshwaram, Bangalore 560003, on grounds of time limitation.

AAR related to decision found on [GIB/KN/Deputy Conservator/26-08-2019/AAR-271](#)