



## GST ALERT XL

**(For Exporter)**

### **Sub: Purchase at concessional rate for export**

Government of India have issued notification no 41/2017 under the IGST Act and rate notification no 40/2017 under CGST Act providing concessional GST rate for Supply of Goods for Exports @0.1% of its value with effect from 23<sup>rd</sup> October 2017. As per these notifications, following conditions are required to be fulfilled by the Exporter for concessional rate:

- 1) Supplier and Recipient (Exporter) of Goods should be registered under the GST Laws.
- 2) Supply of Goods should be covered under the Tax Invoice.
- 3) Exporter is required to export same goods as supplied by the Supplier. Therefore, Concessional rate is applicable only in case of Merchant Exporters.
- 4) Exporter has to export goods within 90 days from the date of issue of tax invoice.
- 5) Exporter is required to state GSTIN of supplier and Tax Invoice number in Shipping Bill or Bill of Export.
- 6) Exporter should be registered either with Export Promotion Council or Commodity Board.
- 7) Exporter is required to issue Purchase order on supplier, stating that goods are purchased at concessional rate for export.
- 8) Exporter shall move goods from Supplier as under:
  - a) directly to Port, Inland container Depot, Airport or Land Custom station from where goods are exported.
  - b) directly to a registered warehouse of Exporter from where goods are ultimately moved to Port, Inland container Depot, Airport or Land Custom station for the purpose of export. In this case exporter is required to endorse receipt of goods on tax invoice and obtain acknowledgement from warehouse operator for receipt of such goods.

9) Exporter is required to furnish following documents to Supplier as well as Jurisdiction GST officer of the supplier:

- 1) Copy of Purchase order ordering goods at concessional GST rate.
- 2) Copy of Tax invoice which is required to be endorsed by Exporter for receipt of goods.
- 3) Copy of acknowledgement by Warehouse operator for receipt of such goods.
- 4) Copy of Shipping Bill or Bill of Export containing information about GSTIN and Details of Tax Invoice of Registered supplier with proof of export general manifest or export report.

**10) In case of interstate supply, rate of IGST will be 0.1% In case of intrastate supply, CGST will be 0.05% and SGST 0.05%.**

For your reference, above referred two Notifications are appended hereunder.

### **Damania & Varaiya**

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Date: 26<sup>th</sup> October, 2017

**Notification No. 40/2017-Central Tax (Rate), F. No. 354/117/2017- TRU Pt.III] Dated 23rd October, 2017**

*In exercise of the powers conferred by sub-section (1) of section 11 of the Central Goods and Services Tax Act, 2017 (12 of 2017) (hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the intra-State supply of taxable goods (hereafter in this notification referred to as "the said goods") by a registered supplier to a registered recipient for export, from so much of the central tax leviable thereon under section 9 of the said Act, as is in excess of the amount calculated at the rate of 0.05 per cent., subject to fulfilment of the following conditions, namely: -*

*(i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;*

*(ii) the registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;*

*(iii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;*

*(iv) the registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognised by the Department of Commerce;*

*(v) the registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;*

*(vi) the registered recipient shall move the said goods from place of registered supplier -*

*(a) directly to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported; or*

*(b) directly to a registered warehouse from where the said goods shall be move to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported;*

*(vii) if the registered recipient intends to aggregate supplies from multiple registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Depot, Airport or Land Customs Station from where they shall be exported;*

*(viii) in case of situation referred to in condition (vii), the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice and the acknowledgment of the warehouse operator shall be provided to the registered supplier as well as to the jurisdictional tax officer of such supplier; and*

*(ix) when goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.*

*2. The registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.*

*(Ruchi Bisht)*

*Under Secretary to the Government of India*

**Notification No. 41/2017 -Integrated Tax (Rate) F. No.354/117/2017-TRU(Pt.III) Dated 23rd October, 2017**

*In exercise of the powers conferred by sub-section (1) of section 6 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), (hereafter in this notification referred to as "the said Act"), the Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts the inter-State supply of taxable goods (hereafter in this notification referred to as "the said goods") by a registered supplier to a registered recipient for export, from so much of the integrated tax leviable thereon under section 5 of the Integrated Good and Services Tax Act, 2017 (13 of 2017), as is in excess of the amount calculated at the rate of 0.1 per cent., subject to fulfilment of the following conditions, namely: -*

- (i) the registered supplier shall supply the goods to the registered recipient on a tax invoice;*
- (ii) the registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;*
- (iii) the registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill or bill of export, as the case may be;*
- (iv) the registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognised by the Department of Commerce;*
- (v) the registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;*
- (vi) the registered recipient shall move the said goods from place of registered supplier -*
  - (a) directly to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported; or*
  - (b) directly to a registered warehouse from where the said goods shall be move to the Port, Inland Container Depot, Airport or Land Customs Station from where the said goods are to be exported;*

*(vii) if the registered recipient intends to aggregate supplies from multiple registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Depot, Airport or Land Customs Station from where they shall be exported;*

*(viii) in case of situation referred to in condition (vii), the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice and the acknowledgment of the warehouse operator shall be provided to the registered supplier as well as to the jurisdictional tax officer of such supplier; and*

*(ix) when goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.*

*2. The registered supplier shall not be eligible for the above mentioned exemption if the registered recipient fails to export the said goods within a period of ninety days from the date of issue of tax invoice.*

*(Ruchi Bisht)*

*Under Secretary to the Government of India*