

## M/s. Ramway Foods Ltd.

Authority for Advance Ruling — Uttar Pradesh

Order No. 12

Dated 15.06.2018

### Q Questions Before the Authority

- Whether the classification of Sacks & bags of a kind used for the packing of goods of manmade textiles materials will appropriately classifiable falling under HSN 63053300 or under 39232990 of GST Tariff

### F Facts

The applicant is engaged in manufacturing Wheat Flour, Maida, and Suji, which are exempted goods supplied without payment of GST. To pack these final products, the applicant purchases woven fabric sacks/bags from suppliers who classify them under HSN 39232990 and charge GST at 18%. Since the applicant cannot claim input tax credit due to its final goods being exempt, it filed an application to determine the correct HSN classification and applicable GST rate for the bags it purchases.

### H Ruling

The Authority held that the application for **advance ruling is not maintainable** because the applicant is a **recipient of goods** rather than the supplier or manufacturer. Consequently, no ruling was pronounced on the classification or tax rate of the packing bags.

### R Reasoning

Under Section 95(a) of the CGST/SGST Act, 2017, an advance ruling is defined as a decision provided on questions specified under Section 97(2) or 100 in relation to the **supply of goods or services undertaken or proposed to be undertaken by the applicant**. Because the applicant is a recipient of the sacks/bags and not the supplier or manufacturer of those goods, the question asked does not directly relate to an outward supply made by the applicant. Therefore, the advance ruling mechanism cannot be invoked by a recipient regarding inward supplies.

### P Provisions Relied On

Section 95(a) of the CGST Act, 2017

Section 95(a) of the UPGST Act, 2017

Section 97(2) of the CGST Act, 2017

Section 100 of the CGST Act, 2017

Notification No. 27/2017-Central Tax (Rate) dated 22.09.2017

**! For the Practitioner**

This order highlights that **recipients cannot file an advance ruling application** to challenge or clarify the HSN classification or tax rate charged on their inward supplies. Practitioners must ensure that any advance ruling question directly pertains to outward supplies undertaken or proposed to be undertaken by the applicant.

**Source**

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: [www.gstcouncil.gov.in](http://www.gstcouncil.gov.in) -> up aar 12 15.06.2018 rfl.pdf

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