

GUJARAT APPELLATE AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX
D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,
AHMEDABAD – 380 009.



ADVANCE RULING(APPEAL) NO. GUJ/GAAAR/APPEAL/2025/18
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2025/AR/04)

Date: 22. 09.2025

Name and address of the appellant	:	M/s. Zydus Lifesciences Ltd., Zydus Corporate Park, Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnadevi Circle, SG Highway, Ahmedabad 382 481.
GSTIN of the appellant	:	24AAACC6253G1ZZ
Jurisdiction Office	:	Office of the Assistant Commissioner of State Tax, Unit-11, Range –III, Division – I, Ahmedabad
Advance Ruling No. and Date	:	GUJ/GAAR/R/2025/09, dated 25.3.2025
Date of appeal	:	28.04.2025
Date of Personal Hearing	:	25.06.2025
Present for the appellant	:	Shri Jigar Shah, Advocate, Ms. Priyanka Kalwani, Advocate and Ms. Devanshi Sharma, Advocate, for the appellant and Shri J.A.Pande, Assistant Commissioner, SGST for Revenue.

At the outset we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 and Gujarat Goods and Services Tax Act, 2017 (for short - 'CGST Act, 2017' and the 'GGST Act, 2017') are *pari materia* and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act, 2017 would also mean reference to the corresponding similar provisions in the GGST Act, 2017.

2. The present appeal has been filed under Section 100 of the CGST Act, 2017 and the GGST Act, 2017 by M/s. Zydus Lifesciences Ltd., (for short - '**appellant**') against the Advance Ruling No. GUJ/GAAR/R/2025/09, dated 25.3.2025.

3. Briefly, the appellant, who is engaged in the manufacture, supply and distribution of pharmaceutical products, utilizes the excess funds/cash lying idle by subscribing to various mutual funds schemes. Subsequently, they redeem it when there is a requirement of liquidity.



4. The appellant receives ITC in respect of inputs/input services, which are used for taxable supplies as well as towards activity of investment and redemption of mutual fund units and the present practice is that they are reversing the proportionate ITC in terms of section 17(2) of the CGST Act, 2017 read with rule 42(2) of the CGST Rules, 2017, treating the activity of investment and redemption of mutual fund units as an exempt supply. The appellant, however, felt that they were not required to reverse the proportionate ITC and, on this premise, approached the GAAR¹ seeking a ruling on the below mentioned questions *viz*

"Whether the applicant is eligible to avail ITC of tax paid on common inputs & input services used in relation to the subscription and redemption of mutual funds?"

5. GAAR, post admittance & personal hearing, pronounced its impugned ruling vide Advance Ruling No. GUJ/GAAR/R/2025/09, dated 25.3.2025, wherein it was held as under:

*The applicant can avail ITC on common inputs and input services used in relation to the subscription and redemption of mutual funds subject to the condition mentioned in section 17(2) of the CGST Act, 2017. Further, value of exempt supply in terms of section 17(3), *ibid*, shall include the value of transactions in securities, in terms of the explanation as reproduced *supra*.*

6. The below mentioned findings, led the GAAR to arrive at the aforementioned ruling, *viz*.

- a) securities, include units under mutual fund scheme in terms of section 2(h)(id) of the Securities Contracts (Regulation) Act, 1956; that the term *goods* and *services* as defined *supra* excludes securities;
- b) a conjoint reading of sections 2(47), which defines exempt supply, 2(78) which defines non-taxable supply and section 7 which defines supply, leads to a conclusion that securities, not being goods or services, would not fall under the ambit of exempt supply;
- c) the applicant concedes that u/s 17(3), while computing the value in terms of section 17(2), the value of transactions in securities is to be included in terms of the deeming fiction;
- d) the meaning of the word 'redemption' is to be understood by applying the common parlance test & is nothing but sale of mutual fund by the unit holder back to the Asset Management Company [AMC];
- e) redemption as is mentioned in the websites quoted and also in general parlance is nothing but sale of units to the AMC; that it does not matter by which nomenclature such a transaction is known if broadly it is a sale- in other words cessation of ownership of the units by the unit fund holder, in this case the appellant.

7. Aggrieved, the appellant is before the GAAAR², against the impugned ruling dated 25.3.2025, raising the following averments, *viz*

¹ Gujarat Authority for Advance Ruling

² Gujarat Appellate Authority for Advance Ruling



- a) that the activity of investment in mutual fund *ie* subscription & redemption, is in the course of furtherance of business & that there is no purchase or sale transaction involved;
- b) that the requirement of reversal of ITC arises only when any inputs & input services are used for effecting exempt supplies & redemption of mutual fund units does not fall within the scope of exempt supplies & hence section 17(2) is not applicable;
- c) that though the term 'securities' is excluded from the definition of **goods** [section 2(52)] and **services** [section 2(102)], the expression services includes facilitating & arranging transactions in securities;
- d) that since mutual fund units are neither goods nor services, they are even outside the ambit of exempt supply and non-taxable supply; that therefore there is no requirement to reverse ITC of tax paid on common inputs & input services;
- e) that redemption of mutual funds is distinct from sale of security;
- f) that none of the existing rules outline a specific mechanism for determining the value of 'redemption of mutual funds' & subsequently incorporating it into the value of exempt supply;
- g) that the mechanism for ITC as prescribed would be incapable since there is no sale value in the redemption of mutual fund;
- h) that where the computation provision with respect to value of exempt supply is unavailable, the provisions pertaining to reversal of ITC will become ineffective in case of redemption of mutual funds;
- i) that the interpretation adopted by GAAR that redemption is equivalent to sale is legally untenable.

8. Personal hearing in the matter was held on 25.6.2025, wherein Shri Jigar Shah, Advocate along with Ms. Priyanka Kalwani, Advocate and Ms. Devanshi Sharma, Advocate, appeared on behalf of the appellant and reiterated the submissions made in the appeal. Shri Jigar Shah, Advocate, also submitted a compilation consisting of the relevant legal provisions and the below mentioned case laws *viz*

- a) L & T Ltd. - [2015 (39) STR 913 (SC)]
- b) M/s. Bhayana Builders (P) Ltd. - [2018(2)TMI 1325 SC]
- c) Gypsy Pegasus Ltd. - [2018 (15) GSTL 305 (SC)]
- d) B.C.Srinivasa Setty - [1981 (2) TMI-1, SC]
- e) M/s Shabhia Abraham - [2015 (322) ELT 372 (SC)]
- f) Munjaal Manishbhai Bhatt - [2022 (5) TMI 397, Gujarat HC]
- g) Mohit Minerals Pvt Ltd - [2020 (1) TMI 974, Gujarat HC]
- h) M/s Sal Steel Ltd. - [2019 (9) TMI 1315, Gujarat HC]
- i) Suresh Kumar Bansal & Anuj Goyal - [2016 (6) TMI 192, Delhi HC]
- j) M/s Cognizant Technology Solutions I P Ltd - [2024(9)TMI 922-Tri Chennai]
- k) M/s Siegwark India Pvt. Ltd. - [2024 (10) TMI 220, CESTAT New Delhi]
- l) M/s. Ponni Sugars Erode Ltd. - [2024 (5) TMI 3 - CESTAT Chennai]
- m) M/s. Instakart Services Pvt. Ltd. - [2024 (3) TMI 1350, CESTAT Bangalore]
- n) M/s. Ambuja Cements Ltd. - [2023 (5) TMI 806, CESTAT Mumbai]
- o) Ace Creative Learning Pvt. Ltd. - [2021 (4) TMI 687, CESTAT Bangalore]
- p) M/s. Siegwark India Pvt. Ltd. - [2025 (3) TMI 1066 CESTAT New Delhi]
- q) M/s. Career Point Limited - [2025 (5) TMI 487 - CESTAT New Delhi]
- r) M/s GMR Hyderabad Air Cargo and Logistics Pvt Ltd.- [2025 (5) TMI 156 - CESTAT Hyderabad]



9. Shri J.A.Pande, Assistant Commissioner, SGST, Unit-11, Ahmedabad, appeared on behalf of Revenue. He submitted a copy of letter no. SR/SGST/AC1/U-11/AAAR/2025-26/OW No. 3462, dated 25.6.2025 addressed to the Registrar, GAAAR, Ahmedabad, stating that the impugned ruling deserves to be upheld in toto. Vide the said letter dated 25.6.2025, reliance was placed on the below mentioned case laws/rulings *viz*

- a) Robo Silico P Ltd, Karnataka - HC 2021;
- b) Hindustan Lever Ltd. - [2004(137 (STC)388 SC;
- c) B.C.Srinivasa Setty - [1981 (2) TMI-1, SC]
- d) Pyare Lal Malhotra- [AIR 1976 SC 800]
- e) Louis Dreyfus India P Ltd - [Punjab AAR, 2020]
- f) Kaveri Exports - [Telangana AAR, 2019]
- g) Edelweiss Financial Services Ltd - [Maharashtra AAR, 2019]
- h) Citi Bank NA - [Delhi High Court, 2020]

FINDINGS

10. We have carefully gone through and considered the appeal papers, written submissions filed by the appellant and the department, submissions made at the time of personal hearing, the Advance Ruling given by the GAAR and other materials available on record.

11. The facts having been mentioned *supra*, we do not wish to repeat it. The primary issue before the authority as far as the present appeal is concerned is whether the ruling of the GAAR holding that the appellant can avail ITC on common inputs and input services used in relation to the subscription and redemption of mutual funds subject to the condition mentioned in Section 17(2) of the CGST Act, 2017 and that the value of exempt supply in terms of section 17(3), *ibid*, shall include the value of transactions in securities, is correct or otherwise.

12. To recapitulate, mutual funds are *securities* in terms of section 2(h)(id) of the Securities Contracts (Regulation) Act, 1956 and mutual funds, being securities, are neither goods [u/s 2(52)] nor services [u/s 2(102)]. In this context, we proceed forward to examine the averments raised by the appellant.

13. The averment raised is that by virtue of the term 'securities' being excluded from the definition of **goods & services**, they stand excluded even from the ambit of exempt supply [u/s 2(47)] and non-taxable supply [u/s 2(78)] and, therefore, there is no requirement to reverse ITC of tax paid on common inputs & input services in terms of section 17(2), *ibid* since the activity of investment and redemption in mutual funds is not an exempt supply.



14. In this regard, it is worthwhile to mention that section 17(3) of the CGST Act, 2017, states as under:

*(3) The value of exempt supply under sub-section (2) shall be such as may be prescribed, **and shall include** supplies on which the recipient is liable to pay tax on reverse charge basis, **transactions in securities**, sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.*

Explanation. - For the purposes of this sub-section, the expression "value of exempt supply" shall not include the value of activities or transactions specified in Schedule III, except,—

(i) the value of activities or transactions specified in paragraph 5 of the said Schedule; and

(ii) the value of such activities or transactions as may be prescribed in respect of clause (a) of paragraph 8 of the said Schedule ;

[emphasis supplied]

15. Likewise, the explanation at the end of Chapter V of the Central Goods and Services Tax Rules, 2017, which deals with Input Tax Credit, states as follows:

Explanation. - For the purposes of this Chapter, -

(1) the expressions "capital goods" shall include "plant and machinery" as defined in the Explanation to section 17;

(2) for determining the value of an exempt supply as referred to in sub-section (3) of section 17-

(a) the value of land and building shall be taken as the same as adopted for the purpose of paying stamp duty; and

*(b) **the value of security shall be taken as one per cent. of the sale value of such security.***

[emphasis supplied]

16. A conjoint reading of the above reveals that the averment that there is no requirement to reverse ITC of tax paid on common inputs & input services in relation to transactions in subscription/investment and redemption of mutual funds is not legally tenable owing to the deeming fiction which forms a part of section 17(3), *ibid*, via an inclusion clause.

17. The next averment of the appellant is that redemption of mutual funds is distinct from sale of security; that none of the existing rules outline a specific mechanism for determining the value of 'redemption of mutual funds' & subsequently incorporating it into the value of exempt supply; that the mechanism for ITC reversal as prescribed is not capable since there is no sale value of mutual fund; that where the computation provision with respect to value of exempt supply is unavailable, the provisions pertaining to reversal of ITC will become ineffective in case of redemption of mutual funds.

18. We find that the GAAR has dealt with this very averment in detail in paragraphs 20 to 22 in their impugned ruling, as under:

20. The term redemption is not defined. The applicant has also not provided anything in this regard except for some dictionary meaning. The resort left is to



understand the meaning of the word 'redemption' by applying the common parlance test. While going through the websites of mutual funds, we observe as under:

➤ HDFC MUTUAL FUND

Redemption/Repurchase:

Redemption/Repurchase is the buying back or cancellation of units by a mutual fund. It can happen on maturity or on an on-going basis.

HDFC Asset Management Company Limited (HDFC AMC) is one of India's preferred mutual fund managers. Whether you are an individual looking to invest, representing an institution, or an intermediary, we offer a comprehensive suite of investment options across asset classes and scheme categories. Over the past two decades, we have been delivering simple and accessible investment products to Indian households. Your trust is our benchmark, and we constantly strive to remain ahead of it. Anchored in our culture of transparency, best in class governance, and effective risk management, we are taking confident strides towards achieving our vision of becoming the most respected asset manager in the world.

➤ HDFC BANK

What is Mutual Fund Redemption?

Mutual fund redemption is nothing but the encashment or withdrawal of your investment from a mutual fund scheme. It involves selling your units back to the mutual fund house at the applicable NAV and receiving money in return. You can redeem part of your investment, i.e. a specified number of units or your entire investment corpus, from a mutual fund scheme. If your redemption application is submitted with the fund house or its transfer agency before 3 pm on market trading days, then the same day's NAV is applicable for calculating the redemption amount. Requests after 3 pm get the next day's NAV.

HDFC Bank is a AMFI-registered Mutual Fund Distributor & a Corporate Agent for Insurance products.

Source

<https://www.hdfcbank.com/personal/resources/learning-centre/invest/what-is-mutual-fund-redemption-and-how-to-redeem-mutual-funds>

➤ BAJAJ FINANCE LIMITED

What is mutual fund redemption?

Mutual fund redemption refers to the process where an investor sells their mutual fund units back to the asset management company (AMC). In simple terms, it involves withdrawing units from a mutual fund scheme to receive the returns or principal amount invested.

If you submit your redemption application to the fund house or its transfer agency before 3 pm on market trading days, the same day's NAV will be used to calculate the redemption amount. Requests made after 3 pm will receive the next day's NAV for the calculation.

Disclaimer:

Bajaj Finance Limited ("BFL") is registered with the Association of Mutual Funds in India ("AMFI") as a distributor of third party Mutual Funds (shortly referred as 'Mutual Funds') with ARN No. 90319

Source :

<https://www.bajajfinserv.in/investments/mutual-fund-redemption#:~:text=Mutual%20fund%20redemption%20refers%20to%20the%20process%20where%20an%20investor,returns%20or%20principal%20amount%20invested.>

➤ Association of Mutual Funds in India



- Association of Mutual Funds in India (AMFI) is a non-profit industry body of the asset management companies (AMCs) of all Mutual Funds in India that are registered with Securities and Exchange Board of India (SEBI).
- AMFI was incorporated on August 22, 1995 under section 25 of the Companies Act, 1956 (corresponding Section 8 of the new Companies Act, 2013), as a non-profit organisation.

NET ASSET VALUE (NAV)

WHAT IS NAV?	▼
HOW IS THE APPLICABLE NAV DETERMINED?	▼
WHAT IS SALE AND REPURCHASE PRICE?	▲

Sale Price

- Sale Price is the price payable per unit by an investor for purchase of units (subscription) and/or switch-in from other schemes of a mutual fund.
- SEBI vide circular no. SEBI / IMD / CIR No. 4 / 168230 / 09 dated June 30, 2009 has abolished Entry Load for all mutual fund schemes.
- Hence, during the New Fund Offer (NFO), the Sale Price per unit is at Face Value per unit specified in the respective Scheme Information Document (SID) and Key Information Memorandum (KIM)

During the 'Ongoing Offer' period (i.e., the date from which the scheme re-opens for subscriptions/redemptions after the closure of the NFO period), the units may be purchased at NAV i.e., the Sale Price per unit is equivalent to applicable NAV on the date of subscription

Repurchase/Redemption Price

- The Repurchase/Redemption Price is the price per Unit at which a Mutual Fund would 'repurchase' the units (i.e., buys back units from the investor) upon redemption of units or switch-outs of units to other schemes/plans of the Mutual Fund by the investors, and includes Exit Load, if / wherever applicable
- Redemption price is calculated as follows:

$$\text{Redemption Price} = \text{Applicable NAV} \times (1 - \text{Exit Load, if any})$$
 For Example: If the Applicable NAV is ₹10 and Exit Load is 2%, then the Redemption Price will be = ₹10 * (1-0.02) = ₹9.80

It may be noted that an AMC / Trustee has the right to modify existing Exit Load structure and/or to introduce Exit Loads subject to a maximum limit prescribed under the Regulations.

Any change in Load structure will be effective on prospective basis and will not affect the existing mutual fund units in any manner.

As per SEBI (Mutual Funds) Regulations, 1996, in respect of Open-Ended Schemes, Repurchase Price (commonly referred to as Redemption price) shall not be lower than 95% of NAV.

It may be noted that units of Closed Ended Schemes cannot be Repurchased prematurely.

Source : <https://www.amfiindia.com/investor-corner/knowledge-center/net-asset-value.html#accordion3>

As is evident redemption is nothing but sale of mutual fund by the unit holder back to the Asset Management Company [AMC].

21. *Our stand of resorting to common parlance test is substantiated by the order, dated 23.9.2021 of the Hon'ble Karnataka High Court in the case of M/s Robo Silicon Pvt. Ltd [STRP No. 24/2019] wherein it was held as under:*

14. 'The common parlance test', 'marketability test', popular meaning test' are all tools for interpretation to arrive at a decision on proper classification of a tariff entry. The test, as to what a common man viewing or dealing with the article will understand it to be, would be relevant. The Hon'ble Apex Court has held that while interpreting the entry for purpose of taxation recourse should not be made to the scientific meaning of the terms or expressions used but to their popular meaning, that is to say, the meaning attached to them by those dealing in them.

22. *The averment therefore that redemption of mutual fund and sale of security, a term used in the explanation for computing the value of exempted supply is not*



same, fails. We hold that redemption as is mentioned in the websites quoted and also in general parlance is nothing but sale of units to the AMC. It does not matter by which nomenclature such a transaction is known until broadly it is a sale in other words cessation of ownership of the units by the unit fund holder, in this case the applicant.

In this connection, it would be apt to reproduce certain observations of the Hon'ble Supreme Court in the case of Oswal Agro Mills Ltd³, viz.

3. There is neither intendment nor equity in a taxing statute. Nothing is implied. Neither can we insert nor anything can we delete but it should be interpreted and construed as per the words the legislature has chosen to employ in the Act or Rules. There is no room for assumption or presumptions. The object of the Parliament has to be gathered from the language used in the statute. Where the words of the statute are plain and clear, there is no room for applying any of the principles of interpretation which are merely presumption in cases of ambiguity in the statute. The court would interpret them as they stand. The object and purpose has to be gathered from such words themselves. Words should not be regarded as being surplus nor be rendered otiose.

4. In *Porritts & Spencer (Asia) Ltd. v. State of Haryana* [(1979) 1 SCR 545 = 1983 (13) E.L.T. 1607 (SC)], this Court held that 'Dryer felts' are not textiles. In that context the principle of understanding the meaning of the word in common parlance was adopted. If any term or expression has been defined in the enactment then it must be understood in the sense in which it is defined but in the absence of any definition being given in the enactment the meaning of the term in common parlance or commercial parlance has to be adopted.

5. The construction of the word must yield in favour of promoting and effectuating the object and purpose of the Act. In *Dunlop India Ltd. v. Union of India* 6 Ors. [(1976) 2 SCR 98 = 1983 (13) E.L.T. 1566 (SC)] this Court found the entry not in residuary but placed in the parentage and relieved it from orphanage.

6. There is no quarrel with the proposition that in ascertaining the meaning of the word or a clause or sentence in the statute in its interpretation, everything which is logically relevant should be admissible. It is no doubt true that the doctrine of *Noscitur a Sociis*, meaning thereby, that it is a legitimate rule of construction to construe words in an Act of Parliament with reference to words found in immediate connection with them i.e. when two or more words which are susceptible of analogous meaning are clubbed together, they are understood to be used in their cognate sense. They take, as it were, their colour from each other, the meaning of the more general is restricted to a sense analogous to a less general. The philosophy behind it is that the meaning of the doubtful words may be ascertained by reference to the meaning of words associated with it. This doctrine is broader than the doctrine of *ejusdem generis*. This doctrine was accepted by this Court in catena of cases but its application is to be made to the context and the setting in which the words came to be used or associated in the statute or the statutory rule.

³ 1993(66) EL 37 (SC)



We find that the Legislature's intent is clearly manifested in the statute in Section 17(3) which proposes inclusion of the value of transactions in securities [in this case mutual funds] for computing exempt supply u/s 17(2), *ibid*. Now, accepting the argument of the appellant – (that since 'redemption' of mutual fund is not akin to 'sale' there is no mechanism for reversal of common inputs and input service in case of redemption), would lead to a situation wherein the delegated legislation [i.e. CGST Rules, 2017] has rendered the intent of the statute [i.e. CGST Act, 2017], otiose. This is legally not permissible. It is also worthwhile to mention that the phraseology used in Section 17(3) of the CGST Act, 2017 is "transactions in securities" and, hence, the term 'sale' used in the expression "***the value of security shall be taken as one per cent. of the sale value of such security***" of the CGST Rules, 2017 has to be interpreted accordingly, to ensure that the provisions of Section 17(3) of the CGST Act, 2017 are not rendered otiose.

19. We further find that the appellant has not produced anything which would otherwise force us to interfere with the said ruling as far as this averment is concerned.

20. The last averment raised is that the GAAR has not given any finding in the impugned ruling that the activity of subscription and redemption of mutual funds is not in the course or furtherance of business. In this regard, we find that, other than raising this averment, the Appellant has not justified as to how the activity of subscription and redemption of mutual funds is in the course of furtherance of business when it is his own say that they are engaged in manufacture, supply and distribution of pharmaceutical products. We don't agree with the contention of the appellant that their activity of subscription and redemption of mutual funds is in the course or furtherance of business especially since nothing is provided to substantiate it. Further, though Section 16(1) allows ITC in respect of all inward supplies of goods or services or both, which are used or intended to be used in the course of furtherance of business, the same is subject to conditions and restrictions, as may be prescribed. Such conditions have been prescribed in Section 17, *ibid*. As mentioned earlier, Section 17(3) proposes inclusion of the value of transactions in securities for computing exempt supply u/s 17(2), *ibid*. Therefore, even if the subscription and redemption of mutual funds is in the course of furtherance of business, the ITC used in relation to these activities is subject to the condition mentioned in section 17(2) of the CGST Act, 2017 read with Section 17(3) *ibid*.

21. The appellant has also relied upon various case laws to substantiate his averments *viz.*



1	L & T Ltd. - [2015 (39) STR 913 (SC)]	These case laws have been relied upon to substantiate the averment that mutual funds not being goods or services are neither exempt supply nor non-taxable supply. The findings above are not in contrast with the averment raised & hence not being discussed.
2	Bhayana Builders (P) Ltd. [2018(2)TMI 1325 SC]	
3	Gypsy Pegasus Ltd. [2018 (15) GSTL 305 (SC)]	
4	M/s. Siegwark India Pvt. Ltd. [2025 (3) TMI 1066 CESTAT New Delhi]	
4	B.C.Srinivasa Setty [1981 (2) TMI-1, SC]	The appellant has relied upon these case laws to substantiate their argument that when there is no machinery provision for determining the value of exempt supply, the question of reversal does not arise. Factually, in the present dispute, the statute provides for inclusion of the value of transactions in securities for arriving at the value of exempt supply. The delegated legislation, ie the CGST Rules Chapter V does provide the machinery provision. The appellant's only argument is that redemption is not akin to sale. The same has been dealt with above. Further, accepting the averment, would leave the primary statute seeking reversal for transaction in securities, otiose, which cannot be permitted.
5	Shabhaia Abraham [2015 (322) ELT 372 (SC)]	
6	Pushpam Forgings [2002 (149) ELT 490 Tri]	
7	Suresh Kumar Bansal 2017 (4) GSTL J 128 SC	
8	M/s Siegwark India Pvt. Ltd. [2024 (10) TMI 220, CESTAT New Delhi]	The issue primarily in these cases was non reversal of proportionate CENVAT credit on common input services used in relation to redemption of mutual funds by considering it to be trading of goods in terms of section 66D(e) of the erstwhile Finance Act, 1994. The Hon'ble CESTAT held that redemption of mutual funds cannot be said to be an activity of sale and purchase of securities [trading] & therefore would not be an exempted service in terms of section 66D(e) & hence would not require reversal of proportionate CENVAT credit. The Hon'ble Tribunal, as is evident, was concerned with interpretation of 'trading of goods' as mentioned in the negative list u/s 66D(e) of the Finance Act, 1994. The present dispute is different in the sense that through a deeming fiction, the statute has proposed inclusion of the value of transaction in securities to be a part of exempt supply and therefore the above finding would not be of much help to the appellant.
9	M/s. Instakart Services Pvt. Ltd. [2024 (3) TMI 1350, CESTAT Bangalore]	
10	M/s. Ambuja Cements Ltd. [2023 (5) TMI 806, CESTAT Mumbai]	
11	Ace Creative Learning Pvt. Ltd. [2021 (4) TMI 687, CESTAT Bangalore]	
12	M/s GMR Hyderabad Air Cargo and Logistics Pvt Ltd [2025 (5) TMI 156 – CESTAT Hyderabad]	



22. In view of the above findings, we reject the appeal filed by appellant M/s. Zydus Lifesciences Ltd., against the Advance Ruling No. GUJ/GAAR/R/2025/09, dated 25.3.2025 of the Gujarat Authority for Advance Ruling.



(Rajeev Topno)
Member [SGST]

Place: Ahmedabad
Date : 22/09/2025



(Sunil Kumar Mall)
Member [CGST]

Switzerland

24

22