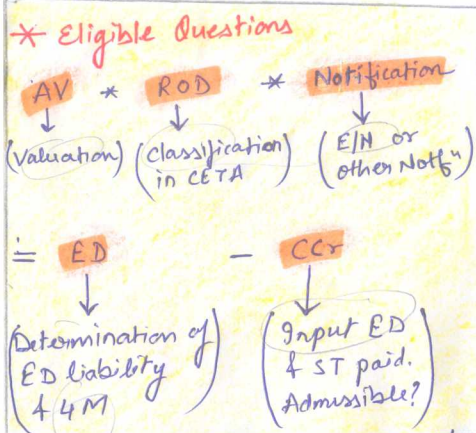
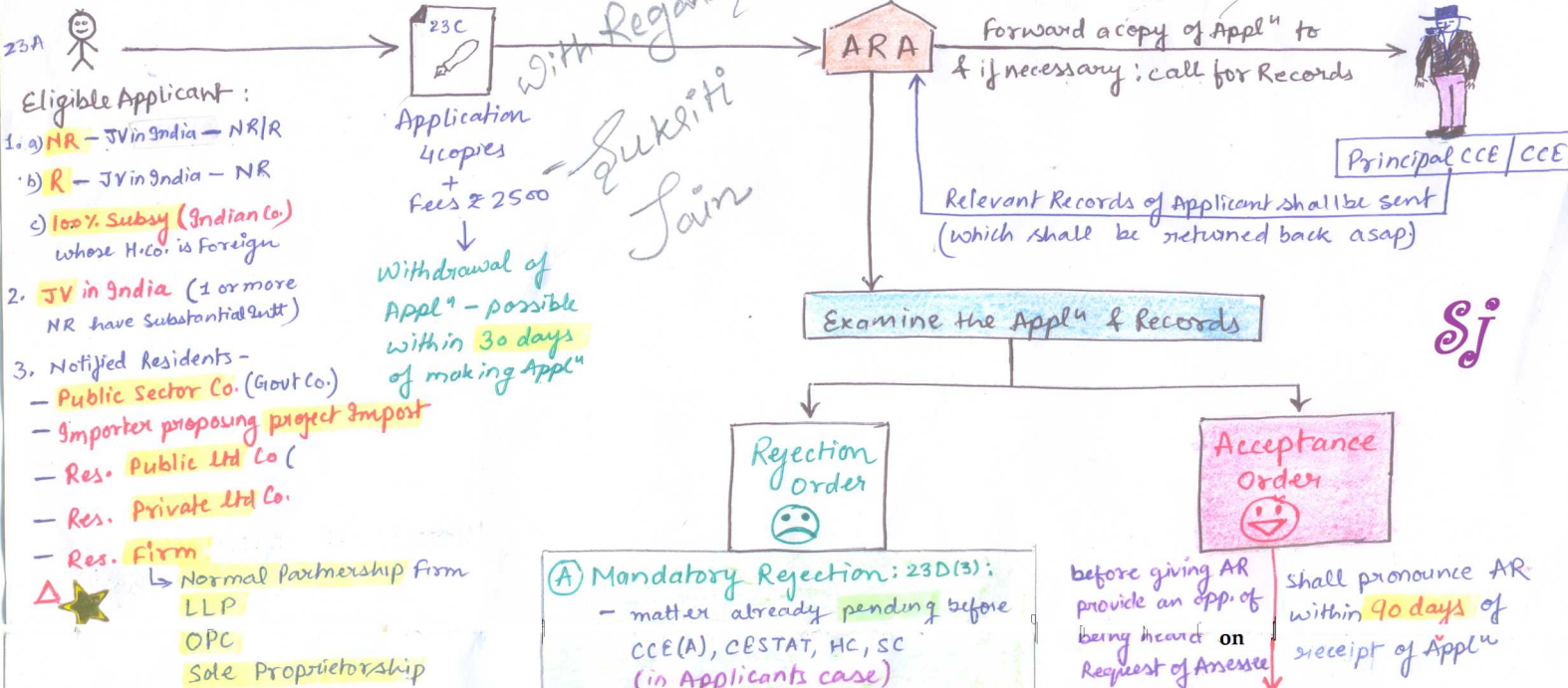
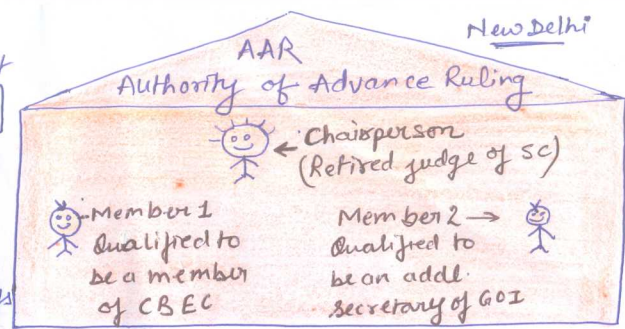


New Delhi

Advance Ruling: Determination of Q. of Law or Fact by AAR in Relation to - Activity PROPOSED to be undertaken by applicant (New Business / New Activity by existing business) [Infringe/Service/Import-export]

Objective - To Facilitate Foreign Investor/Investment into the Country.

- Investor (Foreign/Notified) known in Advance, regarding Taxability of Proposed Transactions in India.
- Obtaining ruling - Simple & inexpensive = ₹2500 fees per Application
- Expedious process/quick - ruling to be pronounced within 90 days
- Ruling is binding on Deptt & Applicant & ~~hence~~ Not Appealable.
- It is NOT mandatory to do the proposed Activity After Adv. Ruling.



* Pvt. Ltd. Co. - Sec 2(68) Co. Act 2013
Min paid up cap ≥ 100000
Restrict Right to 75 shares
No. of members ≤ 200

* Govt. Co. - Sec 2(45) Co. Act 2013

≥ 51% of Paid up Cap - held by CG/SG
& includes Subsy of Govt. Co.

* HCo ^{subsy} S1 → S2

* A copy of every order made by AAR, shall be sent to the -
- Applicant &
- Principal CCE/CCE

(A) Mandatory Rejection: 23D(3):
- matter already pending before CCE(A), CESTAT, HC, SC (in Applicant's case)
- matter already Decided by CESTAT, SC, HC (in Any Case)

(B) Discretionary Rejection:
When AAR thinks it is NOT Logical to admit Application.
Discretion has to be exercised judiciously & in exception cases

Principal of Natural Justice:
- opportunity of being heard
- Reasons for Rejection given before Rejection of Application

before giving AR provide an opp. of being heard on Request of Assessee

Advance Ruling

Binding Value of AR: (Applicability)
Binding on → Applicant
Principal CCE/CCE and subordinate officers (in applicant's case only)

Binding till → There is No change in LAW/FACTS on the basis of which AR has been pronounced

If Assessee feels AR is Not proper, he can challenge it by WRIT before HC or SLP to SC.

* AR pronounced - subsequently found - obtained by way of Fraud / Misrepresentation of facts - AAR may (by order) declare it Void ab initio.

→ All provisions of this act shall apply - as if AR had never been made

→ Period - from date of pronouncement of AR to the date of such order shall be excluded in applying those provisions