

**AUTHORITY FOR ADVANCE RULING, TAMIL NADU
No.207, 2nd FLOOR, PAPJM BUILDING, No.1, GREAMS ROAD,
CHENNAI 600 006.**

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017 AND
UNDER SECTION 98(4) OF THE TNGST ACT, 2017**

Members present:

Shri C.Thiyagarajan, I.R.S., Additional Commissioner/Member (CGST), Office of the Commissioner of GST and Central Excise, Audit I Commissionerate, Chennai - 600 101.	Shri B.Suseel Kumar, B.E., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No. 30/AAR/2025, dated 18.08.2025

- 1. Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-Section (1) of Section 100 of CGST Act 2017/TNGST Act 2017, within 30 days from the date on which the ruling sought to be appealed is communicated.*
- 2. In terms of Section 103(1) of the Act, Advance Ruling pronounced by the Authority under Chapter XVII of the Act shall be binding only-*
 - (a) On the applicant who had sought it in respect of any matter referred to in sub-section (2) Section 97 for advance ruling.*
 - (b) On the concerned officer or the Jurisdictional Officer in respect of the applicant.*
- 3. In terms of Section 103(2) of the Act, this Advance Ruling shall be binding unless the law, facts or circumstances supporting the original advance ruling have changed.*
- 4. Advance Ruling obtained by the applicant by fraud or suppression of material facts or misrepresentation of facts, shall render such ruling to be void ab initio in accordance with Section 104 of the Act.*
- 5. The provisions of both the Central Goods and Services Tax Act and the Tamil Nadu Goods and Services Tax Act (herein referred to as the Act) are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Services Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Services Tax Act.*

GSTIN Number, if any/User id	33AIKPR5754N1ZK
Legal Name of Applicant	M/s. Kasinathan Rupa
Trade Name of Applicant	M/s. Amman Blue Metals
Registered Address/ Address provided while obtaining User id	306 / 23, Chitheri Village, Ariyur Post, Vellore, Tamil Nadu – 632 112.
Details of Application	Application Form GST ARA-01 received from the Applicant on 30.11.2024.
Jurisdictional Officer	State – Vellore (Rural) Assessment Circle Vellore Division. Centre – Vellore Range, Vellore Division, Chennai Outer Commissionerate.
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Retail/Wholesale Business The applicant is a proprietary concern engaged in the trading of M-sand, P-sand, Blue Metals, Boulders, Hollow Bricks, etc. The applicant purchases these goods from unregistered persons within the state.
Issues on which advance ruling required	Applicability of a Notification issued under the provisions of CGST Act, 2017. Determination of liability to pay tax on any goods or services or both. Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.
Question(s) on which advance ruling is required	1. Whether the purchase of M-Sand, P-Sand, Boulders, Blue Metals and Bricks, Hollow Bricks from unregistered person are liable to reverse charge mechanism as per Section 9(3) or 9(4) of the CGST Act, 2017? 2. Whether the goods notified under Section 9(3) specifically excludes the above-mentioned goods purchased from unregistered person? 3. Whether the amended Section 9(4) excludes the applicant to pay tax under reverse charge mechanism for purchase of the above-mentioned goods from unregistered person?

M/s. Amman Blue Metals, located at No. 306/23, Chitheri Village, Ariyur Post, Vellore – 632 112, (hereinafter called as the “Applicant”) is a proprietary concern who are engaged in the trading of M-sand, P-sand, Blue Metal, Boulders, Hollow Bricks and other related products.

2. The Applicant has made a payment of application fees of Rs.5,000/- each under sub rule (1) of Rule 104 of CGST Rules, 2017 and TNGST Rules, 2017. The Applicant has filed this application seeking Advance Ruling on the following questions, viz.,

- i. Whether the purchase of following goods from unregistered person are liable to reverse charge mechanism as per Section 9(3) or 9(4) of the CGST Act, 2017
 - a. HSN 25061020 - M-Sand & P-Sand,
 - b. HSN 25171010 - Boulders,
 - c. HSN 25171010 - Blue Metals & Bricks,
 - d. HSN 68101110 - Hollow Bricks
- ii. Whether the goods notified under Section 9(3) specifically excludes the above-mentioned goods purchased from unregistered person
- iii. Whether the amended Section 9(4) excludes the applicant to pay tax under reverse charge mechanism for purchase of the above-mentioned goods from unregistered person

3.1. The applicant submits that the present application is maintainable under Section 97(2)(d) of the CGST / TNGST Act, 2017, i.e., ‘Applicability of a Notification issued under the provisions of CGST Act, 2017’, ‘Determination of liability to pay tax on any goods or services or both’ and ‘Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term’.

3.2. Under the ‘Statement of relevant facts having a bearing on the questions raised’, as in Sl.No.15 of the application, the applicant stated that theirs is a proprietary concern, under the care of Mrs. Kasinathan Rupa; that they are engaged in the trading of M-sand, P-sand, Blue Metal, Boulders, Hollow Bricks and other related products; that they purchase these goods from intra-state unregistered person.

3.3. Under ‘Statement containing the applicant’s interpretation of law and/or facts’, as in Sl.No.16 of the application, the applicant reproduces the definition of reverse charge and lists out the goods on which tax is to be paid on Reverse Charge basis as notified vide Notification No. 4/2017-CTR dated 28.06.2017. The Applicant further interprets that the amended Section 9(4) and the Notification No. 7/2019 – CTR dated 29.03.2019 issued under the said Section exempts them from payment of tax on reverse charge basis on the goods mentioned in their query which are received from intra-State unregistered suppliers.

4.1. Prima facie, we find that the queries raised by the applicant get covered under clause (b), (e) of the Section 97(2) of the CGST Act, 2017, and as such are liable to be admitted.

4.2. The Assistant Commissioner (ST) (FAC), Vellore (Rural) Assessment Circle, vide letter reference No. Rc. A3/34/2024 dated 2.1.2025, furnished remarks. In addition, it is also informed that there are no proceedings pending for adjudication or decided in the applicant's case relating to the questions raised by the applicant.

4.3. Since, no remarks have been received from the Central GST jurisdictional Authorities, it is construed that there are no pending proceedings against the applicant on the questions raised by them in their advance ruling application.

PERSONAL HEARING

5.1. Shri Vishal Kothari, Chartered Accountant, appeared for the personal hearing as the authorized representative (AR) of M/s. Amman Blue Metals. The AR reiterated the submissions made in their application for advance ruling.

5.2. The AR explained that M/s. Amman Blue Metals is engaged in the wholesale and retail trading of the M-Sand, P-Sand, Boulders, Blue Metals, Bricks, Hollow Bricks and other related products. They purchase these goods from unregistered persons within the state. They had raised query in their application as to whether Section 9(3) specifically excludes the said goods. Also, the AR stated that after the amendment of Section 9(4) of the CGST Act, 2017 vide CGST (Amendment) Act, 2018, it is not clear whether they are covered under the class of persons mentioned in the said amended Section. Accordingly, the AR requested to address these questions and to pass a ruling.

5.3 The Members enquired whether M/s. Amman Blue Metals are engaged in any construction activity also, in addition to trading of sand and blue metals, etc., the AR responded that they are not undertaking any construction activity and are solely engaged in wholesale and retail trade of M-Sand, P-Sand, Boulders, Blue Metals, Bricks, Hollow Bricks and other related products. To a specific query, whether all the suppliers are unregistered, the AR replied that all the suppliers of the goods mentioned in the application are unregistered. The Members asked the AR to provide sample copies of the bills issued by the suppliers, for which the AR agreed to provide the same at the earliest.

DISCUSSION AND FINDINGS

6.1. We have carefully considered the submissions made by the applicant in the advance ruling application, and the submissions made during the personal hearing held on 23.07.2025.

6.2. We find from the application filed by the applicant that they are engaged in the wholesale and retail trading of the M-Sand, P-Sand, Boulders, Blue Metals, Bricks, Hollow Bricks and other related products. The applicant purchases these goods from unregistered persons within the state. The query raised by the applicant mainly pertains to whether the purchase of these goods attract GST under Reverse Charge Mechanism (RCM) under Section 9(3) and amended Section 9(4) of the CGST Act, 2017 or are they specifically excluded from payment of GST on RCM basis.

6.3 The queries raised by the Applicant revolve around the fact as to whether they are liable for payment of GST on reverse charge basis on the goods received by them or not. Section 2(98) of the CGST Act, 2017 defines Reverse Charge as:

(98) "reverse charge" means the liability to pay tax by the recipient of supply of goods or services or both instead of the supplier of such goods or services or both under sub-section (3) or sub-section (4) of section 9, or under sub-section (3) or sub-section (4) of section 5 of the Integrated Goods and Services Tax Act;

6.4 The provisions of Section 9(3) of the CGST Act, 2017 mentioned in the above definition of reverse charge are as follows:

(3) The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both

6.5 The Government issued Notification No.04/2017- Central Tax (Rate) dated 28.06.2017 under Section 9 (3) of the CGST Act, 2017 specifying the goods in respect of which tax shall be paid on reverse charge basis by the recipient of such goods. The Notification No.04/2017- Central Tax (Rate) dated 28.06.2017, as amended from time to time, is reproduced below for reference.

S. No.	Tariff item, sub-heading, heading or Chapter	Description of supply of Goods	Supplier of goods	Recipient of supply
(1)	(2)	(3)	(4)	(5)
1.	0801	Cashew nuts, not shelled or peeled	Agriculturist	Any registered person
2.	1404 90 10	Bidi wrapper leaves (tendu)	Agriculturist	Any registered person
3.	2401	Tobacco leaves	Agriculturist	Any registered person
3A.	33012400, 33012510, 33012520, 33012530, 33012540, 33012590	Following essential oils other than those of citrus fruit namely: a) Of peppermint (Menthapiperita) b) Of other mints: Spearmint oil (ex-menthaspicata), Water mint-oil (ex-mentha aquatic), Horsemint oil (ex-menthasylvestries), Bergament oil (ex-mentha citrate).	Any Unregistered Person	Any Registered Person

4.	5004 to 5006	Silk yarn	Any person who manufactures silk yarn from raw silk or silk worm cocoons for supply of silk yarn	Any registered person
4A.	5201	Raw cotton	Agriculturist	Any registered person.
5.	-	Supply of lottery.	State Government, Union Territory or any local authority	Lottery distributor or selling agent. <i>Explanation.-</i> For the purposes of this entry, lottery distributor or selling agent has the same meaning as assigned to it in clause (c) of Rule 2 of the Lotteries (Regulation) Rules, 2010, made under the provisions of sub section 1 of section 11 of the Lotteries (Regulations) Act, 1998 (17 of 1998).
6.	Any Chapter	Used vehicles, seized and confiscated goods, old and used goods, waste and scrap	Central Government [excluding Ministry of Railways (Indian Railways)], State Government, Union territory or a local authority	Any registered person
7.	Any Chapter	Priority Sector Lending Certificate	Any registered person	Any registered person
8.	72, 73, 74, 75, 76, 77, 78, 79, 80 or 81	Metal scrap	Any unregistered person	Any registered person

6.6 From the above, it could be seen that the goods involved in the instant case, i.e., M-sand, P-sand, Blue Metal, Boulders, Hollow Bricks do not get covered under any of the entries referred to under the aforesaid notification, and therefore to be considered as falling outside the ambit of the said notification.

6.7 Further, we observe that Section 9(4) of the CGST Act, 2017, states a follow :-

(4) The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this

Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.

6.8 In this regard, we also note that by way of issue of Notification No. 07/2019-Central Tax (Rate) dated 29.03.2019 under Section 9(4) of the CGST Act, 2017, made effective from 01.04.2019, the Government has notified the category of registered persons who shall pay tax on reverse charge basis in respect of supply of goods or services or both received from an unregistered supplier, namely:

Table

Sl. No.	Category of supply of goods and services	Recipient of goods and services
(1)	(2)	(3)
1	Supply of such goods and services or both [other than services by way of grant of development rights, long term lease of land (against upfront payment in the form of premium, salami, development charges etc.) or FSI (including additional FSI)] which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of project, in a financial year (or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier) as prescribed in notification No. 11/ 2017- Central Tax (Rate), dated 28 th June, 2017, at items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, published in Gazette of India vide G.S.R. No. 690, dated 28 th June, 2017, as amended.	Promoter.
2	Cement falling in chapter heading 2523 in the first schedule to the Customs Tariff Act, 1975 (51 of 1975) which constitute the shortfall from the minimum value of goods or services or both required to be purchased by a promoter for construction of project, in a financial year (or part of the financial year till the date of issuance of completion certificate or first occupation, whichever is earlier) as prescribed in notification No. 11/ 2017- Central Tax (Rate), dated 28 th June, 2017, at items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, published in Gazette of India vide G.S.R. No. 690, dated 28 th June, 2017, as amended.	Promoter.
3	Capital goods falling under any chapter in the first schedule to the Customs Tariff Act, 1975 (51 of 1975) supplied to a promoter for construction of a project on which tax is payable or paid at the rate prescribed for items (i), (ia), (ib), (ic) and (id) against serial number 3 in the Table, in notification No. 11/ 2017- Central Tax (Rate), dated 28 th June, 2017, published in Gazette of India vide G.S.R. No. 690, dated 28 th June, 2017, as amended.	Promoter

6.9 In this connection, when enquired specifically during the personal hearing held on 23.07.2025, as to whether acts as a 'Promoter' in any manner, the applicant stated that they are involved only in trading of the said goods and that they are not involved in any construction activity. Hence, the Applicant cannot be considered as a 'Promoter', as mentioned in the Notification No. 7/2019 – Central

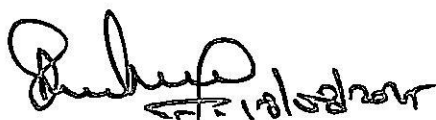
Tax (Rate) dated 29.03.2019, and they do not fall within the ambit of the aforesaid notification, as well.

6.10 In conclusion, it can be said that the goods received by the applicant, namely M-sand, P-sand, Blue Metal, Boulders, Hollow Bricks from unregistered suppliers are neither notified under Section 9(3) nor the activity of the applicant falls under the category notified under Section 9(4) of the Act.

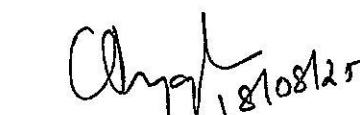
7. In view of the above, we rule as under;

RULING

- i. Purchase of M-Sand, P-Sand, Boulders, Blue Metals and Bricks, Hollow Bricks from unregistered person are not liable to reverse charge mechanism as per Section 9(3) or 9(4) of the CGST Act, 2017.
- ii. Yes, the goods notified under Section 9(3) exclude the above-mentioned goods purchased from unregistered person within the State.
- iii. Yes, the amended Section 9(4) excludes the applicant from payment of tax under reverse charge mechanism for purchase of the above-mentioned goods from unregistered person within the State, unless the applicant's nature of business continues to be trader and not promoter.


(B. Suseel Kumar)
Member (SGST)




(C. Thiagarajan)
Member (CGST)

To
M/s. Amman Blue Metals,
306 / 23, Chitheri Village, Ariyur Post,
Vellore, Tamil Nadu – 632 112.

(By RPAD)

Copy submitted to

1. The Chief Commissioner of GST and Central Excise,
26/1, Uthamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.
2. The Commissioner of Commercial Taxes,
2nd Floor, Ezhilagam, Chepauk, Chennai 600 005.
3. The Commissioner of GST and Central Excise,
Chennai Outer Commissionerate,
Newry Towers, No.2054, I Block, II Avenue,
12th Main Road, Anna Nagar, Chennai – 600 040.

Copy to

1. The Assistant Commissioner (ST),
Vellore (Rural) Assessment Circle,
Integrated CT Buildings,
No.4, Bharathiyar Salai, Vellore – 632 001.
2. Master File / Stock File – A1