

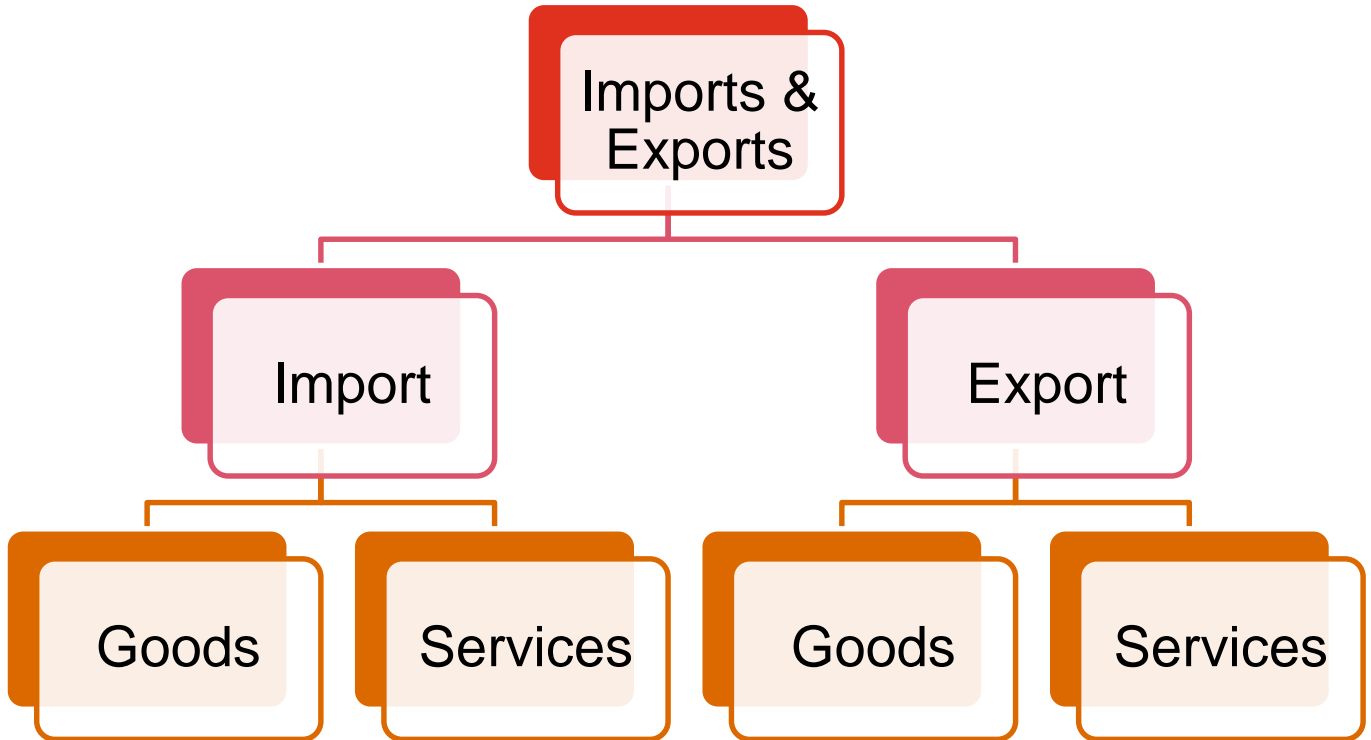
Exports, Imports & SEZ Supplies in GST

**ICMAI GST Course
Online Session**

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Key Definitions – Imports and Exports



Key Definitions – Imports (IGST Act, 2017)

Sec 2(10) of the IGST Act, 2017 –

“import of goods” with its grammatical variations and cognate expressions, means bringing **goods into India** from a place **outside India**;

Sec 2(11) of the IGST Act, 2017 –

“import of services” means the supply of any service, where—

- (i) the **supplier** of service is located **outside India**;
- (ii) the **recipient** of service is located **in India**; and
- (iii) the **place of supply** of service is **in India**;

Key Definitions – Exports (IGST Act, 2017)

Sec 2(5) of the IGST Act, 2017 –

“export of goods” with its grammatical variations and cognate expressions, means **taking goods out of India** to a **place outside India**;

Case	Location of supplier	Location of goods	Goods supplied to	Location of recipient	Place of supply
1	Assam	Assam	Thailand	Assam	Thailand
2	Maharashtra	Dubai	Iran	Iran	Not an export

Key Definitions – Exports (IGST Act, 2017)

Sec 2(6) of the IGST Act, 2017 –

“export of services” means the supply of any service when,—

- (i) the **supplier** of service is located **in India**;
- (ii) the **recipient** of service is located **outside India**;
- (iii) the **place of supply** of service is **outside India**;
- (iv) the **payment** for such service has been received by the supplier of service in **convertible foreign exchange**; and
- (v) the **supplier** of service and the **recipient** of service are not **merely establishments** of a **distinct person** in accordance with Explanation 1 in section 8;

Sec 8 - Explanation 1.—For the purposes of this Act, where a person has,

- (i) an establishment in India and any other establishment outside India;
- then such establishments shall be treated as establishments of distinct persons.**

Export of Service – Sec 2(6) of IGST Act, 2017

Clause	Condition	
1	Supplier of service	In India
2	Recipient of service	Outside India
3	Place of supply of Service	Outside India
4	Receipt of Payment for such service by supplier of Service	Convertible foreign exchange
5	Supplier of service and the Recipient of service	not merely establishments of a distinct person

Explanation - Sec 8 - Explanation 1 --For the purposes of this Act, where a person has, an establishment in India and any other establishment outside India; then such establishments shall be treated as establishments of distinct persons

Place of Supply of Goods – Sec 11 IGST (Goods imported into / exported from India)

Export of goods: Means taking goods out of India to a place outside India;

Import of goods: Means bringing goods into India from a place outside India;

Section	Situation	Place of supply
11(a)	Goods imported into India	Location of importer
11(b)	Goods exported from India	Location outside India

Note: Section 5 provides that ***IGST shall be levied*** on goods imported into India as per Section 3 of Customs Tariff Act

- *Point of taxation* - When duties of customs are levied on the said goods
- *Value* - As determined as per Customs Act

Place of Supply of Goods – Sec 11 IGST (Illustrations)

Section 11(a): Import of goods

Case	Location of supplier	Location of goods before supply	Goods supplied to*	Location of recipient	Place of supply
1	Thailand	Thailand	Assam	Assam	Assam
2	China	China	Kashmir	Haryana	Kashmir
3	Sri Lanka	Sri Lanka	Kerala	Kerala	Kerala
4	Karnataka	Iran	Dubai	Karnataka	Not an import

Section 11(b): Export of goods

Case	Location of supplier	Location of goods	Goods supplied to	Location of recipient	Place of supply
1	Assam	Assam	Thailand	Assam	Thailand
2	Tamil Nadu	Kashmir	China	Texas	China
3	Sri Lanka	Kerala	Sri Lanka	Sri Lanka	Sri Lanka
4	Maharashtra	Dubai	Iran	Iran	Not an export

*** address of delivery of goods as per bill of entry**

Place of Supply of Services – Sec 13 IGST (where supplier or recipient is outside India)

Services when goods required to be made **physically** available by recipient or requiring **physical presence** of receiver / person acting on his behalf

Location where services actually performed

Services supplied directly in relation to **immovable property**

Location of such immovable property (or where it is intended to be located)

Service by way of **admission** to / **organising** an event, etc. and ancillary services

Place where the event is actually held

Banking services to account holders, intermediary services, hiring of means of transport (other than aircraft and vessels) upto 1 month

Location of supplier

Transportation of goods (other than by way of mail / courier)

Destination of the goods

1 to 3 → When supplied at >1 location (including India) → Deemed location in India. When supplied from >1 state / UT → In proportion to the value of services

Place of Supply of Services – Sec 13 IGST (where supplier or recipient is outside India)

Passenger
transportation
service

Place where
passenger
embarks on
the
conveyance
for a
continuous
journey

Service
provided on
board a
conveyance

First
scheduled
point of
departure of
that
conveyance
for that
journey

Online
information and
database access
or retrieval
services

Location of
recipient

Residuary

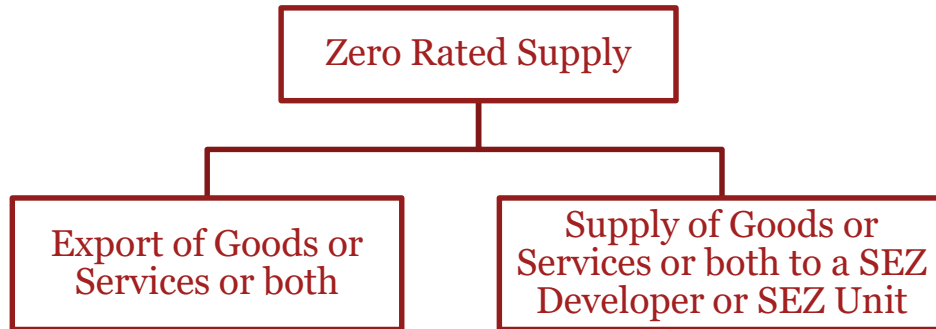
**Location of
the
recipient;**

*If not
available in
the ordinary
course of
business,
location of
supplier*

To prevent
double taxation
/ non-taxation,
or for the
uniform
application of
rules, CG has
power to notify
services/
circumstances

Place of
effective use
and
enjoyment of
a service

Zero Rated Supply - Sec 16



Zero rated supplies are allowed free of any taxes. Such supplies are made free of taxes both at the input and output side. This is achieved by **the following options**:

- Allowing credit on input supplies used for Zero rated supplies. Supply of goods of services or both under Bond/ LUT without payment of tax.; or
- Allowing credit on input supplies used for Zero rated supplies. Supply of good or services or both on payment of IGST and refund of full IGST paid.

Zero Rated Supply – Definition – Sec 16

“Zero rated supply” means any of the following supplies of goods or services or both, namely:

(a) export of goods or services or both; or

(b) supply of goods or services or both **for Authorized Operations** (inserted in Jan 2022) to a Special Economic Zone developer or a Special Economic Zone unit.

Continued

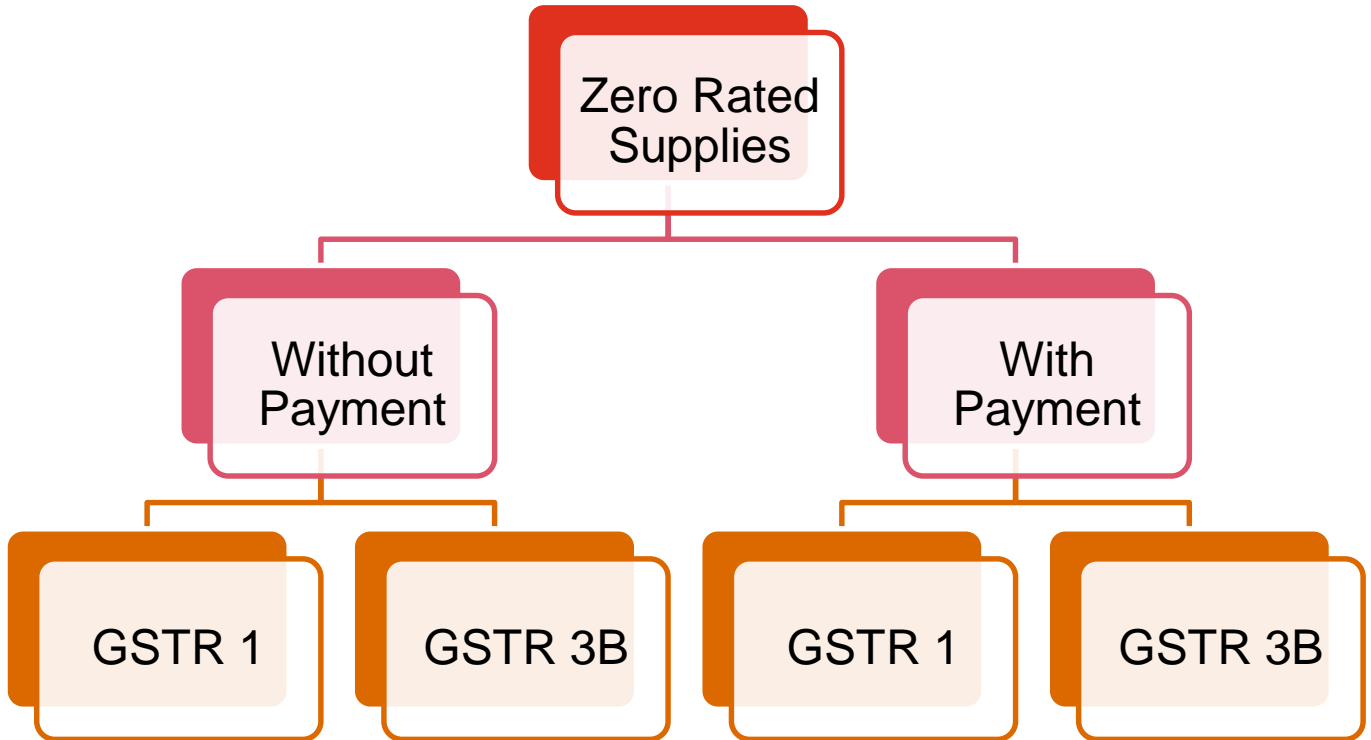
Zero Rated Supply – Definition – Sec 16

“(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

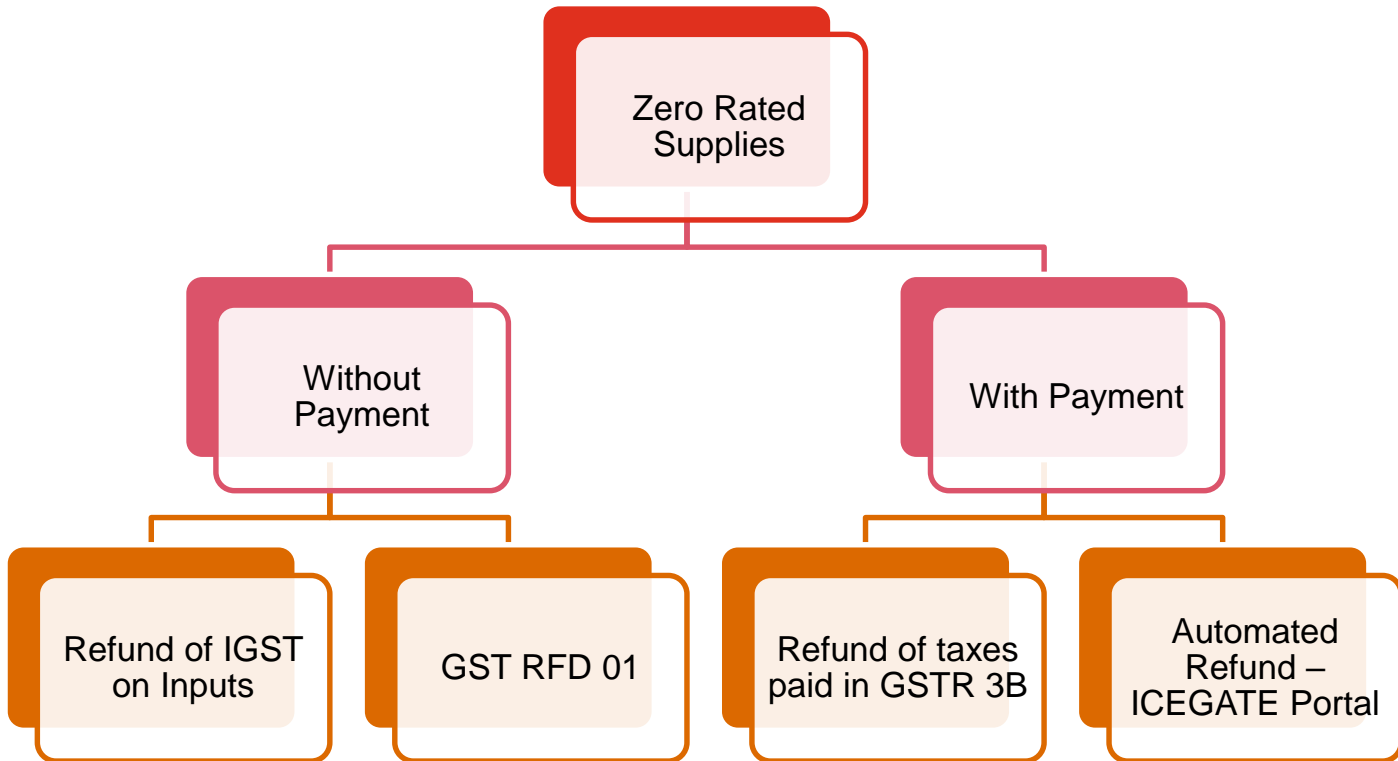
Provided that the registered person making zero rated supply of goods shall, ***in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.***

Amended wef 1st Jan 2022

Treatment of Zero Rated Supplies in GST Returns



Refund of Zero Rated Supplies in GST Returns



Rules for Tax invoice - Export

Rule No.	Coverage	
Rule 46	Particulars to be mentioned in a tax invoice referred in section 31	
Proviso 1:	Power of Board to specify: Number of digits of HSN for a class of taxpayers	
Proviso 3:	<p>Export of goods or service Following should be mentioned on invoice:</p> <p>a) "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS ON PAYMENT OF INTEGRATED TAX"</p> <p>b) "SUPPLY MEANT FOR EXPORT/SUPPLY TO SEZ UNIT OR SEZ DEVELOPER FOR AUTHORISED OPERATIONS UNDER BOND OR LETTER OF UNDERTAKING WITHOUT PAYMENT OF IGST".</p>	<p>Export supply on payment of IGST</p> <p>Export supply on LUT without payment of IGST</p>

E-Invoice for Zero Rate Supplies

Query	Response
What are the different Supply types available in e-Invoice portal?	<p>The different supply types that can be reported are</p> <ul style="list-style-type: none">✓ B2B: Business to Business,✓ SEZWP: To SEZ with Payment,✓ SEZWOP: To SEZ without Payment,✓ EXPWP: Export with Payment,✓ EXPWOP: Export without Payment,✓ DEXP: Deemed Export

INVOICE

Export Invoice

EXPORT INVOICE
SUPPLY MEANT FOR EXPORT
WITH PAYMENT OF INTEGRATED TAX
(Invoice under Rule 46 of Central Goods and Services Rules, 2017)

INV No.: 2021-03-019
INV Date: March 31, 2021
PID No.: 10094

TO:
Hexagon Global IT Solutions SDN BHD
Suite 13.03 13th floor
Menara Tan & Tan, 207
Jalan Tun Razak 50400 Kuala Lumpur
Malaysia

For,
mPower Product

REF:
PO No:
PO Date:

PLACE OF SUPPLY: Malaysia

DESCRIPTION	AMOUNT IN MYR
mPower License	150,000
TOTAL TAXABLE VALUE (A)	150,000
Add: IGST: 18 %	27,000
TOTAL TAXES (B)	27,000
GRAND TOTAL (A) + (B)	177,000

(MYR One Hundred And Seventy Seven Thousand Only)

Payment Instructions:

Account Number: 50200051109424; Account Type: Current
Beneficiary Name: Hexagram Fintech Pvt. Ltd
Bank: HDFC Bank
Branch: HSR Layout, Bangalore – 560 102
IFSC Code: HDFC0003758; SWIFT Code: HDFCINBB

GST : 29AAFC3318G12N

SAC : 998314

Description of SAC: Information Technology Design and Development Services

Whether Tax Payable On Reverse Charge Basis: NO

CIN : U72900KA2020PTC135994

EAN : AAFCH3318G

TAN : BLRH11644D

MSME : KR030017183

IE Code : AAFCH3318G

Make all checks payable to Hexagram Fintech Pvt. Ltd.
Due in 15 days. Overdue accounts subject to a service charge of 1% per month.

Thank you for your business!

For Hexagram Fintech Pvt. Ltd



Ravindranath Ramakrishna

Ravindranath
h

Digitally signed by
Ravindranath
Date: 2021.04.15
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16:00:00 +05'30'

LUT Copy – GST RFD 11

FORM GST RFD - 11

Annexure B

[See rule 96A]

Furnishing of Letter of Undertaking for export of goods or services

Applicant Details :

Goods and Services Tax Identification Number
27AAACT1650J1ZE

Legal Name
THREE M PAPER BOARDS LIMITED

Trade Name
THREE M PAPER BOARDS LIMITED

Address
F1, MIDC AREA, KHERDI, CHIPLUN, Ratnagiri,
Maharashtra, 415604

LUT details :

LUT Applied for financial year
2024-25

Document Upload
Previous Letter of Undertaking (LUT)
Document

Judicial Pronouncements

- Exports and Place of Supply**

Judicial Pronouncements - 1

Furnishing of Bank Realization Certificates (BRC) is not a necessary condition for claiming refund in case of export of goods : Delhi HC

As per CBI&C Circular No. 125/44/2019-GST furnishing of BRCs is not a necessary condition for claiming refund in case of export of goods. Thus, in view of aforementioned circular, assessee's claim for refund of ITC could not be rejected by proper officer on ground of non-furnishing of BRCs. Also adjudicating authority had some apprehension as to whether assessee had made payment for supplies in respect of which it had claimed refund of accumulated ITC, the matter was to be remanded back to adjudicating authority for decision afresh on aforementioned limited question and impugned refund rejection order is set aside.

RAJIV SHARMA V/S UNION OF INDIA

Citation: (2024) 21 Centax 453 (Del.) [26-07-2024]

Judicial Pronouncements - 2

Where petitioner, was a wholly owned subsidiary of InfoDesk Inc, USA, which provides software consultancy services, IT support, and other services exclusively for its parent company under a service agreement and agreement clearly indicated that petitioner provided services on its own account, rather than facilitating transactions between third parties, thus, petitioner's services were qualified as export of services under section 2(6) of IGST Act – Gujarat High Court

Services were provided directly to parent company on a principal-to-principal basis and petitioner was compensated on a cost-plus basis (cost incurred plus an 8% markup), demonstrating an independent contractual arrangement. Moreover service agreement clearly indicated that petitioner provided services on its own account, rather than facilitating transactions between third parties. Petitioner's services were qualified as export of services under section 2(6) of IGST Act as petitioner received payment in foreign exchange, and place of supply was outside India - Thus, revenue had committed an error in holding that petitioner was providing intermediary service to its parent company. Therefore revenue was directed to process refund claim [Sec 54 of CGST Act, 2017]

INFODESK INDIA PVT. LTD. V/S UNION OF INDIA

Citation: (2025) 26 Centax 241 (Guj.) [02-01-2025]

Judicial Pronouncements - 3

Limitation period for a refund claim on zero-rated supply runs from date of departure of vessel not from end of tax period – Andhra Pradesh High Court

Assessee filed refund application for zero-rated granite exports on 21.03.2024 claiming time limit runs from end of tax period. Revenue rejected application as time-barred since vessel departed India on 09.03.2022

HELD: Under Sec 54(1) read with Sec 54(14), two-year limitation for refund claims runs from 'relevant date' being date of vessel's departure for exports by sea. Sec 54(3) only prescribes starting point for claiming refund as end of tax period but does not extend two-year limitation. Application filed beyond limitation period of 09.03.2024 rightly rejected. Writ petition dismissed [Sec 54 of CGST Act, 2017]

Cherish India Exports V/s Asst Comm of ST

(2025) 27 Centax 38 (A.P.) - Decided on dated – 11-12-2024

Judicial Pronouncements - 4

Where petitioner provided specialised work of providing 3D city models & there was no material whatsoever before appellate authority to come to a conclusion that place of supply of such database access or retrieval services was not location of recipient of services since place of supply was to company, location of supplier was outside Indian taxable territory – Bombay High Court

Petitioner was engaged in business of providing Satellite derived 3D model services and had considerable skill, knowledge and experience. Foreign entity engaged petitioner to provide services. Supply of service was to be made to company which was not located in India. Also place of supply of service was agreed to be outside India, as also payment of such services was being received by petitioner/supplier of service in convertible foreign exchange.

Consideration as received by petitioner for providing of such service was received in convertible foreign exchange, although through foreign recipients/representative and invoices clearly referred to payment in US dollars.

HELD: Petitioner certainly qualified requirement of Sec 2(6) of IGST Act, 2017 that it was dealing in export of services in relation to Agreement in question. [Sec 2(6) and Ssc 13 of IGST Act, 2017]

GLOBOLIVE 3D PVT. LTD. V/S UNION OF INDIA

Citation: (2023) 9 Centax 359 (Bom.) [24-08-2023]

Judicial Pronouncements - 5

Where services provided by petitioner to foreign recipient included identifying potential opportunities for investments in India, analyzing investment returns and related risks, preparing reports etc., merely because foreign recipient, on basis of advisory services provided by petitioner, had made investments in entities in India, it could not be construed to mean that petitioner had rendered advisory services as an 'Intermediary': Delhi High Court

Petitioner was rendering "advisory services to overseas group companies with respect to investment avenues in transportation sector after performing its own analysis and due diligence". It had also explained that its overseas group company was not bound by its advices and took its own decision at its discretion as expressly stated in Agreement. Petitioner was charging "market services and advisory fee" in their invoices. Since petitioner had not rendered any services in more than one state or UT Sec 13(7) was not applicable. Petitioner had not rendered any service to an individual; thus, nature of services were not covered under sec 13(3)(b) as such services are essentially in nature of personal services which require physical presence of service recipient. Services that were supplied were not directly in relation to an immovable property. Thus, services rendered by petitioner were covered under Sec 13(4). Resultantly, petitioner's claim for refund was to be processed [Sec 13 of IGST Tax Act, 2017 & Sect 54 of CGST Act, 2017]

**CUBE HIGHWAYS AND TRANSPORTATION ASSETS ADVISOR PVT. LTD.
V/S ASSISTANT COMMISSIONER OF CGST**

Citation: (2023) 9 Centax 290 (Del.) [17-08-2023]

Questions Please

Thanks for your Patience and Time

