

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

**Advance Ruling No. KAR ADRG 34/ 2021  
Date: 09-07-2021**

Present:

1. Dr.M.P. Ravi Prasad  
Additional Commissioner of Commercial Taxes . . . . Member (State)
2. Sri. Mashhood Ur RehmanFarooqui,  
Joint Commissioner of Customs & Indirect Taxes,. . . . Member(Central)

1.	Name and address of the applicant	Sri Ramohalli Krishnrao Karthik, M/s Magal Agencies, 33, Ground, BalajiKrupa, 4th Cross, Krishnarajavanam, Mysuru 570008.
2.	GSTIN or User ID	29AFJPK2970B1ZH
3.	Date of filing of Form GST ARA-01	09-04-2021
4.	Represented by	Sri. R.K. Karthik, Proprietor
5.	Jurisdictional Authority - Centre	The Principal Commissioner of Customs & Indirect Taxes Mysuru Commissionerate,Mysuru
6.	<b>Jurisdictional Authority - State</b>	ACCT, LGSTO 195, Mysuru
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 KGST Act vide CIN No.HDFC21032900185687 Dated:18-03-2021

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

1. Sri Ramohalli Krishnrao Karthik of Magal Agencies, 33, Ground, BalajiKrupa, 4thCross, Krishnarajavanam, Mysuru, 570008, having GSTIN 29AFJPK2970B1ZH, 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.



M/s. Magal Agencies



2. The applicant has sought advance ruling in respect of the following question:-

“Liability to pay tax on service under Clause 5(b) of Schedule (II) of CGST Act 2017, Schedule (III) of CGST Act 2017”

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**Brief Facts of the case:**

3.1. The Applicant is engaged in support engineering service and dealers in CNC machine and Cutting tools .

3.2 During the financial year 2018-19, The Company M/s. Mysore Stoneware Pipes and potteries Limited decided to change its course of business operations into real estate activities.

3.3 In pursuit of the above, the change of land usage and BDA approvals were obtained by the Company. The Company has entered into joint development agreement with EMLAK Ventures Private Limited. Later a part of land was converted into sites calling MSPP-EMLAK Layout and the said sites were sold to various prospective purchaser.

3.4 The applicant states that as per the sale deed, the Company has carried out the value addition by land and infrastructure and layout developed and sold as sites executing sale deeds.

3.5 The applicant states that there is an ongoing shareholders dispute before the NCLT Bangalore in TP84/2016. And he is respondent No.05 for the case, a minority shareholder of the Mysore Stoneware Pipes and potteries Limited.

3.6 The applicant contended that the NCLT vide its order of 07/08/2018 has ordered for the sale of assets of the Mysore Stoneware Pipes and potteries Limited and distribution of asset sale proceeds as dividend to its shareholders and seeking of the advance ruling on the said question will help to ascertain the applicability or exemption of GST on the transaction for the clarity on liabilities.

**PERSONAL HEARING: / PROCEEDINGS HELD ON 30-06-2021**

3. Sri R.K. Karthik, Proprietor of M/s. Magal Agencies appeared for personal hearing proceedings held on 30-06-2021 and reiterated the facts mentioned in the application.

**FINDINGS & DISCUSSION**

4. At the outset we would like to make it clear that the provisions of CGST, Act 2017 and KGST, Act 2017 are in *parimateria* 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.





5. We have considered the submissions made by the applicant in their application for advance ruling as well as the submissions made by applicant during the personal hearing.

6. 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;*

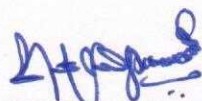
7. It could be easily inferred from above that any person registered or desirous of obtaining registration under CGST Act 2017 can seek advance ruling only in relation to the supply of goods or services or both being undertaken or proposed to be undertaken.

8. In the instant case, the applicant has sought advance ruling in respect of the supplies undertaken by M/s. Mysore Stoneware Pipes and potteries Private Limited and not with respect to the supplies undertaken by the applicant. Thus the application is not admissible and liable for rejection in terms of Section 98(2) of the CGST Act, 2017.

9. In view of the foregoing, we rule as follows

### **R U L I N G**


*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**

**Karnataka Advance Ruling Authority  
Bengaluru - 560 009**



09.7.2021

**(Mashhood Ur Rehman Farooqui)**

**Member  
MEMBER**

**Karnataka Advance Ruling Authority  
Bengaluru - 560 009**

Place : Bengaluru,

Date : 09-07-2021

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 Principal Commissioner of Customs & Indirect Taxes Mysuru Commissionerate, Mysuru.
4. Assistant Commissioner of Commercial Taxes, LGSTO-195, Mysuru.
5. Office Folder.

*[Signature]*  
07.5.2021  
MEMBER  
Karnataka Advance Rating Authority  
Bangalore-560 009

*[Signature]*  
MEMBER  
Karnataka Advance Rating Authority  
Bangalore-560 009