Portescap India Private Limited

Authority for Advance Ruling — Maharashtra

GST-ARA-93/2019-20/B-31, dated 12.03.2020 (Maharashtra Authority for… Dated **12.03.2020**

Q Questions Before the Authority

- Whether Portescap India Pvt. Ltd. is required to pay tax under reverse charge mechanism on procurement of renting of immovable property services from Seepz Special Economic Zone Authority (Local Authority) in accordance with Notification No. 13/2017 dated 28 June 2017 read with Notification No. 03/2018 - Central Tax (Rate) dated 25 January 2018?
- Whether Portescap India Pvt. Ltd. is required to pay tax under reverse charge mechanism on any other services in accordance with Notification No. 13/2017 dated 28 June 2017 read with Notification No. 03/2018 - Central Tax (Rate) dated 25 January 2018?
- If the answer to the above point is in the affirmative, then under which tax head, IGST or CGST and SGST, is the tax under reverse charge mechanism required to be paid?

F Facts

The applicant is a SEZ unit in Maharashtra manufacturing customised motors for export. It takes on sub-lease a property from Seepz SEZ Authority, a local authority, and so procures renting of immovable property services domestically. It argued that, because a supply to a SEZ unit is an inter-state supply and is zero-rated when used for authorised operations, no reverse charge liability arises on such procurement.

H Ruling

The application was **rejected as not maintainable** under Section 95. The authority found that the applicant is only a recipient of renting services and has not undertaken or proposed to undertake any supply of goods or services, so the questions fall outside the advance ruling jurisdiction. Having reached that view, the authority expressly did not discuss the merits of the reverse charge or zero-rating arguments.

R Reasoning

The authority held that an advance ruling under Section 95 is confined to supply of goods or services undertaken or proposed to be undertaken by the applicant. The applicant was the recipient of rental services from a local authority, so the impugned transactions were not its own supply. Relying on Section 97(2) and the admissibility scheme in Sections 95 to 98, 102 to 105, the authority rejected the application without reaching the substantive questions. The applicant's reliance on the IGST zero-rating provisions and on the GMR Aerospace judgment was therefore not decided.

P Provisions Relied On

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

Section 95 of the CGST Act, 2017 (definition of advance ruling; supply undertaken or proposed to be undertaken by the appli…

Section 97(2) of the CGST Act and MGST Act, 2017 (matters on which advance ruling may be sought)

Sections 98, 102, 103, 104 and 105 of the CGST Act, 2017 (Chapter XVII procedure, as cited by the authority)

Notification No. 13/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No. 03/2018-Central Tax (Rate) da…

! For the Practitioner

This order is useful mainly as a maintainability precedent: a SEZ unit asking whether it must pay reverse charge on services it receives, without undertaking a supply itself, may be refused a ruling under Section 95. It settles nothing on whether renting of immovable property from a local authority attracts reverse charge, or whether such procurement by a SEZ unit is zero-rated. Those merits questions remain open and would need a ruling sought on a supply the applicant itself makes or proposes to make.

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 -> mah_aar_93_2019-20_b-31_12.03.2020_pipl.pdf

Prepared 19-11-2026.

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