

**THE AUTHORITY FOR ADVANCE RULING  
IN KARNATAKA  
GOODS AND SERVICES TAX  
VANIJA THERIGE KARYALAYA, KALIDASA ROAD  
GANDHINAGAR, BENGALURU - 560 009**

**Advance Ruling No. KAR ADRG 15 / 2023**

**Dated: 12.04.2023**

Present:

1. Dr. M.P. Ravi Prasad  
Additional Commissioner of Commercial Taxes . . . . Member (State)
2. Sri. Kiran Reddy T  
Additional Commissioner of Customs & Indirect Taxes . . . Member (Central)

1.	Name and address of the applicant	M/s. Chinnapuri Silks, (Vaibhav Mahadev) Survey Number 411/D, Gundegala Palya, Kollegala, Chamarajanagara, Bengaluru Urban-571440
2.	GSTIN/ <b>UIN</b>	29CFWPM9730A1ZY
3.	Date of filing of Form GST ARA-01	12.01.2023
4.	Represented by	Sri Narasimhamurthy, CA
5.	<b>Jurisdictional Authority - Centre</b>	The Commissioner of Central Taxes, Mysore GST Commissionerate, Chamarajanagar Range, Mysore.
6.	Jurisdictional Authority - State	SGSTO-211, Kollegal
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000-00 under CGST Act and Rs.5,000-00 under SGST Act vide debit of Electronic Cash Ledger Reference No. DC2901230055060 Dated 11.01.2023

**ORDER UNDER SECTION 98(2) OF THE CGST ACT, 2017  
& UNDER SECTION 98(2) OF THE KGST ACT, 2017**

M/s. Chinnapuri Silks, Survey Number 411/D, Gundegala Palya, Kollegala, Chamarajanagara, Bengaluru Urban-571440 (hereinafter referred to as 'The applicant'), having GSTIN 29CFWPM9730A1ZY have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in FORM GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act and the KGST Act.





2. The Applicant is registered under the provisions of Central Goods and Services Tax Act, 2017 as well as Karnataka Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act and KGST/SGST Act respectively) and intends to manufacture and supply yarns. For this purpose, the applicant intend to purchase plant and machinery whose estimated cost is Rs.1,17,82,900/- (excluding GST). The applicant states that they are eligible for 90% subsidy grants from Central Government and State Government and the amount of subsidy will be deposited in an Escrow account and from this account the funds will be transferred to the supplier of Machinery.

3. The applicant has sought advance ruling in respect of the following questions:

*Whether the subsidy received from the Central / State Government to be excluded from the value for the purpose of arriving at the GST liability.*

#### **PERSONAL HEARING/ PROCEEDINGS HELD ON 21.02.2023**

4. Sri Narasimhamurthy, CA and Authorised representative of the applicant appeared for personal hearing proceeding held on 21.02.2023 and reiterated the facts narrated in their application.

#### **FINDINGS & DISCUSSION**

5. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.

6. We have considered the submissions made by the applicant in their application for advance ruling. We have also considered the issues involved on which advance ruling is sought by the applicant and the relevant facts along with the arguments made by the applicant and also their submissions made by their learned representative during the time of hearing.

7. We proceed to examine the admissibility / maintainability of the instant application before going into the merits of the application. We invite reference to Section 95(a) of the CGST Act 2017, which defines "advance ruling" to mean

*a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;*

Further, Section 95 (c) of the CGST Act 2017 defines "Applicant" as any person registered or desirous of obtaining registration under the said Act.





8. It could be easily inferred from above that any person registered or desirous of obtaining registration under CGST Act 2017 can seek advance ruling only in relation to the supply of goods or services or both being undertaken or proposed to be undertaken.

9. In the instant case, we observe that M/s. Chinnapuri Silks, who have filed the application, is not a supplier of goods but is a recipient of goods. Thus the instant application is not admissible and liable for rejection in terms of Section 98(2) of the CGST Act 2017.

10. In view of the foregoing, we pass the following

**RULING**

*The application is hereby rejected as "inadmissible", in terms of Section 98(2) of the CGST Act 2017.*

  
(Dr. M.P. Ravi Prasad)  
Member

MEMBER

Place: Bengaluru,  
Karnataka Advance Ruling Authority  
Bengaluru - 560 009

Date: 12.04.2023

To,

The Applicant

  
(Kiran Reddy T)  
Member

MEMBER

Karnataka Advance Ruling Authority  
Bengaluru - 560 009

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Taxes, Mysore GST Commissionerate, Chamarajanagar Range, Mysore.
4. The Commercial Tax Officer, SGSTO-211, Kollegal.
5. Office Folder.

