

No Separate GST Registration required at the Place of Importation: The AAR, Karnataka

Fact of the Case

The applicant, Pine Subsidiary Industry has been engaged in import and trading of Gum Rosin (HSN-38061010) 8v Damar Battu (HSN-13019022) etc. The applicant clears the said goods from Chennai Sea Port and wishes to supply the same to various states directly from the Customs Sea Port in Chennai. While filing the bill of Entry, the applicant furnishes the GSTIN of Bangalore location (KA) and custom clears these goods.

The applicant stated that once the goods are cleared, in certain cases, they wish to supply these goods to its customers directly from the Customs Port either in Tamil Nadu or Andhra Pradesh or surrounding states. In some cases, the applicant also wished to directly deliver to customers in Karnataka. The primary reason for transporting the goods directly to customer location (either in Tamil Nadu, Andhra Pradesh, etc.) is to save on the time and the transportation cost, else the dealer would have to bring the goods to Karnataka and then re-deliver the goods to Andhra and Tamil Nadu.

The applicant has sought the advance ruling on the issue

1. Whether Tax Invoice from Bengaluru office (Registered Place of Business) for imports received at Chennai Sea Port and directly sold to a customer either in Andhra Pradesh, Tamil Nadu, etc., could be raised, or a separate registration is to be obtained at the place of Importation, i.e. Tamil Nadu for the mentioned transactions.
2. Whether the contents and details of the sample draft invoice are correct in law.

Decision of the Case

The Coram ruled that the applicant can issue tax invoice with IGST to the customer outside Karnataka as per section 20 of the IGST Act 2017 read with section 31 of the CGST Act 2017 for the interstate transaction as provided under section 7(1) of the IGST Act 2017, when the goods are directly dispatched from the port of import with invoicing done from the registered place of business and a separate registration need not be obtained at the place of importation.

“The applicant can do the transaction using Karnataka GSTIN. In case of issuance of e-way bill, the applicant can mention the GSTIN of Karnataka and the place of dispatch as Chennai sea port,” the AAR observed.

The Karnataka Authority of Advance Ruling (AAR) ruled that no Separate GST registration was required at the place of importation.