

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

Advance Ruling No. KAR ROM 1/2020

Date : 23-03-2020

Present:

1. **Dr. Ravi Prasad M.P.**
Additional Commissioner of Commercial Taxes Member (State Tax)
2. **Sri. Mashhood Ur Rehman Farooqui,**
Joint Commissioner of Central Tax Member (Central Tax)

1.	Name and address of the applicant	M/s N M D C Limited, Admin Building, Donimalai Township, Donimalai, Sandur, Ballari District
2.	GSTIN or User ID	29AAACN7325A1ZR
3.	Date of filing of Application U/s 102 of the CGST Act,2017	23.01.2020
4.	Advance Ruling order No. and Date	KAR ADRG 69/ 2019 dated 21/09/ 2019
4.	Represented by	Sri Mohit Kumar Daga, C A & DAR
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Belagavi Commissionerate
6.	Jurisdictional Authority – State	LGSTO-500, Hospete

**PROCEEDINGS UNDER SECTION 102 OF THE CGST ACT, 2017
& UNDER SECTION 102 OF THE KGST ACT, 2017**

1. M/s N.M.D.C Ltd, (called as the 'Applicant' hereinafter), Donimalai Township, Donimalai, SandurTaluk, Ballari District, having GSTIN number 29AAACN7325A1ZR, have filed an application for rectification of mistake (ROM) alleging a mistake in the Advance Ruling order passed vide NO.KAR ADRG 69/ 2019 dated 21/09/2019 under Section 102 of CGST Act, 2017,under Section 102 of KGST Act, 2017.

2. The Applicant had sought advance ruling, in their original application in respect of the question, along with other question, that *Whether statutory*

contributions made to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) as per MMDR Act, 1957 amount to "Supply" and whether the same is liable for GST under reverse charge?.

3. This Authority vide Advance Ruling No.KAR ADRG 69/ 2019 dated 21/09/2019 ruled in respect of the aforesaid question that *the statutory contribution made to District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) as per MMDR Act, 1957 are also part of the consideration payable for the Licensing services for right to use minerals including exploration and evaluation.*

4. The applicant filed the instant application, for rectification of aforesaid ruling, alleging that the authority has not ruled in the order as to whether the contributions towards DMF & NMET amount to supply in terms of Section 7 of the CGST Act 2017 or not and also the authority erred in considering the said payments as single payment whereas they are two different transactions.

5. Sri Mohit Kumar Daga, C A & Authorised Representative of the applicant i.e. M/s N.M.D.C Ltd, appeared for personal hearing proceedings held on 10.03.2020 before this authority and reiterated their submissions made in the ROM application.

6. The authority, in the aforesaid AAR Order No.69/2019 dated 21.09.2019, ruled that the contributions made towards DMF & NMET are not separate transactions but are on account of the supply made & are directly linked to the royalty payable; also computed as a fixed percentage of royalty and hence are treated as part of the consideration payable for the **Licensing Services for right to use minerals including exploration and evaluation.**

7. In view of the above, it is clearly evident from the aforesaid AAR Order that the authority has considered all the submissions and issued the proper order. Hence there is no error / apparent mistake on the face of the record, in the said order and hence the instant application is not valid and is liable for rejection, in terms of Section 98(2) of the CGST Act 2017.

8 In view of the foregoing, the instant application filed by the applicant for rectification of mistake in the Advance Ruling order passed vide NO.KAR ADRG 69/2019 dated 21.09.2019 is hereby rejected.


(Dr. Ravi Prasad M.P.)
Member


(Mashhood Ur Rehman Farooqui)
Member

Place: Bengaluru,

Date: 23-03-2020

To,

The Applicant

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 Tax, Belgaum Commissionerate, Belagavi.
4. The Asst. Commissioner, LVO-500, Hospete.
5. Office Folder.