M/s Juniper Networks Solution Private Limited

Authority for Advance Ruling — Karnataka

Advance Ruling No. KAR ADRG 96/2019, dated 27th September 2019 (th… Dated **27.09.2019**

Q Questions Before the Authority

- Whether delivery of spares by JNSIPL, Karnataka (i.e. the applicant) would constitute a supply under Schedule I of the CGST Act, 2017, by the applicant to JNSIPL, Maharashtra?

F Facts

The applicant, JNSIPL Karnataka, imports networking spares and supplies them on payment of GST to its sister entity JNSIPL Maharashtra. JNSIPL Maharashtra holds annual maintenance contracts (AMCs) with end customers across India and must deliver spares to customer locations when required. The applicant delivers the spares directly to the customer on a bill-to-ship basis, invoices JNSIPL Maharashtra, and receives no consideration from the customer.

H Ruling

Whether direct delivery of spares by the Karnataka entity to the customer of the Maharashtra entity is a supply under Schedule I of the CGST Act by the applicant to JNSIPL Maharashtra	**Not a supply to the ultimate consumer. The supply is to JNSIPL Maharashtra, and the invoice must be raised on JNSIPL Maharashtra.**	Applies where the invoice is raised on JNSIPL Maharashtra and the goods are delivered to its customer under the AMC. The ruling was given on these facts only.

The delivery of spares by the applicant to the ultimate consumer, where the invoice is raised on JNSIPL Maharashtra, **would not amount to a supply to the ultimate consumer** under the GST Act. The supply is **made to JNSIPL Maharashtra** , and the invoice must be raised on that entity.

R Reasoning

The authority found that the AMC is a contract between JNSIPL Maharashtra and the customer, and that the applicant is not a party to it. It treated the delivery as made on account of JNSIPL Maharashtra on a bill-to-ship invoice, so the supply runs to that entity and not to the customer. The order relies on Section 25(4) of the CGST Act, which treats the two state registrations as distinct persons, and on Entry 2 of Schedule I, which deems related-person supplies without consideration to be supplies. Its reasoning does not expressly explain how the inter-entity transfer falls within Schedule I, although its earlier table treats such supplies as Schedule I supplies. The IGST charged on the invoice is noted as consistent with an interstate supply.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Section 97 of the CGST Act, 2017 and Section 97 of the KGST Act, 2017 (application for advance ruling)

Section 98(4) of the CGST Act, 2017 and Section 98(4) of the KGST Act, 2017 (order)

Section 7 of the CGST Act, 2017 (definition of supply, as cited by the applicant)

Schedule I, Entry 2 of the CGST Act, 2017 (supply between related or distinct persons without consideration)

Section 25 of the CGST Act, 2017 (distinct persons)

Section 25(4) of the CGST Act, 2017 (establishments in different States treated as distinct persons)

! For the Practitioner

This ruling helps a group company that ships spares directly to a customer on behalf of a sister entity that holds the AMC, by confirming that the invoice should go to the contracting entity. It does not decide whether intra-group transfers without consideration are supplies in general, nor the valuation, input tax credit or place-of-supply consequences of such transactions. The ruling binds only the applicant and rests on the stated facts, so a practitioner should check that the contract and invoicing structure match before relying on it.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> kar_aar_96_2019_27.09.2019_jnspl.pdf

Prepared 11-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Talk to us: +91 94594 56700 | sales@patronaccounting.com | patronaccounting.com