

**GIB/AP/Shiridi Sainath Industries /17-12-2018/HC-162**

**High Court Category :** No GST

**State :** Andhra Pradesh

**Order No.:** GIB/AP/Shiridi Sainath Industries /17-12-2018/HC-162

**Name of Entry :**

Shiridi Sainath Industries v. Deputy Commissioner of Services Tax

**Date :** 17-12-2018

**Breif Issue :**

**Fact & Issues Involved:**

The assessee, a Rice Miller, entered into an agreement with Andhra Pradesh Civil Supplies Corporation (Corporation) for milling of Paddy. The Corporation permitted assessee to retain broken rice, bran and husk obtained in course of milling of paddy. The assessee sold those broken rice, bran and husk and no GST was paid as he believed that it would be exempt from tax. The department passed Assessment Order levying GST on value of byproducts i.e., broken rice, bran and husk treating them as part of consideration paid to assessee for milling of paddy under agreement with Corporation. It filed writ petition against the order.

**Decision of Advance Ruling Authority :**

**Decision:**

The department erroneously concluded that miller was allowed to retain byproducts towards consideration. Hence, it was held that the order assessing tax was legally unsustainable.