
 सत्यमेव जयते	<b>RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX</b>  <b>NCR BUILDING, STATUE CIRCLE, C-SCHEME JAIPUR – 302005 (RAJASTHAN)</b>	
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ADVANCE RULING NO.RAJ/AAR/2018-19/23



Nitin Wapa Joint Commissioner	:	Member(Central Tax)
Hemant Jain Joint Commissioner	:	Member(State Tax)
Name and address of the applicant	:	M/s Umax Packaging (A unit of Uma Polymers Limited), NH-62, Pali Road, Mogra, Jodhpur- 342802, Rajasthan.
GSTIN of the applicant	:	08AAACU0748E1ZJ
Clause(s) of Section 97(2) of CGST / SGST Act, 2017, under which the question(s) raised	:	d. Admissibility of input tax credit of tax paid or deemed to have been paid;
Date of Personal Hearing	:	22.10.2018
Present for the applicant	:	Shri Pradeep Jain, CA, (Authorised representative)
Date of Ruling	:	02.11.2018

**Note:** Under Section 100 of the CGST/RGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/RGST Act 2017, within a period of 30 days from the date of service of this order.

The Issue raised by M/s Uma Polymers Ltd. {hereinafter the applicant} is fit to pronounce advance ruling as it falls under the ambit of Section 97 (2) (d).

d. Admissibility of input tax credit of tax paid or deemed to have been paid;

Further, the applicant being a registered person, (GSTIN is 08AAACU0748E1ZJ, as per the declaration given by him in Form ARA-01,) the issue raised by the applicant is neither pending for proceedings nor proceedings was passed by any authority. Based on the above observations, the application is not admitted to pronounce advance ruling.

1. **SUBMISSION OF THE APPLICANT:**

- a. The applicant is engaged in manufacture of plastic pouches in Jodhpur and is having GST registration number 08AAACU0748E1ZJ. The applicant proposes to purchase goods from M/s Uma Polymers Ltd., Guwahati and will further supply the said goods to M/s Pratap Snacks Ltd., Guwahati. The applicant will direct M/s Uma Polymers Ltd., Guwahati to deliver the goods to M/s Pratap Snacks Ltd., Guwahati. The present application is filed to seek advance ruling on the admissibility of input tax credit of IGST charged by M/s Uma Polymers Ltd., Guwahati to the applicant.
- b. The applicant wish to ask whether they are entitled for availing the credit of IGST charged by M/s Uma Polymers Ltd., Guwahati in case of 'Bill to' 'Ship to' model and whether the input tax credit of IGST availed by them can be recovered subsequently, if it is concluded by the revenue authorities that M/s Uma Polymers Ltd., Guwahati was liable to charge CGST & SGST Guwahati instead of IGST?

2. **QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

Whether ITC of IGST paid on 'bill to ship to' model admissible to the applicant?

3. **PERSONAL HEARING (PH)**

In the matter personal hearing was given to the applicant, Shri Pradeep Jain, CA, (Authorised representative) of applicant appeared for personal hearing on 22.10.2018. During the PH they reiterated the submissions already made in the application for advance ruling and requested that the case may be decided at the earliest.



4. **FINDINGS, ANALYSIS & CONCLUSION:**

We find that the present application has been filed to seek advance ruling on the issue of admissibility of input tax credit of IGST charged by M/s Uma Polymers Ltd., Guwahati from the applicant.

- a. The applicant proposes to purchase goods from M/s Uma Polymers Ltd., Guwahati and further supply the said goods to M/s Pratap Snacks Ltd., Guwahati.
- b. The transaction between M/s Uma Polymers, Guwahati, M/s Umax Packaging Jodhpur and M/s Pratap Snacks Ltd., Guwahati is a case of 'bill to-ship to'.
- c. As per section 10 (1) (b) of IGST;



*“where the goods are delivered by the supplier to a recipient or any other person on the direction of a third person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that the said third person has received the goods and the place of supply of such goods shall be the principal place of business of such person;”*

So, in the instant case, M/s Umax Packaging Jodhpur is acting as a third party, directing M/s Uma Polymers, Guwahati to despatch the goods directly to M/s Pratap Snacks Ltd., Guwahati. M/s Uma Polymers, Guwahati would accordingly 'bill to' the applicant and 'ship to' M/s Pratap Snacks Ltd., Guwahati.

- d. As per Section 16 of the CGST Act, 2017

*16. (1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.*

*(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—*

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;

(b) he has received the goods or services or both.

**Explanation.—For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;**

e. Further, as per Section 17(1) of the CGST Act, 2017;

*Where the goods or services or both are used by the registered person partly for the purpose of any business and partly for other purposes, the amount of credit shall be restricted to so much of the input tax as is attributable to the purposes of his business.*

As per the cited provisions, it is deemed that the applicant has received the goods from M/s Uma Polymers Ltd., Guwahati and thereafter the said goods are despatched to M/s Pratap Snacks Ltd., Guwahati.

IGST in this case is applicable on both the transactions i.e.

1. M/s Uma Polymers Ltd., Guwahati to the applicant and
2. The applicant to M/s Pratap Snacks Ltd., Guwahati.


Thus, M/s Uma Polymers Ltd., Guwahati can charge IGST from the applicant, against which the applicant ie. M/s Umax Packaging, Jodhpur are eligible to claim full input tax credit as per the relevant provisions of Section 16 and 17 of Chapter V of CGST Act, 2017.




5. In view of the foregoing, we rule as under:-

**RULING**

In view of the above stated facts, the applicant M/s Umax Packaging, Jodhpur is eligible to claim the input tax credit (ITC) of IGST paid on 'bill to ship to' model as per the relevant provisions of Section 16 and 17 of Chapter V of CGST Act, 2017.

  
NITIN WAPA  
Member  
(Central Tax)



  
HEMANT JAIN  
Member  
(State Tax)

**SPEED-POST**

M/s Umax Packaging  
(A unit of Uma Polymers Limited),  
NH-62, Pali Road, Mogra,  
Jodhpur- 342802, Rajasthan.

F.No. IV (4)22/AAR/RAJ/2018-19/119

Dated:- 13.11.2018

Copy to:-

✓ Assistant Commissioner, Special Circle-3, Commercial Taxes, Kar- Bhawan,  
Jodhpur, Rajasthan.

  
Superintendent

