

Ionbond Coating Private Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 119/AAR/2023 Dated: 29.11.2023

Q Questions Before the Authority

- Whether the subsequent transfer of State Industries Promotion Corporation of Tamilnadu Limited's (SIPCOT) allotted lease hold rights in the land from the Applicant to M/s.Kanta Flex (India) Private Limited would fall with the ambit of 'Supply' as defined under Section 7 of the Goods and Services Act, 2017?
- If yes, what will be the HSN/SAC code and GST Rate?

F Facts

The applicant, a GST registrant, entered into a Memorandum of Understanding to transfer its leasehold rights in land, along with building and electric equipment, to M/s. Kanta Flex (India) Private Limited. The applicant sought an advance ruling on whether this transfer constitutes a supply under the CGST Act and, if so, the applicable HSN/SAC code and GST rate. The authority noted that the entire transaction, including the receipt of consideration, was completed prior to the filing of the application.

H Ruling

Whether the transfer of leasehold rights falls within the ambit of 'Supply'	Not answered	The authority refrained from ruling as the transaction was already completed.
Applicable HSN/SAC code and GST Rate	Not answered	The authority refrained from ruling as the transaction was already completed.

The authority refused to provide a ruling on the merits of the questions raised. It held that the applicant cannot seek an advance ruling on a transaction that has already been completed. Consequently, the application was rejected on procedural grounds.

R Reasoning

The authority relied on Section 95(a) of the CGST Act, 2017, which defines 'advance ruling' as a decision on matters being undertaken or proposed to be undertaken. Upon reviewing the facts, the authority determined that the entire transaction, including the receipt of consideration, was concluded by 07.05.2022, whereas the application was filed on 29.12.2022. Therefore, the authority concluded that it lacked jurisdiction to provide a ruling on a **completed transaction**.

P Provisions Relied On

Section 95(a) of the CGST Act, 2017

Section 97(2) of the CGST Act, 2017



For the Practitioner

This ruling serves as a reminder that the Advance Ruling mechanism is strictly for **prospective or ongoing transactions**. It does not provide a forum for taxpayers to seek validation for transactions that have already been executed. Practitioners should ensure that applications are filed before the transaction is completed to avoid rejection on procedural grounds.

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 -> [119_ionbond.pdf](#)

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