

**GIB/GJ/ I-TECH PLAST/20.01.2021/AAR-467**

**Advance Ruling Category :** CLASSIFICATION OF GOODS

**State :** Gujarat

**Order No.:** GIB/GJ/ I-TECH PLAST/20.01.2021/AAR-467

**Name of Entry :**

M/S. I-TECH PLAST INDIA PVT.LTD

**Date :** 20-01-2021

**Breif Issue :**

**FACTS OF THE CASE:**

The applicant M/s. I-tech Plast India pvt.ltd is engaged in the business of manufacturing and supply of toys made up of plastic and/or rubber or both wherein essentially plastic is the main component. The applicant has stated that as per their understanding, the plastic toys manufactured and supplied by the applicant would squarely be eligible to be classified under Chapter Heading 9503.

**Decision of Advance Ruling Authority :**

**ISSUE OF THE CASE AND DECISION:**

**(A) What is the appropriate classification and rate of GST applicable on supply of the PLASTIC TOYS under CGST and SGST?**

ANS:- The said toys are made of plastic meant for children and are not electronic toys, and therefore conclude that the plastic toys manufactured and supplied by the applicant are correctly classifiable under Heading 95030030 of Chapter 95 of the First Schedule to the Customs Tariff Act, 1975(51 of 1975). The Toys of plastic manufactured and supplied by the applicant fall under Sr.No.228 of Schedule-II of N/N. 01/2017-Central Tax(Rate) dated 28.06.2017 and the GST applicable on the said product is 12%.

**(B) Can the applicant claim Input Tax Credit in relation to CGST-SGST separately in debit notes issued by the supplier in current financial year i.e. 2020-21, towards the transactions for the period 2018-19?**

ANS:- From a combined reading of the definition of 'debit note', sub-section (3) of Section 34 of the CGST Act, 2017 and the particulars to be provided in a debit note issued under GST, it

is amply clear that the debit note is not an independent document or an invoice in itself and is connected to an invoice as it is issued in pursuance to change in value of an invoice. It, therefore, follows that the financial year to which a debit note pertains, is invariably the financial year in which the original invoice (related to the said debit note) was issued - in light of the provisions of amended sub-section(4) of Section 16 of the CGST Act, 2017(amended w.e.f. 01.01.2021), it is concluded that the applicant shall be entitled to claim the input tax credit only in respect of debit notes issued by the supplier towards the transactions entered into and goods supplied to the applicant during the financial year 2018-19, on or before the due date of furnishing of the return under section 39 for the month of September following the end of the said financial year 2018-19 or furnishing of the relevant annual return, whichever is earlier.