

GIB/KN/T & D ELECTRICALS/31.03.2020/AAR-291

Advance Ruling Category : Registration

State : Karnataka

Order No.: GIB/KN/T & D ELECTRICALS/31.03.2020/AAR-291

Name of Entry :

T & D Electricals

Date : 31-03-2020

Breif Issue :

Issue and Fact Of The Case:

1. Whether separate registration is required in Karnataka state? If yes, whether agreement would suffice as address proof since nothing else is with the assessee and service recipient will not provide any other proof?

2. If registration is not required in Karnataka state and if we purchase goods from dealer of Rajasthan and want to ship goods directly from the premises of dealer of Rajasthan to township at Karnataka then whether CGST & SGST would be charged from us or IGST by the dealer of Rajasthan ?

If registration is not required in Karnataka state and if we purchase goods from dealer of Karnataka to use the goods at township at Karnataka then whether IGST would be charged from us or CGST & SGST by the dealer of Karnataka?

3. What documents would be required with transporter to transit/ship material at Karnataka site from dealer/supplier of Rajasthan and in case of dealer/supplier is of Karnataka. Advance ruling may kindly be issued in case of registration is required or not required in both the situation?

The Applicant is registered under the Goods and Services Act, 2017 as works contractor and wholesale supplier in Jaipur, Rajasthan, having GSTIN 08AADFT8381Q1Z9.

The applicant filed the instant application as an unregistered person, in relation to the contract awarded by M/s Shree Cement Ltd., & supply of goods or services or both proposed to be undertaken by the applicant, in Karnataka where he is not registered.

They have been awarded a contract by M/s Shree Cement Ltd., Rajasthan for electrical, instrumentation and IT jobs (works contract) at township, Karnataka Cement Project (a unit of Shree Cement Ltd.,) in the state of Karnataka.

The scope of work of the contract include complete electrical & instrumentation jobs; installation, testing and commissioning at township. The job involves supply of material and installation, testing and commissioning of the same. The basic value of the contract is Rs.297.85 lacs for section 22 registration is required when from where he makes a taxable supply of goods or services or both, if his aggregate turnover in a financial year exceeds twenty lakh rupees.

The applicant intends to supply goods or services or both from their principle place of business, which is located in Rajasthan. The applicant has only one principle place of business, for which registration has been obtained and does not have any other fixed establishment other than the principle place of business, as admitted by the applicant. Therefore the location of the supplier is nothing but the principle place of business which is in Rajasthan. Thus there is no requirement for a separate registration in Karnataka for execution of the contract referred supra.

Decision of Advance Ruling Authority :**Decision:**

- 1) The applicant need not obtain separate registration in Karnataka, to execute the project in Karnataka. However, they are at liberty to obtain the said registration, if they are able & intend to have a fixed establishment at the project site in Karnataka.
- 2) (a) The dealer in Rajasthan has to charge CGST & SGST when the goods, purchased by the applicant, are shipped to the project site in Karnataka, under the bill to ship to the transaction in terms of Section 10(1)(b) of the IGST Act 2017.

(b) The dealer in Karnataka has to charge IGST when the goods, purchased by the applicant, are shipped to the project site in Karnataka, under the bill to ship to the transaction in terms of Section 10(1)(b) of the IGST Act 2017.
- 3) No ruling is given on this question as it does not cover under Section 97(2) of the CGST Act 2017.