



**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/2019-20/21

J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Joint Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s T & D Electricals, S-1/8, RIICO Shopping Complex, Road No. 1, VKIA, Jaipur, Rajasthan 302013
GSTIN of the applicant	:	08AADFT8381Q1Z9
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	d. Admissibility of input tax credit of tax paid or deemed to have been paid; f. Whether applicant is liable to be registered;
Date of Personal Hearing	:	27.09.2019
Present for the applicant	:	Shri Anoop Kumar Sood (Partner) Shri Ravi Gupta (Authorised Representative)
Date of Ruling	:	03.10.2019

Note: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST 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 T & D Electricals, S-1/8, RIICO Shopping Complex, Road No. 1, VKIA, Jaipur, Rajasthan 302013 (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (d) &(f) given as under:
 - d. Admissibility of input tax credit of tax paid or deemed to have been paid;
 - f. Whether applicant is liable to be registered;
- Further, the applicant being a registered person (GSTIN is 08AADFT8381Q1Z9 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:

- The applicant is registered under GST as works contractor and wholesale supplier in Jaipur, Rajasthan having GST No. 08AADFT8381Q1Z9.
- The applicant has been awarded a contract by Shree cement Ltd., Bangur Nagar, Post Box No. 33, Beawar 305901, Rajasthan for electrical, instrumentation and IT jobs (Works



contract) at township, Karnataka Cement Project (a unit of Shree Cement Ltd.), P.B. No-1, Village-Kodla & Benkanhalli, Tq- Sedam, District-Kalburagi, Karnataka 585222.

- Key terms and conditions of the contract are as below: -

Scope of Work- complete electrical and instrumentation job installation, testing and commissioning at township. Job involves supply of material and installation, testing and commissioning of the same.

Contract Value- Contract basic value Rs 297.85 lakh

Payment-as per agreed contract

Contractor Scope- contractor shall arrange all required tools and tackles tools with manpower/electrician/technician with required material.

Invoicing address- it will be as mentioned in the contract.

2. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:

- a. Whether separate registration is required in Karnataka State, and if yes, therefore address proof whether agreement would suffice because nothing else is with the assessee and service recipient will not provide any other proof?
- b. If registration is not required in Karnataka State, then if we purchase goods from dealer of Rajasthan and want to ship goods directly from dealer(Rajasthan) to township at Karnataka then whether IGST would be charged from us or CGST and SGST by the dealer?
- c. What document would be required with transporter to transit/ ship material at Karnataka site from dealer of Rajasthan, in case registration is required and not required?



3. PERSONAL HEARING

In the matter personal hearing was granted to the applicant on 27.09.2019 at Room no. 2.29 NCRB, Statue Circle, Jaipur. On behalf of the applicant Shri Anoop Kumar Sood (Partner) and Shri Ravi Gupta (Authorised Representative) appeared for PH. They reiterated the submissions already made in the original application and requested for early disposal of the application.

4. COMMENTS OF THE JURISDICTIONAL OFFICER

The jurisdiction officer (Deputy Commissioner, CGST Division-A, CGST Jaipur Commissionerate, Jaipur) has submitted his comments vide letter dated 09.09.2019 and stated that, *As per Section 12(3)(a) of IGST Act, 2017, in case of works contract services, place of supply shall be the location at which the immovable property (construction site) is located. Thus the applicant is not required to have any separate GST registration in Karnataka state for supply of works contract service. In reply of Point No.3 of the application, Section 10(1)(b) of the IGST Act brings clarity to the issue, it state that "where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;". The law therefore determines that when supplier A delivers goods to recipient C at the direction of third person B, the goods will be deemed to have been received by B and the place of supply shall be the place of B. Therefore, even if the goods were moved by A in Rajasthan to C in*



Karnataka, they would be deemed to be received by B in Rajasthan and therefore CGST + SGST would be charged by A. The reason for this determination is that tax should follow the commercial transaction to avoid any loss of credits. In the commercial world, there would be a second sales transaction between B and C which would attract IGST so that both B and C can claim GST credit and keep the GST chain unbroken.


5. FINDINGS, ANALYSIS & CONCLUSION:

- While going through the submissions made by the applicant we observed that the applicant is registered under GST as works contractor and wholesale supplier in Jaipur, Rajasthan having GST No. 08AADFT8381Q1Z9.
- The applicant has been awarded order dated 13-03-2019 by Shree Cement Ltd., Bangur Nagar, Post Box No. 33, Beawar-305901 Rajasthan for electrical, instrumentation and IT jobs (Works contract) at township, Karnataka Cement Project (a unit of Shree Cement Ltd.) at Village Kodla & Benkanhalli, District Kalaburagi, Karnataka-585222.
- The applicant has raised a question, whether separate registration is required in the State of Karnataka for the work contract awarded to him in the State of Karnataka? In this regard we observe that the question raised by the applicant is outside the purview of this authority. The authority for Advance Ruling is created under SGST/UTSGST Act and thus ruling pronounced are applicable within the particular state only, it is for this reason that questions relating to requirement of GST registration in another state is beyond the jurisdiction of this authority and hence no ruling can be given.


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

RULING

The question raised by the applicant pertains to GST registration in State of Karnataka, which is beyond the purview of this authority therefore no ruling is given.


J.P. MEENA 3/10/19
Member
(Central Tax)




HEMANT JAIN 3/10/19
Member
(State Tax)

SPEED POST

M/s T & D Electricals,
S-1/8, RIICO Shopping Complex,
Road No. 1, VKIA, Jaipur,
Rajasthan 302013

F.No. AAR/T & D/2019-20/157-60 Dated: 03-10-2019

Copy to:-

1. Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme-, Jaipur 302005.
2. Commissioner, Central Tax, Jaipur Commissionerate, NCRB, Statue Circle, Jaipur, Rajasthan 302005.
3. Deputy Commissioner, Central Tax (CGST), CGST Division-A, CGST Bhavan, C. P.-21,22,23, Road No. 1D, VKIA Jaipur 302013