

**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 70 / 2021
Date : 29-11-2021**

Present:

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

1.	Name and address of the applicant	M/s. Bank Note Paper Mill India Pvt. Ltd., Administrative Building, Paper Mill Compound, Note Mudran Nagar, Mysuru – 570 003.
2.	GSTIN or User ID	29AAECB3245M1ZF
3.	Date of filing of Form GST ARA-01	19.05.2019
4.	Represented by	Not Applicable
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Mysuru Commissionerate, Mysuru. (Bannimantap Division, Lashker Mohalla Range, Mysuru)
6.	Jurisdictional Authority – State	ACCT, LGSTO-200, Mysuru,
7.	Whether the payment of fees discharged and if yes, the amount and CIN	No, discharged fee of Rs.5,000/- only under KGST Act vide CIN SBI19052900185732, dated 18.05.2019

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

M/s. Bank Note Paper Mill India Private Limited, Administrative Building, Paper Mill Compound, Note Mudran Nagar, Mysuru – 570 003, having GSTIN 29AAECB3245M1ZF, 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 the KGST Act, 2017 read with Rule 104 of the KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- only under the KGST Act.

2. The Applicant is a Private Limited Company, 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 Act respectively). The Applicant is into manufacturing of currency paper and other security paper.



: Bank Note Paper Mill India

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

- a. *Applicability of GST on Liquidated damages for delay in supply as penalty (this is in nature of penalty)*
- b. *Applicability of GST on Liquidated damages for compensation of extra cost on account of default from the supplier (this is in the nature of abatement to the cost of purchase)*
- c. *Applicability of GST on sale of tender form/fees for participation in the tender. This being a nominal fees collected just to have seriously interested participation. (this is in the form of avoiding non-serious participation)*

4. The Applicant, vide their letter dated 25.08.2021 has requested this authority to quash the application filed for advance ruling, quoting the reason that they have already got the clarity on the applicability of GST on the transactions for which advance ruling was sought and that they do not require any further proceedings. Further the applicant has to discharge fee of Rs.5,000/- each under the CGST Act 2017 as well as KGST Act 2017 as per Section 97(1), whereas the applicant has discharged the fee of Rs.5,000/- under KGST Act 2017 only and hence the instant application is liable for rejection under Section 98(2) of the CGST Act 2017.

5. In view of the above, we pass the following,

RULING

The application filed by the Applicant for advance ruling is hereby rejected for the reasons mentioned above.


(Dr. M. P. Ravi Prasad)
Member
MEMBER


(T. Kiran Reddy)
Member
MEMBER

Place : Bengaluru,
Date : 29-11-2021
Karnataka Advance Ruling Authority
Bengaluru - 560 009

Karnataka Advance Ruling Authority
Bengaluru - 560 009

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, Mysuru Commissionerate, Mysuru.
4. The Asst. Commissioner, LGSTO-200, Mysuru.
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