


HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR

D.B. Civil Writ Petition No. 12624/2022

Mr. Tej Jain S/o Gyan Chand Jain, Aged About 60 Years, A-3,
Ashok Vihar, Girdhar Marg, Malviya Nagar, Jaipur, 302017,
Rajasthan.

-----Petitioner

Versus

1. Chief Commissioner Of Cgst (Jaipur Zone), Ncr Building,
Statue Circle, C-Scheme Jaipur, 302005.
2. Chief Commissioner Of Sgst, Kar Bhawan, Bhawani Singh
Road Ambedkar Circle, Jaipur 302005
3. Rajasthan Authority For Advance Ruling, Kar Bhawan,
Ambedkar Circle, Near Rajasthan High Court, Jaipur
302005.
4. Rajasthan Appellate Authority For Advance Ruling, Goods
And Services Tax, Ncr Building, Statue Circle, C-Scheme,
Jaipur 302005.

-----Respondents

| | | |
|-------------------|---|--|
| For Petitioner(s) | : | Mr. Jatin Harjai (through VC) with Mr. Mohit Kumar Soni & Ms. Jaishree Kothari |
| For Respondent(s) | : | Mr. Kinshuk Jain Mr. Kartikeya Sharma for Mr. Sandeep Taneja, AAG |

HON'BLE MR. JUSTICE AVNEESH JHINGAN
HON'BLE MR. JUSTICE ANAND SHARMA

Order

30/05/2025

AVNEESH JHINGAN, J. (ORAL)

1. This petition is directed against the order dated 27.08.2021
& 14.12.2021 passed by the Authority for Advance Ruling
(‘for short AAR’) and Appellate Authority for Advance Ruling
(‘for short AAAR’), respectively.

2. The short grievance raised and pressed in this petition is that the AAAR passed the impugned order beyond the grounds of appeal.

3. The petitioner filed an application seeking advance ruling on the following question:-

“Whether the amount paid to the owner of the car and amount incurred for the refurbishment of the said car are includible in the purchase price so as to deduct the same from the selling price of the old and used refurbished car to arrive as the margin for the purpose of valuation and levy under Notification No.08/2018CT(Rate) dated 25.01.2018”

4. The AAR answered the question in negative.

5. The AAAR upheld the advance ruling however, para 6.8 dealt with the issue of Input Tax Credit (for brevity 'ITC') to be availed as per the notification dated 25.01.2018.

6. The limited grievance raised by the counsel for the petitioner is that the appellate authority had no occasion to deal with issue of ITC in appeal filed against decision of AAR with regard to valuation to be done for arriving at the margin as per notification dated 25.01.2018.

7. The challenge to the order of the AAR is not being pressed.

8. Learned counsel for the respondent albeit, defends the order of the AAAR but is not a position to dispute that the issue with regard to ITC was not before the AAR.

9. Considering that the AAAR has travelled beyond the grounds of challenge in appeal and has made following observations in para 6.8.

“6.8. The appellant's main thrust is that to calculate margin, purchase cost should be treated as purchase

price. We observe that our legislature has wisely used the word purchase price to calculate the margin as benefit of notification will not be available, if the appellant has availed input tax credit. We find that the availment of this notification No.8/2018 -Central Tax (Rate) dated 25th January, 2018 is optional. If the appellant wished to avail input tax credit on the components used in the refurbishment of the old and used car, they can very well avail the same without availing benefits of the said notification. However, if the benefit of the notification No.8/2018 -Central Tax (Rate) dated 25th January, 2018 is to be availed, then the conditions for the same have to be followed."

10. The order of the AAAR is upheld but the observation made in para 6.8 are expunged.

11. Accordingly, the writ petition is partly allowed.

(ANAND SHARMA),J

(AVNEESH JHINGAN),J