

**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 81 / 2021
Dated: 31.12.2021**

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. New Rajamandri Electronics, No.1008, Near Municipal Office, DVG Road, Bagepally Town, Bagepalli Taluk, Chikkaballapur-561207
2.	GSTIN or User ID	29AXCPK2881Q1ZQ
3.	Date of filing of Form GST ARA-01	25-11-2021
4.	Represented by	Sri Kiran Kumar T.H, GSTP
5.	Jurisdictional Authority - Centre	The Principal Commissioner of Central Taxes, Bangalore North GST Commissionerate, North Division-9, RANGE-DND9
6.	Jurisdictional Authority - State	SGSTO-183, Chikkaballapur
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& Rs.5,000-00 under SGST vide CIN HDFC2109200369476 Dated 23/09/2021

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

M/s. New Rajamandri Electronics, (hereinafter referred to as the 'Applicant') No.1008, Near Municipal Office, DVG Road Bagepally Town, Bagepalli Taluk, Chikkaballapur-561207 having GSTIN 29AXCPK2881Q1ZQ 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 a Proprietorship concern 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). The Applicant is engaged in the activities of rendering services to DTH broadcasting service providers such as, Dish TV infra Private Limited. The applicant is into providing recharge services to broadcasting company subscribers for recharge of their bouquet chosen.

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

- a. *Whether GST would be applicable on interest free Security Deposit?*
- b. *Whether above service is taxable under GST?*
- c. *In case above service is Exempt from GST, how would be accountable under GST?*

4. An Audit Report dated 14.09.2021 u/s.65 (6) of the KGST & CGST Act, 2017 is given by the Deputy Commissioner of Commercial Taxes (Audit)-5.1, DGSTO-5. The audit objection raised in the audit report pertains to the turnover which has been declared by the taxpayer as NIL rated GST turnover, for which the applicant (tax payer) has contended the same as security deposit paid to the broadcasting company.

5. The applicant has filed the instant application seeking advance ruling on the same issue on which the Audit officer has raised objection in the audit report mentioned supra.

PERSONAL HEARING/ PROCEEDINGS HELD ON 26-11-2021

6. Sri Kiran Kumar T.H, GSTP, Authorised Representative of the applicant appeared for personal hearing proceedings held on 26-11-2021 and reiterated the facts narrated in their application.

FINDINGS & DISCUSSION

7. 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.

8. 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.



9. The issue before us is the admissibility / maintainability of the instant application and the said admissibility is governed by the first proviso to Section 98(2) of the CGST Act, 2017, which reads as under:

"The Authority shall not admit the application where the question raised in the application is already pending or decided in any proceedings in the case of applicant under any provisions of this Act".

Thus the conditions to be considered before admission of application, on the basis of above proviso are as under:

- i. Whether the question raised is pending or decided in any proceedings.
- ii. Whether the question raised is pending or decided in the case of applicant.
- iii. Whether the question raised is pending or decided under any provisions of this Act.

10. We examine the records and observe that the instant application has been filed online on 24.09.2021 and the question raised therein is about the applicability of GST on the free security deposit. The audit objection raised in the audit report also pertains to the applicability of GST on the security deposit which has been declared by the taxpayer as NIL rated GST turnover in the GSTR 3B filed by him.

11. The issue raised in the instant application and the audit objection raised in the audit report are one and the same i.e., applicability of GST on security deposit. Thus first proviso to Section 98(2) of the CGST Act 2017 is squarely applicable to the instant case, as all the conditions therein are fulfilled.

12. In view of the foregoing, we pass the following order:

RULING

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


(Dr. M.P. Ravi Prasad)

Member
MEMBER

Karnataka Advance Ruling Authority
Bengaluru - 560 009

Place: Bengaluru,

Date: 31.12.2021


(T. Kiran Reddy)

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 Principal Commissioner of Central Tax, Bangalore North GST Commissionerate, RANGE-DND-9, Bengaluru
4. The Commercial Tax Office, SGSTO-183, Chikkaballapur.
5. Office Folder.

RULING

Karnataka Advance Ruling Authority
Bengaluru - 560 009

