

# TAX INFO

*Dated 27/11/2021*

Latest update on GST Law: Information regarding **Advance Ruling can be sought only by the supplier and not the recipient of services** as given in **Ruling by AAR-Tamilnadu**.

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<b>Name of Applicant</b>	Tamilnadu Polymer Industries Park Limited
<b>Authority</b>	GST AAR Tamilnadu
<b>Date of Ruling</b>	21/10/2021
<b>Ruling No.</b>	38/ARA/2021

## **Brief Facts of the Case:**

The applicant's company is a 50:50 joint venture between Tamilnadu Industrial Development Corporation Limited (TIDCO) and State Industries Corporation of Tamilnadu Limited (SIPCOT) (both are state Government Companies) and is indirectly 100% owned by Government of Tamilnadu. It carries on the business relating to construction, maintenance and operation of industrial park.

The Applicant has engaged a contractor to develop the basic infrastructure of the park at TPIPL project site. It has also engaged a contractor for construction of prefabricated PUF (polyurethane) Administrative building, training centre, technology facilitation centre, etc., at the TPIPL project site.

The applicant {recipient of services} makes an application before the Advance ruling authority to confirm the applicable GST rate for such contract and civil construction work. They seek the ruling to clarify the rate applicable on the services received by them.

## **Findings and Ruling:**

The question is on the determination of GST rate in respect of the services received by the applicant and not on the supply made by them.

Section 95 (a) of CGST and TNGST Act defines 'advance ruling' as

(a) "advance ruling" means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in **relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.**

Therefore, **an applicant can seek an Advance Ruling only in relation to supply of goods or services or both undertaken or proposed to be undertaken by them.** Further, as per Section 103(1) of the GST Act, the ruling is binding only on the applicant and the concerned officer or the jurisdictional officer of the applicant.

The applicant is the recipient of the services and not supplier of such service. Accordingly, this question is not liable for admission before AAR and therefore not admitted for consideration on merits of the case.

**Suresh Aggarwal, Advocate**

**Compliance & Litigation under GST**

**Address:** House No. 54, Pocket A-3, Sector-5, Rohini- 110085

**Phone:** 91-9810032846; 011 - 45131427

**Email:** sureshagg@gmail.com

**Website:** <http://www.sureshtaxation.com>