

M/s. Snag & Bag Retail Private Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No.56/AAR/2025

Dated **21.11.2025**

Q Questions Before the Authority

- Kindly classify the above mentioned as goods or services along with HSN/SAC code with rate of GST?
- 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?
- Kindly clarify the time and value of supply of goods and services or both based on our business transactions?
- In above scenario, Please clarify whether we can get the refund amount from ITC credit availed?
- Kindly Check and advice whether we are on the correct path or we need to raise invoice under export / Nil 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.
- In case, the above transaction is under negative list of GST Act means, are we required to register under GST Law?

F Facts

The applicant is an Indian company that sources goods from vendors in Spain/USA and sells them to another Indian entity (Party B). The goods are delivered directly from the foreign vendor to the customer's location abroad, without entering India. The applicant seeks clarity on the GST implications of this business model, specifically regarding classification, registration, and taxability.

H Ruling

Classification and rate	Could not be done	Specific details of goods and services were not furnished
Business category	Liable for rejection	Not covered under Section 97(2)
Time and value of supply	Could not be classified	To be determined by applicant per Sections 12, 13, and 15
Refund of ITC	Liable for rejection	Not covered under Section 97(2)
Invoice type and refund eligibility	Liable for rejection	Not covered under Section 97(2)
Registration requirement	Registration is required	Supply is between two units in the taxable territory

The Authority ruled that it could not classify the goods or services due to a lack of specific details provided by the applicant. It further held that most of the questions raised were not covered under the scope of Section 97(2) of the CGST Act and were thus liable for rejection. Regarding registration, the Authority determined that since the supply occurs between two units within the taxable territory, the transaction is subject to GST and registration is required.

R Reasoning

The Authority observed that the applicant failed to provide specific descriptions of the goods or services, making classification impossible. It noted that most questions did not fall under the permissible scope of Section 97(2) of the CGST Act. Regarding registration, it relied on Schedule II 1(a) of the CGST Act, concluding that because the supply involves two persons in the taxable territory, it constitutes a taxable supply of goods, necessitating registration and payment of tax.

P Provisions Relied On

Section 97(2) of the CGST Act, 2017

Section 12 of the CGST Act, 2017

Section 13 of the CGST Act, 2017

Section 15 of the CGST Act, 2017

Schedule II 1(a) of the CGST Act, 2017

! For the Practitioner

This ruling highlights the **strict requirement for specific details** when seeking an advance ruling on classification. It serves as a warning that the Authority will reject questions that fall outside the scope of Section 97(2). Practitioners should note that the Authority viewed the transaction between two Indian entities as a **taxable supply within the taxable territory**, regardless of the physical movement of goods outside India.

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 -> [12-ms-snag-bag.pdf](#)

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