



ADVANCE RULING TO ONE ENTITY CANNOT BE IPSO FACTO APPLIED TO ANOTHER INDEPENDENT ENTITY

Case: *Mahendra Singh v. Assistant Commissioner State Tax & Ors.*

Writ Petition No.: 5186 of 2025

Court: High Court of Madhya Pradesh (Indore Bench)

Date of Order: September 10, 2025

Bench: Justice Vivek Rusia & Justice Jai Kumar Pillai

Full Order: [Read here](#)

The Hon'ble Madhya Pradesh High Court has reiterated a crucial principle under GST that an Advance Authority Ruling (AAR) issued to one business entity is binding only on the applicant and the jurisdictional officers concerned, and cannot be mechanically applied to another independent entity, even if operating under the same brand or family structure.

In this case, the petitioner, a proprietor of a small *Pan* shop with a distinct GSTIN, challenged the department's reliance on an AAR issued to a different entity under the same paan brand. The Court held that under Section 103 of the Central Goods and Services Tax Act, 2017, such AAR has no binding effect on other entities holding separate GST registrations.

The Court emphasized that orders must be reasoned, showing proper application of mind in both the process and the final outcome.

Importantly, the Court remanded the matter to the Assistant Commissioner to decide it afresh on merits, without being influenced by the previous AAR, and directed that each case must be adjudicated independently based on its own facts and submissions.

This ruling reinforces that while AARs issued to one business entity may serve as interpretative guidance, they cannot substitute independent adjudication of another entity by tax authorities.

Please note - The views and opinions expressed in this article are solely those of the author and do not necessarily reflect the official position of Alba Law Offices. The information provided is for general informational purposes only and should not be construed as professional advice. Alba Law Offices disclaims any liability for decisions made based on the content herein.