

## Refund Formula / Sanction etc.

A simple formula prescribed in the rules may be based on proportionate credit based on export turnover/total turnover.

Declaration obtained from the exporter regarding export duty / Receipt in SEZ / Deemed Export etc.

Refund shall be granted within 60 days from the date of application **complete in all respects**

For export refunds to notified category of dealers, 90% refund can be granted before verification subject to such conditions and restrictions.

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### GST Imports

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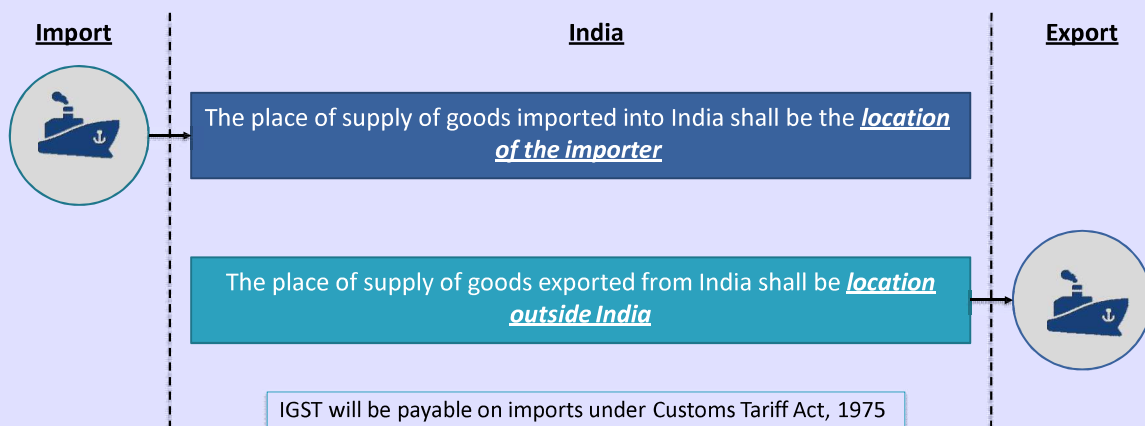
## Place of Supply – Import / Export of Goods

➤ **Export of goods:** With its grammatical variations and cognate expressions, means taking out of India to a place outside India.[Sec. 2(18) of Customs Act, 1962 - similar definition in GST Law]

➤ **Import of goods:** With its grammatical variations and cognate expressions, means bringing into India from a place outside India.[Sec 2(23) of Customs Act - similar definition in GST]

## Place of Supply – Goods: Import or Export

- ▶ Import – Location of Importer
- ▶ Export – Location outside India



## Place of Supply – Services (Proxies)

| Sec. | Situation                 | Place of supply        | Impact   |
|------|---------------------------|------------------------|--|
| 8(1) | Goods imported into India | Location of importer   | Imports will be liable to IGST in addition to Basic Customs Duty (and other Customs Duties)  |
| 8(2) | Goods exported from India | Location outside India | Exports will be zero-rated with benefit of refund of Input Tax Credit or Rebate of tax paid. |

## GST on Imports - Case Study #13

1. Assessable Value = Rs. 10 Lakh, BCD at 10%, IGST at 18%

| Particulars  | Rs.       | Reason            |
|--|-----------|-------------------|
| 1. Transaction Value u/s 14(1)                         | 10,00,000 |                   |
| 2. Basic Customs Duty (BCD) at 10%                     | 1,00,000  |                   |
| 3. Social Welfare Surcharge (SWS) on Customs Duty @10% | 10,000    | 10%<br>×1,00,000  |
| 4. Total Customs Duty = BCD + ACD u/s 3(1) = (2) + (3) | 1,10,000  |                   |
| 5. Integrated Tax at 18% on (1) + (4) Above            | 1,99,800  | 18%<br>×11,10,000 |
| 6. Total Customs Duty payable [(4) + (5)]              | 3,09,800  |                   |

## GST on Imports - Case Study #14

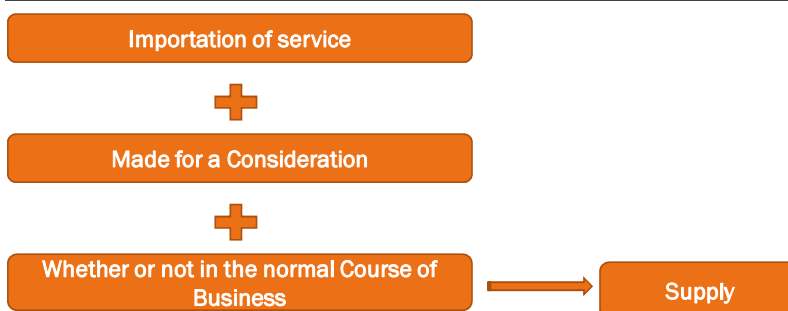
2. Assessable Value = Rs. 10 Lakh, BCD at 10%, IGST at 28%. Compensation Cess at 15%

| Particulars  | Rs.       | Reason            |
|--|-----------|-------------------|
| 1. Transaction Value u/s 14(1)                         | 10,00,000 |                   |
| 2. Basic Customs Duty (BCD) at 10%                     | 1,00,000  |                   |
| 3. SWS on Customs Duty @10%                            | 10,000    | 10%<br>×1,00,000  |
| 4. Total Customs Duty = BCD + ACD u/s 3(1) = (2) + (3) | 1,10,000  |                   |
| 5. Integrated Tax at 28% on (1) + (4) Above            | 3,10,800  | 28%<br>×11,10,000 |
| 6. Compensation Cess at 15% on (1) + (4) Above         | 1,66,500  | 15%<br>×11,10,000 |
| 7. Total Customs Duty payable [(4) + (5) + (6)]        | 5,87,300  |                   |

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## Included Supplies - Case Study #15

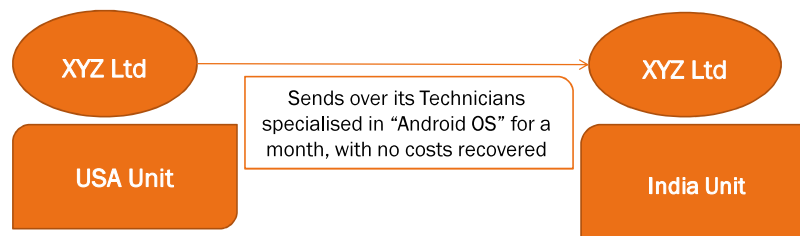
Section  
7(1)(b)



**Ex:** Kareena Kapoor uses "Jean Claude" a designer based in Paris for designing her Wedding Dress

**Note:** These supplies are normally chargeable under Reverse Charge Mechanism (RCM), where it will be Taxable in the hands of Importer.

## Deemed Supplies - Case Study #16



**Note:** 1. Here, Service is imported from an **establishment (of the same Assessee) outside India / Related person who is outside India**. This shall be treated as supply without involving consideration as per the Schedule I of the Goods and Services Act.

2. However, such import shall be **in the course of furtherance of business**

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## Case Studies – #17 to 25

☐ Premier Ltd., manufacturer of Equipments / Industrial Inputs from their plant at Trichy. Calculate Tax liability based on the following –

- (a) Supply of goods within State, value Rs.7,50,000, [Recd. against such consignment – Rs.3,75,000].
  - (b) Export under LUT – Rs. 2,50,000.
  - (c) Export to an EOU unit in Coimbatore Rs. 5,00,000.
  - (d) Supply of Special purpose machineries for construction of road to State of TN– Rs.2,50,000 were charged towards machineries and Rs.50,000 for installation & commissioning.
  - (e) Advance of Rs.500000 received for machinery to be supplied to a SEZ Unit (under LUT)
  - (f) Supply w/i state against an advance received in previous month Rs.250000
  - (g) Legal consulting fee paid to an Advocate in Chennai Rs.25000
  - (h) Filing fees paid to MCA for Annual Returns amounted to Rs.1500
  - (i) Factory license fees paid to State Industrial Development Corporation Rs.2,50,000
  - (j) Fees paid for Technical consulting to UK Company Rs.120000
- Consider GST at 18% for the calculation of tax liability of industrial equipment.

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## A few more Case Studies ... #26

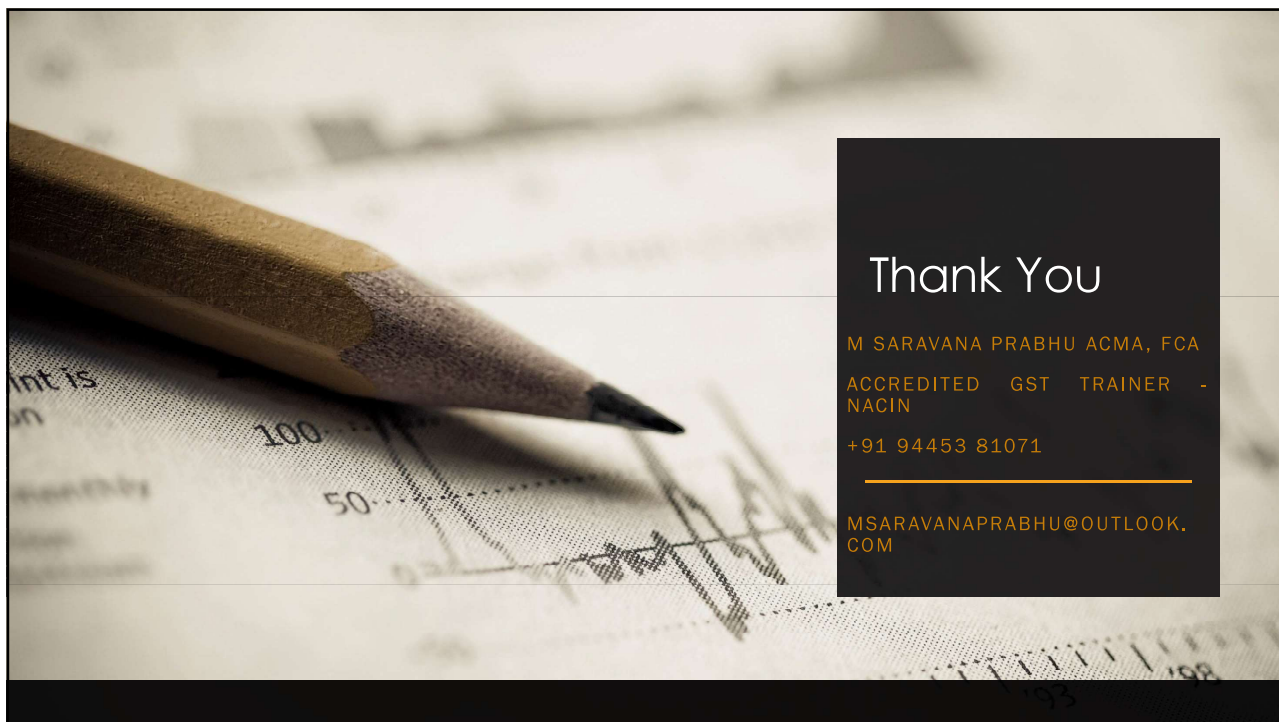
| Transaction  |  |
|--|--|
| <p><i>Transfer/sale of goods while being deposited in a customs bonded warehouse</i>—In this transaction, the Importer files an into-bond Bill of Entry (BoE) and stores the goods in a customs bonded warehouse and thereafter, supplies such goods to another person who then files an ex-bond BoE for clearing the said goods from the customs bonded warehouse for home consumption.</p> |  |

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## A few more Case Studies #27

|   |  |
|---|--|
| Goods imported by Special Economic Zone (SEZ) |  |
| Goods imported by EOU                         |  |

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## Thank You

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