Sale of Goods located outside India

Sale of Goods

If we sale goods in India to any customer.

GST will depend place of supply

CGST & SGST if intra state sale.

IGST if inter state sale.

If we sale goods Outside India (Export).

Sale of Goods Outside India

If we sale goods Outside India (Export) to Outside India customer.

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IGST is applicable.

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If LUT has been obtained, same is exempt.

But what if we sale goods Outside India (Export) & customer is Indian.

↓

IGST?

↓

CGST & SGST ?

INA Bearing India (P) Ltd.

- An Indian Company engaged in business of supply of bearings and tools.
- They have received order from Indian customer for tool.
- In turn, they have placed order to foreign vendor for manufacture of tool.
- Tool was manufactured & were in possession of foreign vendor.
- Foreign vendor raised invoice on INA Bearing India (P) Ltd.
- At that time, INA Bearing India (P) Ltd. have raised invoice on Indian Customer.

GST implication?

GST Implication

- As per Section 7(5)(*a)* of the IGST Act, provide that export or import of goods and/or services should be treated as inter-State transaction.
- Section 7(2) of the IGST Act, supply of goods imported into the territory of India till they cross the customs frontier shall be treated as supply of goods in the course of inter-State trade or commerce.
- The proviso to section 5(1) of the IGST Act states that provided that the integrated tax on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975 on the value as determined under the said Act at the point when goods crosses custom frontier.

to be Continue….

Continue….

- The ownership of the said goods get transferred to the applicant without any physical movement of the goods from Germany to India.

- In this way, the imported goods sold from and to a non-taxable territory, though they are clearly in the nature of inter-State supply, would come in the category of exempt supply as no duty is leviable on them.

Conclusion

- Cross-border transactions are being covered under Inter-State supply.
- It covers under Zero rated supply.
- Hence, not taxable under GST as per GST/ARA/04/2018-19/B-60.

Synthite Industries Ltd.

- Goods procured from one country (China)
- supplied to another country (USA)
- Synthite Industries Ltd. (India)

- Place of Supply ?
- As goods are not imported into India at any point of time, GST is not applicable as per order no. CT 12275/18-C3.

THANK YOU