



Lawgics

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Section 103 of CGST Act, 2017



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103. Applicability of advance ruling.

(1) The advance ruling pronounced by the Authority or the Appellate Authority under this Chapter shall be binding only—

- (a) on the applicant who had sought it in respect of any matter referred to in subsection (2) of section 97 for advance ruling;
- (b) on the concerned officer or the jurisdictional officer in respect of the applicant.

(1A) The advance ruling pronounced by the National Appellate Authority under this Chapter shall be binding on—

- (a) the applicants, being distinct persons, who had sought the ruling under sub-section (1) of section 101B and all registered persons having the same Permanent Account Number issued under the Income-tax Act, 1961 (43 of 1961.);
- (b) the concerned officers and the jurisdictional officers in respect of the applicants referred to in clause (a) and the registered persons having the same Permanent Account Number issued under the Income-tax Act, 1961.

(2) The advance ruling referred to in sub-section (1) and sub-section (1A) shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.

Our Interpretation

Section 103

(Constitution of National Appellate Authority has not been notified yet.)

This provision specifies the persons to whom the Advance Ruling will apply and the period for which the Advance Ruling shall stay in effect.

The advance ruling pronounced by the Authority (AAR) or the Appellate Authority (AAAR) shall be **binding only on the applicant and on the jurisdictional officer in respect of the applicant**. The advance ruling is GSTIN specific. The advance ruling obtained by an applicant would not be applicable to other distinct persons of such applicant. Therefore, an applicant/appellant does not have an option but to abide by the advance ruling that he had applied for, except approaching a higher court through a writ petition.

However, advance ruling pronounced by National Appellate Authority shall be binding on all registered persons having the same Permanent Account Number issued under the Income-tax Act, 1961.

The advance ruling shall be binding on the applicant or jurisdictional officer unless there is a change in law or facts or circumstances, on the basis of which the advance ruling has been pronounced. When any change occurs in such laws, facts or circumstances, the advance ruling shall no longer remain binding on the applicant or jurisdictional officer. The Circulars issued by the CBIC subsequent to an advance ruling cannot be considered to be a change in law, as may be contended by the proper officers. The circulars do not have any legal authority; and therefore, issue of circulars cannot be termed as change in law.

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