

**GIB/TN/M/S. ERODE INFRASTRUCTURES/05.03.2021/AAAR-54**

**Appellate Advance Ruling Category :** EXEMPTION FROM GST

**State :** Tamil Nadu

**Order No.:** GIB/TN/M/S. ERODE INFRASTRUCTURES/05.03.2021/AAAR-54

**Name of Entry :**

M/S. ERODE INFRASTRUCTURES PRIVATE LIMITED

**Date :** 05-03-2021

**Breif Issue :**

**FACTS OF THE CASE:**

The appellant M/s. Erode Infrastructures Private Ltd is registered under GST vide GSTIN 33AECE7680DIZR. The appeal is filed against the [Order No.31/ARA/2020 dated 12.05.2020](#) passed by the Tamilnadu State Authority for Advance ruling on the application for advance ruling filed by the appellant. The background facts of the appeal are briefly hereunder:

Rail Land Development Authority invited tender for development of MFC and identified developer through the bidding process and the bid of this Erode “Multifunctional Complex” (MFC) was awarded to the appellant for the development of MFC @ Erode Railway Station.

The development of MFC involves Long term Lease of 45 years for Lease of 3140 Square meter of railways land. The offer by RLDA involves the payment ? 3,08,27,800/- towards upfront long-term Lease premium and ? 7,80,00/- towards annual rent by the appellant herein. To enable the Appellant to carry out the development of MFC, the appellant has to pay/paid upfront long-term Lease premium to the contract awarder RLDA for giving railway land on long term Lease of 45 years. The Appellant herein is also a receiver, in respect of long-term lease of Railway Land offered to Appellant by RLDA in this unique contract awarded to them by RLDA.

**ISSUE OF THE CASE:**

Whether upfront lease amount paid to M/s. RLDA for the development of Multi functional complex (Operational building) at Erode Railway junction for long term lease for 45 years is exempt under GST?

**Decision of Advance Ruling Authority :**

**DECISION:**

The provisions of section 103 categorically states that the ruling pronounced is binding only on the appellant. It automatically flows that if a recipient obtains a ruling on the taxability of his inward supply of goods or services, the supplier of such goods or services is not bound by that ruling and he is free to assess the supply according to his own determination, in which case, the ruling loses its relevance and applicability even. Any law provision has to be interpreted in a constructive and harmonious way keeping in mind the object of the purpose of the provision - On a conjoint reading of the provisions of Section 95(a), section 97 (2) and Section 103, it is opined that a supplier in the capacity of a recipient of his inward supplies only and not vice versa is only eligible to seek an advance ruling and not a mere recipient of goods or services in question even when he may otherwise be a supplier of his own goods or services.

The Order of the Advance Ruling Authority in this matter is confirmed - appeal disposed off.