THE AUTHORITY FOR ADVANCE RULINGS
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU – 560 009

F. No. KAR.AAR 38/2026
Order No. KAR.ADRG 38/2026 **Date: 06.07.2026**

Present:

1. **Shri. Kalyanam Rajesh Rama Rao**
Additional Commissioner of Customs & Indirect Taxes .... Member (**Central**)
2. **Shri. Sivakumar S Itagi**
Additional Commissioner of Commercial Taxes .... Member (**State**)

1	Name and address of the applicant	M/s Aghro Seed Industries, # 1, APMC ROAD, Gadag Betageri, Gadag, Karnataka, 582101.
2	GSTIN or User ID	29ABYPY1584C1ZU
3	Date of filing of Form GST ARA-01 (ARN date)	17.12.2024
4	Represented by	--Not Applicable--
5.	Jurisdictional Authority – Centre	The Commissioner of Central Tax, Belagavi GST Commissionerate, Dharwar Division.
6	Jurisdictional Authority – State	ACCT, LGSTO 350 - Gadag
7	Whether the payment of fees discharged and if yes, the amount and CIN	No, the Applicant has discharged the prescribed application fee only of ₹5,000/- under an incorrect debit head.

ORDER UNDER SECTION 98(2) OF THE CGST ACT, 2017
& UNDER SECTION 98(2) OF THE KGST ACT, 2017

M/s Aghro Seed Industries, (hereinafter referred to as the "Applicant"), having GSTIN 29ABYPY1584C1ZU and principal place of business at # 1, APMC ROAD, Gadag Betageri, Gadag, Karnataka, 582101, filed an application for Advance Ruling under Section 97 of the Central Goods and Services Tax Act, 2017 read with Rule 104 of the Central Goods and Services Tax Rules, 2017 and the corresponding provisions of the Karnataka Goods and Services Tax Act, 2017, in FORM GST ARA-01.

2. It was observed that, in terms of Section 97(1) of the CGST/KGST Act, 2017 read with Rule 104 of the CGST/KGST Rules, 2017, an application for Advance Ruling is required to be accompanied by a fee of **₹5,000/- each under the CGST Act and the KGST Act**. However, the Applicant had not discharged the prescribed fee in full and was accordingly advised to rectify the defect by remitting the requisite balance fee.

3.1 The applicant is engaged in purchasing hround nut seeds and pods from various dealers which are taxable at 5%. They are then decorticated, sorted and chemically treated. These chemically treated seeds are for sowing and not fit for human consumption, which is exempted from GST.

3.2 If ground nut seeds and pods fit for human consumption are processed into Ground nut seed quality fit for sowing only and not for human consumption, whether it is eligible for refund under inverted duty structure.

4. In this regard, the Applicant has raised the following questions:-

a) ***Whether GST paid on Inward supplies is eligible for refund under Inverted duty Structure?***

b) ***What is the procedure to be adopted by us to establish the burden of proof for claiming exemptions?***

4. Subsequently, the Applicant, vide email dated **06.07.2026**, requested withdrawal of the present Advance Ruling application as the clarity on the query has been already resolved by the GST Authorities.

5. In view of the above, we pass the following,

R U L I N G

The application filed by the applicant for advance ruling is disposed off as withdrawn.

(Kalyanam Rajesh Rama Rao)
Member
MEMBER
Karnataka Advance Ruling Authority
Bengaluru - 560 009

(Sivakumar S Itagi)
Member
MEMBER
Karnataka Advance Ruling Authority
Bengaluru - 560 009

Place: Bengaluru,
Date: 06.07.2026

To,
The applicant

Copy to:
1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Belagavi GST Commissionerate, Dharwar Division.
4. The Assistant Commissioner, LGSTO 350 - Gadag.
5. Officer Folder.

Authority For Advance Ruling Karnataka, Bengaluru