

Foster Wheeler (G.B.) Limited, Project Office

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 26/AAR/2023, Dated: 24.08.2023

Q Questions Before the Authority

- Whether the legal cost apportionment by FWEL to the Applicant amounts to the supply under GST?
- If so, whether the Applicant is required to pay tax under Reverse Charge Mechanism (RCM)?

F Facts

The applicant is a Project Office in India established by Foster Wheeler (G.B.) Limited (FWEL) to execute consultancy services for a project. Following arbitration proceedings with a client, FWEL incurred legal expenses and subsequently recharged these costs to the applicant on a cost-to-cost basis without any mark-up. The applicant sought a ruling on whether this cost apportionment constitutes a taxable supply under GST and if it attracts RCM.

H Ruling

The authority did not address the merits of the questions raised. The applicant requested to withdraw their application for an advance ruling, and the authority disposed of the application as withdrawn.

R Reasoning

The applicant submitted a request to withdraw their application via email dated 26.07.2023. Consequently, the Authority for Advance Ruling treated the application as withdrawn without examining the merits or detailed facts of the case. No specific provisions were interpreted as the ruling was purely procedural.

! For the Practitioner

This order provides no guidance on the taxability of cost apportionment or the applicability of RCM in this context. It serves only as a record of the applicant's decision to withdraw their request for an advance ruling. Practitioners cannot rely on this document for any legal precedent regarding the subject matter.

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 -> 26 foster wheeler.pdf

Prepared 16-10-2026.

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