NATION TAX MARKET	**KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM**	KERALA GST State Goods & Services Tax

BEFORE THE AUTHORITY OF : Shri Jomy Jacob IRS &

: Shri Mansur M.I.

Legal Name of the applicant	M C PRASANTH
GSTIN	322500000471AR7
ARN	AD320225000661T
Address	M C Associates, Thana, Kannur, Kerala - 670012
Advance Ruling sought for	1. 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? (a) If RCM applies, whether the liability arises under Section 9(3) or Section 9(4) of the CGST Act, 2017? (b) If RCM does not apply, what is the legal basis for exemption? 2. 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?
Date of Personal Hearing	26-02-2026
Authorized Representative	Shri. M C Prasanth, Proprietor

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ADVANCE RULING No. KER/07/2026 Dated 28/04/2026

1. The applicant, Shri M C Prasanth (hereinafter referred to as "the Applicant"), is stated to be the proprietor of M C Associates having its principal place of business at Thana, Kannur, Kerala – 670012. The Applicant has filed the present application seeking an advance ruling under Section 97 of the Central Goods and Services Tax Act, 2017 and the Kerala State Goods and Services Tax Act, 2017 in respect of certain questions relating to the applicability of GST under the Reverse Charge Mechanism (RCM) in respect of (i) rent paid to an unregistered landlord and (ii) purchase of wood from unregistered dealers.

2. In this Ruling, a reference hereinafter to the provisions of the CGST Act, Rules or the notifications issued there under shall include a reference to the corresponding provisions of the KSGST Act, Rules or the notifications issued there under.

3. The facts of the issue: The brief facts of the matter, as submitted by the applicant, are as follows.

3.1. The Applicant has submitted that he is proposing certain business activities under different hypothetical scenarios and seeks clarification regarding the applicability of GST on such activities. In the application, the Applicant has described two scenarios.

3.2. In Scenario 1, the Applicant proposes to deal exclusively in exempt goods and, although not required to obtain GST registration, intends to voluntarily register under GST due to business considerations such as participation in tenders and maintaining supplier relationships. The Applicant proposes to rent commercial premises from an unregistered landlord and seeks clarification as to whether GST would be payable under Reverse Charge Mechanism (RCM) in terms of Notification No. 09/2024–Central Tax (Rate) dated 08.10.2024.

3.3. The Applicant further seeks clarification whether, in such a situation, the liability to pay tax would arise under Section 9(3) or Section 9(4) of the CGST Act, 2017.



3.4. In Scenario 2, the Applicant has stated that if the answer to Scenario 1 is in the affirmative, he proposes to start a furniture manufacturing unit and opt for the composition scheme under Section 10 of the CGST Act, 2017, where the primary raw material would be wood sourced from unregistered suppliers. The Applicant seeks clarification whether GST under RCM would apply on such purchases.

4. Comments of the Jurisdictional Officer

The application was forwarded to the jurisdictional officer as per provisions of section 98 (1) of the CGST Act. The Jurisdictional Officer, State Tax Officer, Taxpayer Services Circle, Kannur South reported specific remarks on the subject case. But it is not reported any pending or decided proceedings against the applicant in that office, relating to the present case.

5. Personal Hearing:

The applicant was granted an opportunity for a personal hearing on 26-02-2026. Shri. M C Prasanth, Proprietor represented for the applicant in personal hearing. In the hearing, he explained the nature of activity undertaken by the applicant and reiterated the contentions submitted in the written application. During the course of the personal hearing, the Applicant identified himself as a Chartered Accountant and submitted that the questions raised in the application are prospective in nature and have been raised in order to obtain clarity on issues that may arise for his clients in the course of their business activities. The Applicant further stated that the questions are not necessarily linked to any specific supply of goods or services being undertaken or proposed to be undertaken by the Applicant himself, but are intended to seek general clarification on the applicability of GST provisions in such situations.

6. Discussion and Findings:

6.1. We have carefully examined the statements of facts, the questions raised by the applicant in the advance ruling application, the submissions made during the course of the personal hearing, and the relevant provisions of the Central Goods and Services Tax Act, 2017 and the Kerala State Goods and Services Tax Act, 2017.

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6.2 At the outset, it is necessary to examine whether the present application satisfies the statutory requirements for admission under the provisions of Section 97 of the CGST Act, 2017. As per Section 95(a) of the CGST Act, 2017, an advance ruling means a decision provided by the Authority to an applicant on matters specified in Section 97(2), in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant. Thus, the advance ruling mechanism is intended to provide certainty regarding the tax implications of a specific supply undertaken or proposed to be undertaken by the applicant.

6.3 From the provisions of the Act, it is clear that an advance ruling can be sought only in respect of questions relating to the supply of goods or services undertaken or proposed to be undertaken by the applicant himself.

6.4 On perusal of the application, it is observed that the applicant has merely set out certain hypothetical scenarios and sought clarification on the applicability of GST under the Reverse Charge Mechanism. The questions raised do not arise from any identifiable supply undertaken or proposed to be undertaken by the applicant, and the application does not disclose any specific transaction, contractual arrangement or concrete factual matrix. In the absence of a clearly defined supply or proposed activity, the issues raised are in the nature of academic queries not founded on the applicant's own transactions.

6.5 During the course of the personal hearing held on 26.02.2026, the applicant clarified that the questions raised are prospective in nature and relate to issues that may arise for his clients. He stated that the questions are not linked to any specific supply undertaken or proposed to be undertaken by him. It is also noted that the applicant is a Chartered Accountant and the present application has been filed based on queries received from various clients. This indicates that the application seeks general clarification on possible situations rather than a ruling on a specific supply of the applicant.

6.6 The Authority for Advance Ruling is constituted for the limited purpose of providing clarity on the tax implications of transactions pertaining to the

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applicant's own supplies, and not for rendering general advisory opinions on issues that may arise in respect of third parties. In this regard, it is pertinent to note that the scheme of advance ruling under Section 95(a) read with Section 97 of the CGST Act, 2017 contemplates that a ruling can be sought only in relation to the supply of goods or services undertaken or proposed to be undertaken by the applicant. Accordingly, the Authority for Advance Ruling is not intended to function as a forum for providing general clarification on the interpretation of GST provisions or for answering academic queries that do not arise from a specific factual matrix relating to the applicant's own transactions. Further, it is evident that the applicant has not approached this Authority in his capacity as a taxpayer seeking clarity on his own transactions, but rather as a professional seeking general guidance for clients, which falls outside the scope of the advance ruling mechanism.

6.7 In view of the above, it is observed that the questions raised in the present application do not relate to any supply of goods or services undertaken or proposed to be undertaken by the applicant. Instead, the applicant seeks general clarification on the applicability of GST provisions in situations which may arise in the course of business activities of other persons. The application does not disclose any clearly identifiable transaction or factual matrix pertaining to the applicant's own business activities.

6.8 Therefore, the present application does not satisfy the essential requirement stipulated under Section 95(a) read with Section 97(2) of the CGST Act, 2017, which requires that the questions on which advance ruling is sought must relate to a supply of goods or services undertaken or proposed to be undertaken by the applicant. The issues raised in the application are thus academic in nature and fall outside the scope of matters on which an advance ruling can be issued by this Authority.

6.9 It is well settled that the Authority for Advance Ruling cannot be converted into a forum for providing general tax advisory opinions or answering academic questions which are not linked to an actual or proposed supply undertaken by

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the applicant. Accordingly, without going into the merits of the questions raised in the application, it is held that the present application is not admissible under the provisions of the CGST Act, 2017 and the KSGST Act, 2017. In view of the above findings, this Authority refrains from examining the questions raised on merits and holds that the application is liable to be rejected at the threshold.

6.10 In view of the above findings, we are of the considered opinion that the application filed by the Applicant is not maintainable under the provisions of Section 97 of the CGST Act, 2017.

7. In the light of the facts and legal position as stated above, the following ruling is issued:

RULING

Question 1- 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?

(a) If RCM applies, whether the liability arises under Section 9(3) or Section 9(4) of the CGST Act, 2017?

(b) If RCM does not apply, what is the legal basis for exemption?

Ruling- In view of the discussions above, the application for advance ruling filed by the Applicant is not admissible under Section 97 of the CGST Act, 2017 and the KSGST Act, 2017, as the questions raised do not relate to any supply of goods or services undertaken or proposed to be undertaken by the Applicant. Accordingly, the application is rejected as not maintainable, without going into the merits of the issues raised.

Question 2- 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?

Ruling- In view of the discussions above, the application for advance ruling filed by the Applicant is not admissible under Section 97 of the CGST Act, 2017 and

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the KSGST Act, 2017, as the questions raised do not relate to any supply of goods or services undertaken or proposed to be undertaken by the Applicant. Accordingly, the application is rejected as not maintainable, without going into the merits of the issues raised.

Jomy Jacob IRS
Addl. Commissioner of Central Tax
Member

Mansur M.I.
Joint Commissioner of State Tax
Member

To

Sri. M C Prasanth,
M C Associates, Thana, Kannur, Kerala – 670012

Copy submitted to:-

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin-682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002. [E-mail ID: cst.sgst@kerala.gov.in]
3. The Commissioner of Central Tax and Central Excise, Kochin Commissionerate.
4. The Commissioner of Central Tax and Central Excise, Thiruvananthapuram Commissionerate, GST Bhavan, Statue, Thiruvananthapuram.
5. The Commissioner of Central Tax and Central Excise, Calicut Commissionerate.

Copy to :

1. The Additional Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Thiruvananthapuram.

3. The Assistant Commissioner/State Tax Officer, Tax payer services Circle, Kannur South.
4. The Superintendent, Central Tax, Kannur Range-1, Kuzhikkunnu, Kannur Division.

