

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, BE., MBA., Joint Commissioner/Member (SGST), Authority for Advance Ruling, Tamil Nadu, Chennai - 600 006.
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Advance Ruling No.56/AAR/2025, dated 21.11.2025

- 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	33ABOCS1117L1Z8
Legal Name of Applicant	SNAG & BAG RETAIL PRIVATE LIMITED
Trade Name of Applicant	SNAG & BAG RETAIL PRIVATE LIMITED
Registered Address/ Address provided while obtaining User id	No.20 (337-339), Paper Mills roads, Sembium, Chennai-600011.
Details of Application	ARA No.07/2025/ARA dated 27.02.2025
Jurisdictional Officer	Centre – Chennai North Commissionerate, Thiru vi ka Nagar Division, Range I. State – Chennai North Division, North III zone, Perambur Circle
Nature of activity (s) (proposed/present) in respect of which advance ruling sought for A. Category B. Description (in brief)	Goods and services The applicant is doing business under retail, wholesale and service provider category. Their customers are located in both India and outside India. As per their customers instruction, the goods purchased from outside India has been delivered to outside India (viz., China, Spain, Canada, etc.) In this situation, where company A (Snag & Bag Retail Private Limited) is in India and Company B (their customer) is also in India, but the purchase and sale occur outside India, the transaction is categorized as a 'Bill-to Ship-to" export

<p>Issues on which advance ruling required</p>	<p>transaction or "Merchant Trade" depending on the specifics.</p> <ol style="list-style-type: none"> 1. Classification of any goods and/or services or both 2. Determination of time and value of supply of goods or services or both 3. Whether applicant is required to be registered under the Act.
<p>Question(s) on which advance ruling is required</p>	<ol style="list-style-type: none"> 1) Kindly classify the above mentioned as goods or services along with HSN/SAC code with rate of GST? 2) Kindly clarify under which category our business will fall on the above mentioned list and what are the documents should be maintained by us for the transactions depend upon the specified category? 3) Kindly classify the time and value of supply of goods and services or both based on our business transactions? 4) In above scenario, Please clarify whether we can get the refund amount from ITC credit availed? 5) Kindly Check and advice whether we are on the correct path or we need to raise invoice under export / Nil

	<p>rated / Exempted / Zero Rate or any other? If it falls under the category of Export/Nil rated/ Exempted/ Zero rated sales/services, then whether we can get the refund of tax which is paid for previous months under B2B category.</p> <p>6) In case, the above transaction is under negative list of GST Act means, are we required to register under GST Law?</p>
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M/s. Snag & Bag Retail Private Limited, having principal place of business at No.20 (337-339), Paper Mills Road, Sembium, Chennai – 600 011 (hereinafter called as the “Applicant”) are registered with GSTIN 33AABOCS1117L1Z8 under the goods and services tax Act. They have filed this application for advance ruling under Section 97 of the CGST Act, 2017, and corresponding provisions under the Section 97 of TNGST Act, 2017. 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 SGST Rules, 2017.

2. They are doing the business under the retail, wholesale and service provider category. Their vendor is located outside India (i.e. China, Spain, etc.) and customer is located both in India and outside India. In this situation, where company A (Snag & Bag Retail Private Limited) is in India and Company B (their customer) is also in India, but the purchase and sale occur outside India, the transaction is categorized as a ‘Bill-to Ship-to’ export transaction or “Merchant Trade” depending on the specifics.

3. The applicant has sought advance ruling on the following questions,

- 1) Classify the above mentioned as goods or services along with HSN/SAC code with rate of GST?

- 2) Clarify under which category their business will fall on the above-mentioned list and what are the documents should be maintained by them for the transactions depend upon the specified category?
- 3) Classify the time and value of supply of goods and services or both based on their business transactions?
- 4) Clarify whether they can get the refund amount from ITC credit availed?
- 5) Check and advice whether they are on the correct path or they need to raise invoice under export/Nil rated/Exempted/Zero Rate or any other? If it is fall under the category of Export/Nil rated/ Exempted/ Zero rated sales/services, then whether they can get the refund of tax which is paid for previous months under B2B category.
- 6) In case, the above transaction is under negative list of GST Act means, are they required to register under GST Law?

4. The applicant is under the administrative control of Centre. The concerned authorities of the Centre and State were addressed to report if there are any pending proceedings against the applicant on the issues raised by the applicant in the ARA application and for comments on the issues raised. Remarks have been received from the State Authority that there are no pending proceedings in respect of the Applicant on the questions raised in their application. No remarks have been received from the Centre Authority and it is construed that there are no pending proceedings on the questions raised by the applicant in their advance ruling application.

5. Personal Hearing

5.1 The applicant was given an opportunity to be heard in person on 11.08.2025 vide this office memorandum No.07/2025, dated 29.07.2025. Smt.Rajalakshmi, Consultant and Smt.Divya Bharathi, Consultants appeared for the personal hearing as the authorized representatives (AR) of

M/s.SNAG & BAG Retail Private Limited. The AR reiterated the submissions made in their application for advance ruling.

5.2 They explained that they are dealing in household items like cooker, bags, electrical items, etc. They make survey of the market and promote the products through Amazon platform. On receiving the orders, they purchase the products from their vendors in Spain and bill it to their customers in India but directly deliver the goods to the customers abroad. The goods do not reach India. The transaction happens outside India, but, they are raising invoices, making payment of GST and receiving income. They wanted clarification as to whether their business model is taxable under GST and they wanted to know the procedure. The Members requested the AR to provide a detailed write-up of their business, flow-chart of goods and documents and money movement between various parties. The AR assured to submit the same at the earliest.

5.3 Accordingly, the applicant submitted the write-up and flow-chart vide their email dated 23.08.2025, wherein they stated as follows :-

"S&B (Snag & Bag Retail Pvt Ltd) is situated in India. They have client in India named Party B. Party B dealing in retail business – which they sell products in US Amazon Platform. S&B doing two types of service to Party B. One is providing consulting & management services to Party B, which S&B will provide a presentation of demand products in US Market for good sales at reasonable profit. Among the several researches Party B will choose any one or two products to be listed in the Amazon Platform basically it is fixed depending upon the investment they have. In this, S&B is doing service to Party B which is in India which falls under GST as B2B Process.

Another type of service is providing an agent/intermediate service to Party B.

As Party B is not aware/having knowledge of purchasing goods from other countries at a wholesale price. So they hired S&B to do so (because S&B have brand approval of products from suppliers who are located in Spain/US). S&B will purchase goods from Spain/USA for wholesale price & will sell it to Party B (raising the invoice) with some marginal profit. Once

they received INR from Party B for purchasing of goods, then the S&B will pay the vendor called Party C (purchaser from Spain/USA) through USD. Then the Party C will take order from S&B and deliver the goods in S&B Warehouse which is in USA. There labelling of products work will take place and further the products will be delivered to Party B Amazon Warehouse for sales. After that depending upon the order in US Amazon the selected products will be delivered to customers through Amazon delivery executives (under the name of Party B). After a certain period of time, the Amazon will release the payment to Party B to their respective bank account which is linked to their Amazon Account.”

6. Discussions and Findings:

6.1 We have carefully examined the submissions made by the applicant in their advance ruling application and the submissions made during the personal hearing and also their additional submissions. We have also considered the issue involved, the relevant facts and the applicant's submission / interpretation of law in respect of questions on which the advance ruling is sought. The applicant has sought advance ruling in respect of the following :-

- 1) Classify the above mentioned as goods or services along with HSN/SAC code with rate of GST?
- 2) Clarify under which category their business will fall on the above mentioned list and what are the documents should be maintained by them for the transactions depend upon the specified category?
- 3) Classify the time and value of supply of goods and services or both based on their business transactions?
- 4) Clarify whether they can get the refund amount from ITC credit availed?
- 5) Check and advice whether they are on the correct path or they need to raise invoice under export/Nil rated/Exempted/Zero Rate or any other? If it is fall under the category of Export/Nil rated/Exempted/ Zero rated sales/services, then whether they can get the refund of tax which is paid for previous months under B2B category.

- 6) In case, the above transaction is under negative list of GST Act means, are they required to register under GST Law?

6.2 We find that Section 97 (2) of CGST/TNGST Act, 2017 specifically mentions the issues in respect of which Advance Ruling can be sought for by an applicant.

Section 97 (2) of CGST Act, 2017:-

(2) The question on which the advance ruling is sought under this Act, shall be in respect of,-

(a) classification of any goods or services or both;

(b) applicability of a notification issued under the provisions of this Act;

(c) determination of time and value of supply of goods or services or both;

(d) admissibility of input tax credit of tax paid or deemed to have been paid;

(e) determination of the liability to pay tax on any goods or services or both;

(f) whether applicant is required to be registered;

(g) 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.

6.3 We note from the details submitted, that the applicant purchases goods from Spain/USA for wholesale price & sell it to Party B (raising the invoice) with some marginal profit. Once they received INR from Party B for purchasing of goods, then the applicant will pay the vendor called Party C (purchaser from Spain/USA) through USD. Then the Party C will take order from the applicant and deliver the goods in S&B Warehouse which is in USA. There labelling of products work will take place and further the products will be delivered to Party B Amazon Warehouse for sales. After that depending upon the order in US Amazon, the selected products will be delivered to customers through Amazon delivery executives (under the name of Party B). We find that the goods being dealt with by the applicant does not come in to India and there is no foreign currency realization in to India.

6.4 Keeping the above in mind, we now proceed to analyse and discuss the questions on which advance ruling is sought one by one.

1) Classify the above mentioned as goods or services along with HSN/SAC code with rate of GST?

We find that this query is liable for admission as it gets covered under Section 97(2)(a) of CGST/TNGST Act, 2017 under "*classification of any goods or services or both*". However, we find that the applicant has stated that they are dealing in household items like cooker, bags, electrical items, etc., and that they have not mentioned any details pertaining to the goods/services being dealt with by them. Without the detailed and specific description of the goods/services, it is not possible to classify the same under the correct HSN and the relevant rate of GST cannot be identified.

2) Clarify under which category their business will fall on the above mentioned list and what are the documents should be maintained by them for the transactions depend upon the specified category?

We find that this query is not covered under any of the clauses from (a) to (g) under Section 97 (2) of CGST/TNGST Act, 2017, on which an Advance Ruling could be sought, and as such, is liable for rejection.

3) Classify the time and value of supply of goods and services or both based on their business transactions?

Chapter 12 of CGST Act, 2017 deals with time of supply of goods and Chapter 13 of CGST Act, 2017 deals with time of supply of services and Chapter 15 of CGST Act, 2017 is about Value of Supply of Goods and services.

On a general reading of the above said Chapters,

Time of supply of Goods can be the earliest of the following dates:

the date of issue of invoice by the supplier or the last date on which he is required to issue invoice or the date on which the supplier receives payment with respect to the supply.

Time of supply of Services can be the earliest of the following dates:

the date of issue of invoice by the supplier or the date of the provision of service, if the invoice is not issued within the prescribed date or the date on which the recipient shows the receipt of services in his books of account.

The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

We are therefore of the opinion that the 'Time and value of goods or services' is liable to be determined by the applicant based on their each of the business transactions in line with the provisions of Section 12, 13 & 15 of CGST Act 2017.

4) Clarify whether they can get the refund amount from ITC credit availed?

We find that this query is not covered under any of the clauses from (a) to (g) under Section 97 (2) of CGST/TNGST Act, 2017, on which an Advance Ruling could be sought, and as such, is liable for rejection. However, it is to be stated that the eligibility to Refund or otherwise, under the CGST/TNGST Acts, 2017, shall be decided by the proper/jurisdictional officer based on an application for refund, if any, filed by the applicant.

5) Check and advice whether they are on the correct path or they need to raise invoice under export/Nil rated/Exempted/Zero Rate or any other? If it is fall under the category of Export/Nil rated/Exempted/Zero rated sales/services, then whether they can get the refund of tax which is paid for previous months under B2B category.

We find that this query is not covered under any of the clauses from (a) to (g) under Section 97 (2) of CGST/TNGST Act, 2017, on which an Advance Ruling could be sought, and as such, is liable for rejection.

6) **In case, the above transaction is under Negative List of GST Act means, are they required to register under GST Law?**

It is brought to notice of the applicant, that there is no Negative List under GST Act, and only exemption notifications are available separately for goods and services. However, it is to be stated here that Schedule III of CGST Act, 2017 deals with activities or transactions which can neither be treated as supply of goods nor treated as supply of services.

In this regard, we observe that as per Para 7 of Schedule III of CGST Act, 2017 "Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India" is outside the scope of 'Supply' under GST. Considering the peculiar nature of the applicant's business transactions, we note that the Invoice is raised by the applicant on another Indian company as could be seen from the sample copies of Invoice submitted. However, we also note that in the instant case, the movement of goods take place outside India. At this juncture, we refer to Schedule-II 1(a) of CGST Act, 2017, which states as follows:

"ACTIVITIES OR TRANSACTIONS TO BE TREATED AS SUPPLY OF GOODS OR SUPPLY OF SERVICES

1. Transfer

(a) any transfer of the title in goods is a supply of goods"

Therefore, under the applicant's business model, transfer of title happens when the applicant raises invoice on Party B (located in India). As such, the transaction between applicant and Party B is 'supply of goods', even though goods are sourced from and delivered to a place, both located outside India. We therefore, come to understand that in the instant case, the 'supply of goods' takes place between two persons in India, and only the movement of goods take place outside India. Further, it is to be noted that under para 7 of Schedule III, GST is not applicable if goods do not enter India, only in respect of those cases where a "Supply of goods" takes place from a place in the non-taxable territory to another

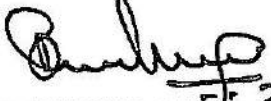
place in the non-taxable territory. Hence, Para 7 of Schedule III is not applicable to the instant case, as 'Supply' takes place from one person in the taxable territory to another person in the taxable territory. Therefore, as the supply is between two units within the taxable territory i.e., supplier and receiver are in India, GST is applicable as per Para 1(a) of Schedule II of CGST Act, 2017. Hence, registration under GST and payment of taxes under GST is required to be carried out in the instant case.

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


Ruling

- 1) Classifying the goods and services under HSN and rate of GST could not be done as the specific details of the goods and services dealt with are not furnished by the applicant.
- 2) Question on clarification as to the category under which the applicant's transaction would fall is not covered under any of the issues on which the Advance Ruling can be sought under Section 97 (2) of CGST/TNGST Act, 2017 and as such, is liable for rejection.
- 3) 'Time and value of goods or services' could not be 'Classified' as requested by the applicant and that the same is liable to be determined by the applicant in line with the provisions of Section 12, 13 & 15 of CGST Act 2017.
- 4) Question on clarification as to getting refund of ITC availed is not covered under any of the issues on which the Advance Ruling can be sought under Section 97 (2) of CGST/TNGST Act, 2017 and as such, is liable for rejection.
- 5) Question on clarification as to the correct path about their business transaction is not covered under any of the issues on which the Advance Ruling can be sought under Section 97 (2) of CGST/TNGST Act, 2017 and as such, is liable for rejection.

6) As the supply is between two units within the taxable territory i.e. supplier and receiver are in India, GST is applicable as per Para 1(a) of Schedule II of CGST Act, 2017. Hence, registration under GST is required to be carried out.


(B.SUSEEL KUMAR)
Member (SGST)




(C. THIYAGARAJAN)
Member (CGST)

To

M/s. Snag & Bag Retail Private Limited,
No.20 (337-339), Paper Mills Road,
Sembium, Chennai – 600011. (By RPAD)

Copy submitted to

1. The Principal Chief Commissioner of GST and Central Excise,
26/1, Uthathamar 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 North Commissionerate,
26/1, Uthathamar Mahatma Gandhi Road,
Nungambakkam, Chennai 600 034.

Copy to

1. The State Tax Officer,
Perambur Assessment Circle,
Commercial Taxes Building (Annex),
No.1, Greaves Road,
Chennai – 600 006.
2. Stock File – A1