

M C PRASANTH

Authority for Advance Ruling — Keralam

ADVANCE RULING No. KER/07/2026

Dated **28.04.2026**

Q Questions Before the Authority

- Whether rent paid by the applicant (a voluntarily registered person dealing exclusively in exempted goods) to an unregistered landlord for commercial space is liable to GST under the Reverse Charge Mechanism?
- If RCM applies, whether the liability arises under Section 9(3) or Section 9(4) of the CGST Act, 2017?
- If RCM does not apply, what is the legal basis for exemption?
- If the Applicant registers as a composition dealer for a furniture manufacturing unit, will the applicant be liable to pay GST under the RCM on purchases of wood (a key raw material) from unregistered dealers under Section 9(3) or Section 9(4) of the CGST Act, 2017?

F Facts

The applicant, a Chartered Accountant, sought an advance ruling regarding hypothetical business scenarios involving the payment of rent to an unregistered landlord and the purchase of wood from unregistered dealers. During the personal hearing, the applicant clarified that these questions were prospective and intended to obtain general guidance for his clients rather than relating to his own specific business transactions. The applicant admitted the queries were not linked to any specific supply of goods or services being undertaken by him.

H Ruling

Liability of RCM on rent paid to unregistered landlord	Not admissible	Application rejected as it does not relate to the applicant's own supply
Liability of RCM on purchase of wood from unregistered dealers	Not admissible	Application rejected as it does not relate to the applicant's own supply

The Authority held that the application is not admissible under the provisions of the CGST Act, 2017 and the KSGST Act, 2017. It concluded that the questions raised do not relate to any supply of goods or services undertaken or proposed to be undertaken by the applicant. Consequently, the application was rejected at the threshold without examining the merits of the issues raised.

R Reasoning

The Authority determined that an advance ruling can only be sought in relation to the supply of goods or services undertaken or proposed to be undertaken by the applicant. It relied on Section 95(a) and Section 97 of the CGST Act, 2017, which limit the scope of the ruling mechanism to specific factual matrices involving the applicant's own transactions. Since the applicant sought general advisory opinions for third parties, the application failed to satisfy the statutory requirements for admission. Therefore, the Authority refused to function as a forum for answering academic queries.

P Provisions Relied On

Section 9(3) of the CGST Act, 2017

Section 9(4) of the CGST Act, 2017

Section 10 of the CGST Act, 2017

Section 95(a) of the CGST Act, 2017

Section 97 of the CGST Act, 2017

Section 98(1) of the CGST Act, 2017

Notification No. 09/2024-Central Tax (Rate) dated 08.10.2024

! For the Practitioner

This ruling serves as a **procedural precedent** confirming that the Authority for Advance Ruling will reject applications that are purely academic or based on hypothetical scenarios not linked to the applicant's own business. It reinforces that the mechanism is **not a forum for general tax advisory** or professional guidance for third-party clients. Practitioners should ensure that any application for an advance ruling is strictly tied to a specific, identifiable transaction of the applicant.

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 -> [m_c_prasanth.pdf](#)

Prepared 11-10-2026.

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