



**TELANGANA STATE AUTHORITY FOR ADVANCE RULING**  
**CT Complex, M.J Road, Nampally, Hyderabad-500001.**  
**(Constituted under Section 96(1) of TGST Act, 2017)**

**Present:**

**Sri B. Raghu Kiran, IRS, Additional Commissioner (Central Tax)**  
**Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Tax)**

**A.R.Com/06/2020**

**Date:29.12.2021**

**TSAAR Order No.33/2021**

**[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]**

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1. M/s. International Inspection Services Private Limited, H No. 5-6-137/6/4/2, Haritha Nilayam, Behind Metro, Near Sai Baba Temple, Kukatpally, Hyderabad, Telangana, 500072 (36AACCI9665C1ZG) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The Applicant has declared that the questions raised in the application have neither been decided by nor are pending before any authority under any provisions of the GST Act. The application is therefore, admitted.
4. **Brief facts of the case:**  
  
M/s. International Inspection Services Private limited supply inspection and expediting services during the manufacturing of equipment and packing of equipment/material in India and also abroad. They perform the inspection services for their foreign clients in respect of the equipment/machinery/material in India but which is intended to be exported. They receive inspection charges from their clients in foreign currency. As the goods are ultimately exported to outside the country, they request clarification regarding liability of their supplies to tax. Hence this application.
5. **Questions raised:**
  1. Whether services rendered for foreign companies (which do not have any business place/agency in India) in India is considered as an export or not?
  2. Whether services provided in respect of goods that are being exported are also considered as Export of services?

6. **Personal Hearing:**

The Authorised representatives of the unit namely V. Madhusudhan, CA & G. Srinivasa Rao, MD attended the personal hearing held on 25-11-2021. The authorized representatives reiterated their averments in the application submitted and contended as follows:

1. That, the applicant is in the business of inspection services wherein they certify the quality and quantity of the goods being supplied by Indian Supplier to a foreign recipient.
2. That, the goods being ultimately exported, the question for clarification before the AAR is whether the services supplied by way of inspection for quality and quantity become eligible for exemption under GST.

**7. Discussion & Findings:**

The recipient of services provided by the applicant is a foreign buyer of Indian goods. The applicant performs services in relation to goods located or under manufacture in the territory of India on behalf of the foreign buyer. The liability to tax in this situation is governed by the place of supply rules as enumerated under Section 13 of the IGST Act, 2017. This Section deals with place of supply of services where location of supplier or location of recipient is outside India. Sub section 3 of Section 13 reads as follows:

"3. The place of supply of the following services shall be the location where the services are actually performed, namely:

- (a) Services supplied in respect of goods which are required to be made physically available by the recipient of services to the supplier of services, or to a person acting on behalf of the supplier of services in order to provide the services."

In the instant case, the location of the recipient is outside India however the location where the services are actually performed in respect of goods is in the Country. Therefore the place of supply of services provided by the applicant are within the Country and hence liable to SGST & CGST in the State of Telangana.

**8. The ruling is given as below:**

In view of the above discussion, the questions raised by the applicant are clarified as below:

Questions	Ruling
1. Whether services rendered for foreign companies (which do not have any business place/agency in India) in India is considered as an export or not?	Place of supply of services provided by the applicant are within the Country and hence liable to SGST & CGST and will not be treated as export
2. Whether services provided in respect of goods that are being exported are also considered as Export of services?	As discussed above question No.1

**[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]**

To  
M/s. International Inspection Services  
Private Limited, H No. 5-6-137/6/4/2,  
Haritha Nilayam, Behind Metro,  
Near Sai Baba Temple, Kukatpally,  
Hyderabad, Telangana, 500072.

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax), Medchal Commssionerate, 2nd Floor, Room No. 204, H.No. 1-4-649/B, Lakdi-ka-pul, Hyderabad 500004 .

Copy to:

1. The Superintendent (Central Tax) Kukatepally Range. 2nd & 3rd Floor, Lords Court, Plot No, 80, 81, SY.No. 166, Usha Mullapudi Road, Near South India Shopping Mall, A.S.Raju Nagar, Kukatpally: Hyderabad -500072 .

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Superintendent (Grade-I)