M/s. Latest Developers Advisory Limited

Authority for Advance Ruling — Tamil Nadu

ORDER No.09 /ARA/2020 Dated: 25.02.2020 Dated **25.02.2020**

Q Questions Before the Authority

- Whether the activities of construction carried out by the Applicant for its customer under the Construction Agreement, being composite supply of works contract, are appropriately classifiable under Heading 9997, and chargeable to CGST @ 9% under S.No. 35 of Notification No. 11/2017-CT(Rate), dated 28.06.2017?

F Facts

The applicant, a real estate developer not registered under GST, proposed to hold development rights over a parcel of land. It would simultaneously enter into a UDS Agreement for sale of an undivided share in the land and a Construction Agreement under which the customer appoints it to construct units on that share, both under an umbrella Indenture of Undertaking. The applicant later told the Authority that unfavourable market conditions had led it not to pursue the Tamil Nadu project, and it sought permission to withdraw the application.

H Ruling

The Authority did not examine the classification or the 9% rate question on merits. It disposed of the application as **withdrawn** , having accepted the applicant's request made after the personal hearing dates. The order contains no ruling on whether the construction activity is a works contract or a composite supply.

R Reasoning

The applicant said it had taken a commercial decision not to proceed with the proposed Tamil Nadu business, and asked for leave to withdraw. The Authority, with the concerned state officer's comments on the proposed premises noted, accepted the withdrawal and disposed of the application without reaching the question. The order therefore rests on procedure rather than on the classification analysis. The applicant's arguments were based on the works contract definition in Section 2(119) of the CGST Act and on several Supreme Court decisions, but the Authority did not consider them.

P Provisions Relied On

Section 98 of the CGST Act / TNGST Act (advance ruling proceedings)

Section 100 of the CGST Act / TNGST Act (appeal against advance ruling)

Section 2(119) of the CGST Act (definition of works contract), as relied on by the applicant

Rule 104 of the CGST Rules 2017 and SGST Rules 2017 (application fee)

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

Heading 9997 and S.No. 35 of Notification No. 11/2017-CT(Rate) dated 28.06.2017, as cited in the question

! For the Practitioner

The order is useful only as a record that this application was withdrawn, not as authority on developer construction arrangements. It does not decide whether a construction agreement linked to a UDS sale is a works contract under Heading 9997 at 9%. Counsel relying on the case law cited by the applicant should note that the Authority did not endorse it.

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 -> tn_aar_09_2020_25.02.2020_ldal.pdf

Prepared 19-11-2026.

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