

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULINGS UNDER SECTION 60 OF THE KARNATAKA VALUE ADDED TAX ACT, 2003 READ WITH RULES 163 TO 165 OF THE KARNATAKA VALUE ADDED TAX RULES, 2005

PRESENT : (1) M.D.Jain
Additional Commissioner of Commercial Taxes (Head Quarters-I), Bangalore and Chairman.
(2) H.D.Arunkumar,
Additional Commissioner of Commercial Taxes (Policy & Law), Bangalore and Member.
(3) R.Jagadeesh Prasad,
Additional Commissioner of Commercial Taxes (Goods and Service Tax), Bangalore and Member.

NAME AND ADDRESS OF THE APPLICANT : M/s.GENUS POWER INFRASTRUCTURE LTD.,
No.24, Corporation No.13, RV Layout,
Kumarapark West, Palace Guttahalli,
Bangalore.

TIN : 29660488238

JURISDICTIONAL ASSESSING AUTHORITY : ACCT, LVO-130, Bangalore

REPRESENTED BY : Sri Santosh Kaushik,
Authorized representative

ORDER NO.AR.CLR.CR.09/2013-14, DATED 13.9.2013

The applicant, a dealer registered under the KVAT Act, 2003 (hereinafter referred to as the 'Act') is engaged in manufacture and sale of electrical meters, power transmitters etc., and also in erecting and installing electrical meters. It is submitted in the application that the applicant is also registered under the VAT Act in Rajasthan and Uttarakhand States.

2. The facts having a bearing on the clarification sought by the applicant as stated in the application are as under:

- (i) Applicant has entered into agreement with Bangalore Electricity Supply Company Limited (BESCOM) for supply and fixing of electromechanical meters in Bangalore on turnkey basis.
- (ii) The materials required for the whole contract are supplied to BESCOM from the manufacturing unit of the applicant at Haridwar (Uttarakhand State) and officials from BESCOM inspect the materials before their despatch to Karnataka to ensure that the materials sent are in terms of the contract.
- (iii) Since the movement of materials from Haridwar to Bangalore is in pursuance of contract with BESCOM, which is an inter-State movement, the applicant is collecting and remitting Central Sales Tax (CST).
- (iv) BESCOM is a dealer registered under the KVAT Act, 2003 in the office of ACCT, LVO-20 and the applicant is also registered under the KVAT Act, 2003 in the office of ACCT, LVO-130 and BESCOM while making payment to the applicant is deducting tax under Section 9-A of the KVAT Act, 2003 on the above transactions.

3. The understanding of the applicant is that,

- (i) the contract between the applicant and BESCOM is a works contract and movement of goods from one State to another is caused due to the above contract and hence it is an inter-State sale and the State from which such movement of goods commenced is authorized to levy tax on such sale, as per Section 3 of the CST Act, 1956. The transaction between the applicant and BESCOM squarely comes under the purview of Section 3 of the CST Act, 1956; and
- (ii) since the transaction between the applicant and BESCOM is an inter-State sale, such transaction is assessed under the CST Act and tax levied and collected are as per the CST Act, 1956 (in Uttarakhand State).

