TAMILNADU STATE APPELLATE AUTHORITY FOR ADVANCE RULING
(Constituted under Section 99 of Tamil Nadu Goods and Services Tax Act 2017)

A.R.Appeal No.3/2026/AAAR Date: 15. 07.2026

BEFORE THE BENCH OF

Shri.Madan Mohan Singh, I.R.S., Pr. Chief Commissioner of GST & Central Excise, Member, Appellate Authority for Advance Ruling, Tamil Nadu	**Shri.S.Nagarajan, I.A.S., Commissioner of Commercial Taxes, Member, Appellate Authority for Advance Ruling, Tamil Nadu**

Order No. AAAR/ 07 /2026 (AR)

(Passed by Tamil Nadu State Appellate Authority for Advance Ruling under Section 101(1) of the Tamil Nadu Goods and Services Tax Act, 2017)

Preamble

1. In terms of Section 102 of the Central Goods & Services Tax Act 2017/ Tamil Nadu Goods & Services Tax Act 2017 ("the Act", in Short), this Order may be amended by the Appellate authority so as to rectify any error apparent on the face of the record, if such error is noticed by the Appellate authority on its own accord, or is brought to its notice by the concerned officer, the jurisdictional officer or the Appellant within a period of six months from the date of the Order. Provided that no rectification which has the effect of enhancing the tax liability or reducing the amount of admissible input tax credit shall be made, unless the appellant has been given an opportunity of being heard.

2. Under Section 103(1) of the Act, this Advance ruling pronounced by the Appellate Authority under Chapter XVII of the Act shall be binding only

(a) on the Appellant who had sought it in respect of any matter referred to in sub-section (2) of Section 97 for advance ruling;

(b) on the concerned officer or the jurisdictional officer in respect of the Appellant.

3. Under Section 103 (2) of the Act, this advance ruling shall be binding unless the law, facts or circumstances supporting the said advance ruling have changed.

4. Under Section 104(1) of the Act, where the Appellate Authority finds that advance ruling pronounced by it under sub-section (1) of Section 101 has been obtained by the appellant by fraud or suppression of material facts or misrepresentation of facts, it may, by order, declare such ruling to be void ab-initio and thereupon all the provisions of this Act or the rules made thereunder shall apply to the appellant as if such advance ruling has never been made.

Name and address of the Appellant	M/s. Aditya Birla Global Trading (India) Private Limited, 2nd Floor, BPTP Capital City, Plot No.2, Sector 94, Noida, Gautam Buddha Nagar, Uttar Pradesh-201301
GSTIN or User ID	33AATCS0544F1ZD
Advance Ruling Order against which appeal is filed	Advance Ruling No.44/ARA/2025 dated 31.10.2025
Date of filing appeal	04.12.2025
Represented by	Shri.Dinesh Kumar Agrawal, Advocate
Jurisdictional Authority - Center	Coimbatore – II Division Coimbatore Commissionerate
Jurisdictional Authority - State	Velandipalayam Circle Coimbatore Division
Whether payment of fees for filing appeal is discharged. If yes, the amount and challan details	Yes. Payment of Rs.20,000/- (CGST-10,000/- and SGST-10,000/-) made vide Challan CPIN 25123300022151 dated 04.12.2025.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act are in *pari materia* and have the same provisions in like matter and differ from each other only on few specific provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act, 2017 would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act, 2017.

2. The subject appeal was filed under Section 100(1) of the Tamilnadu Goods & Services Tax Act 2017/Central Goods & Services Tax Act 2017 (hereinafter referred to 'the Act') by M/s. Aditya Birla Global Trading (India) Private Limited, Uttarpradesh (hereinafter referred to as 'Appellant'). The Appellant is registered in Tamilnadu under the GST Act vide GSTIN 33AATCS0544F1ZD and the appeal was filed against the Advance Ruling No.44/ARA/2025 dated 31.10.2025 passed by the Authority for Advance Ruling, Tamilnadu ('AAR') on an application filed by them.

3. The Appellant is engaged in the business of importing and trading of goods and providing cargo - handling services. They provide services relating to storage, cargo handling, security and other 3PL/4PL logistics support, including yard management. Apart from trading of commodities, the Appellant is also providing cargo handling service to its customers. They are governed by two separate agreements

i) a sales contract for supply of goods such as coal, mineral ore, petrochemical products and scrap; and

ii) a separate service contract for handling related services.

The Appellant issues separate invoices for supply of goods and for handling services wherever required.

4. The Appellant had received a Show Cause Notice dated 31.07.2024 in the State of Gujarat proposing penalty under Section 122 of the CGST Act on the allegation that the Appellant has actually not provided any service under the service contract. The said Show Cause Notice was confirmed by the adjudicating authority vide Order-in-Original dated 31.01.2025. The Appellant has preferred an appeal against the said order and the appeal proceedings are currently pending.

5. In Tamil Nadu, the Appellant supplies goods under Sales Contract and provides cargo handling service under a Service Contract. The Appellant had applied for Advance Ruling vide application ARA-01 dated 02.12.2024, seeking a ruling on the following queries, viz.,

a) whether the supply of goods under the Sales Contract and Supply of handling services under the Service Contract would be regarded as independent supplies?

b) if the response to (a) above is affirmative, what would be the classification of services supplied under the Service Contract?

6. The Authority for Advance Ruling vide Ruling no.44/ARA/2025 dated 31.10.2025 had ruled that as the query raised by the appellant already stands decided/adjudicated by the Additional Commissioner, Kutch (Gandhidham) Commissionerate, the application itself becomes liable for rejection in view of the first proviso to Section 98 (2) of the CGST Act, 2017.

7. Aggrieved by the said Ruling, the Appellant had filed an appeal before the Appellate Authority for Advance Ruling praying to

1) Set aside the Impugned Advance Ruling No.44/ARA/2025 dated 31.10.2025 passed by the Tamil Nadu Authority for Advance ruling, Chennai, with consequential relief;
2) Pass any other order or orders as deemed fit and proper in the circumstances of the case.

8. The Appellant has filed appeal before AAAR on the following grounds:

8.1. At the outset, the Appellant submitted that the Impugned Ruling is grossly erroneous on the facts and bad in law as it disregards judicial precedents, and therefore, the Impugned Ruling is liable to be set aside.

8.2 The AAR erred in rejecting the application by misapplying the first proviso to Section 98(2) of the CGST Act. The Appellant submits that the first proviso to Section 98(2) permits rejection of an application for an advance ruling only where the question raised is already pending or has been decided in the case of the person registered (applicant) in respect of the same issue and on the same set of facts. However, in the present case Hon'ble AAR has incorrectly concluded that the Show Cause Notice issued to the Appellant's Gandhidham unit deals exactly with the said issue and states that "as long as the basic business model remains the same, changes in clauses/terms of the contract which normally tend to differ from each other, do not have any bearing on the basic business model, as in the instant case".

8.3. The Appellant submitted that the aforesaid SCN dealt with an allegation that services were not provided under the earlier service contract. The AAR application, however, pertains to contracts having different contractual terms which was neither subject matter of Show Cause Notice dated 31.07.2024 nor has been adjudicated vide Order-in-Original dated 31st January 2025. They submitted that the proposed contracts were neither the subject of investigation nor any adjudication.

8.4. Appellant submitted that the entire premise of the AAR's rejection is that "the basic business model remains the same". This finding is factually incorrect and contrary to the record. However, the proposed contracts in relation to the TNAAR application involves material changes, viz.,

(i) title to goods passing at the time of invoicing;

(ii) buyer taking responsibility for storage, security and insurance post-sale;

(iii) creation of bailment arrangement between the buyer and the Appellant;

(iv) revised obligations on e-way bills and cargo movement.

All of the above changes the character of the contract as well as the structure of the business model. They also submitted that the GST Law warrants that the nature of supply must be examined contractually, based on actual terms governing transfer of title, risk, consideration and obligation to perform services. TNAAR could not summarily dismiss the application citing "clauses that normally differ", especially when the contractual restructuring fundamentally alters the nature of supplies.

8.5. The AAR incorrectly equated the allegation in the SCN with the legal question of whether two supplies are independent or composite. Appellant submitted that TNAAR has fundamentally erred in equating the allegation contained in the SCN issued to the Appellant's Gandhidham unit with the legal issue placed before it in the present application. The Gujarat SCN proceeds on a factual allegation that the Appellant had not actually provided cargo-handling service to certain customers and had nevertheless issued tax invoices describing such services. The said SCN proposes to impose penalty under Section 122 of the CGST Act. The dispute in that proceeding is therefore limited to a retrospective factual inquiry with the purpose of imposing penalty.

8.6. In sharp contrast, the question raised before the AAR concerns a prospective, legal determination of whether, under a new and materially restricted contractual model to be adopted in Tamil Nadu, the supply of goods and supply of handling services would constitute independent supplies under CGST Act. This question has no factual overlap with the issues arising in the Gujarat SCN which involves the question of imposing penalty, and the two matter operate in different domains.

8.7. Conversely, the fact that a past SCN in another state which alleged that the services were not performed does not alter the legal position that, going forward, the Appellant's proposed supplies are capable of being independently structured and priced. GST classification must follow the contract and not historical allegations.

9. Personal Hearing

The Appellant was given an opportunity to be heard on 23.06.2026. Shri.Dinesh Kumar Agrawal, Advocate appeared for the personal hearing as the authorized representative (AR) of M/s.Aditya Birla Global Trading (India) Pvt Ltd. in respect of the appeal filed against the Advance Ruling no.44/AAR/2025 dated 31.10.2025 before AAAR.

Authorised Representative explained that the Appellant are engaged in importing and trading of commodities such as coal, petrochemicals, etc. Based on the business requirement, goods are imported and traded for which the Appellant executes Sales contract and Service contract for movement, cargo handling, storage, etc. with the buyers. The AR explained that sale takes place when goods reach Port area and after that loading and other related services take place.

AR referred to the AAR ruling in Para 7.6 and Para 7.9. The AR stated that it is the contract which determines as to the true nature – whether it is supply of goods, service or both. The AAR, instead of studying the contract has pondered over the ongoing investigations against our company which to our mind, has nothing to do with the instant issue. So, the AR maintained, they only wanted a complete clarity on the question as to whether their activity constitutes supply of service or not.

Member informed that a second hearing will be given, if necessary. The AR was also informed that an appeal before the AAAR is admissible against a Ruling pronounced under Section 98(4) of CGST Act, 2017 only. In the instant case, AAR has rejected the application under proviso to Section 98(2) of CGST Act, 2017. AR had nothing more to add.

10. Discussions and Findings:

10.1. We have carefully examined the submissions made by the Appellant in their appeal against the advance ruling no.44/AAR/2025 dated 31.10.2025 and the submissions made during the personal hearing. We have also considered the issue involved, the relevant facts and the Appellant's submission/interpretation of law in respect of question on which the advance ruling is sought and the findings of the Advance Ruling Authority.

10.2. We note that the Appellant is engaged in the business of importing and trading of goods and providing cargo handling services. They have applied for Advance Ruling as to whether the supply of goods under the Sales Contract and Supply of handling services under the Service Contract would be regarded as independent supplies and what would be the classification of services supplied under the Service Contract?

10.3. We note that the Advance Ruling Authority had rejected the application on the ground "that the query raised by the applicant already stands decided/adjudicated by the Additional Commissioner, CGST, Kutch (Gandhidham Commissionerate) vide O-in-O no.GDM-GST-ADC-VKI-35-2024-25 dated 31.01.2025, the question of answering the said query and any other query related to it does not arise, as the application itself becomes liable for rejection in view of the first proviso to Section 98(2) of the CGST Act, 2017".

10.4. We observe that as per Section 100(1) of CGST Act, 2017

> "(1) The concerned officer, the jurisdictional officer or an applicant aggrieved by any advance ruling pronounced under sub-section (4) of Section 98, may appeal to the Appellate Authority".

We infer that an appeal to the Appellate Authority for Advance Ruling can be filed only against the rulings passed by the Authority for Advance Ruling under Section 98 (4) of CGST Act, 2017. In other words, an Appeal before Appellate Authority for Advance Ruling is admissible only if the original Ruling has been issued under Section 98 (4) of CGST Act, 2017.

10.5. We note that in the instant case, the Authority for Advance Ruling has issued the Ruling rejecting the Appellant's query under first proviso to Section 98 (2) of CGST Act, 2017. As the original Ruling has been issued under Section 98 (2) and not under Section 98 (4), the appeal against ARA no.44/AAR/2025 dated 31.10.2025 is not admissible before the Appellate Authority for Advance Ruling.

11. In view of the detailed discussion supra, we pass the following order.

ORDER

The Appeal filed by the Appellant against Advance Ruling No.44/ARA/2025 dated 31.10.2025 is not admissible as per Section 100 (1) of the CGST Act, 2017.

(MADAN MOHAN SINGH)
Principal Chief Commissioner of GST Taxes & Central Excise, Tamil Nadu & Puducherry AAAR Zone / Member AAAR

(S. NAGARAJAN)
Commissioner of Commercial Tamil Nadu / Member

To

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