M/s Syngenta Biosciences Private Limited, Santa Monica Works, Ilhas, Corlim, North Goa (GSTIN 30AAACZ0348M1ZE), appellant

Appellate Authority for Advance Ruling — Goa

ORDER NO. GOA/AAAR/02/2019-20/3071, dated 3.II.2020 as printed (the l… Dated **25.02.2020**

Q Questions Before the Authority

- Whether the technical testing services carried out by the appellant on samples or goods made available by service recipients are to be treated as zero rated supply of services under Section 16 of the IGST Act, 2017, or do they not amount to zero rated supply or export of services, as held by the lower authority?
- If not zero rated, whether the appellant is liable to pay IGST on the supply as claimed by it, or is liable to pay CGST and SGST as ruled by the lower authority?

F Facts

The appellant, a Goa-based manufacturer, carries out technical testing on samples and goods that overseas customers make available to it, and shares the test report with the customer outside India. It treated the activity as an export or zero rated supply, or alternatively as an inter-state supply attracting IGST. The Goa Authority for Advance Ruling held that the service is not an export and that CGST and SGST are payable, and the appellant appealed against that ruling.

H Ruling

Testing services on overseas-supplied goods: zero rated supply or export of services under Section 16 IGST?	**No. Not zero rated supply or export of services**	The order has no separate RULING section; this answer is taken from the findings at paras 13.1 to 13.4. Place of supply is Goa under Section 13(3)(a), which fails the Section 2(6)(iii) condition. The report being delivered abroad is held to be irrelevant.
Tax payable: IGST as claimed, or CGST and SGST as ruled below?	**CGST and SGST payable (intra-state supply)**	Taken from para 16. Supplier and place of supply are both in Goa, so the supply is intra-state under Section 8(2) IGST. The appellant's Section 7(5)(c) argument is rejected.

The Appellate Authority held that the testing services are not zero rated supply or export of services, because the place of supply is Goa under **Section 13(3)(a)** and the condition in Section 2(6)(iii) is not met. It further held that the supplier and place of supply are both in Goa, so the supply is intra-state and CGST and SGST are payable, with Section 7(5)(c) not applicable. The appeal was rejected and the advance ruling of the lower authority was maintained.

R Reasoning

The Authority read Section 13 of the IGST Act as a clear, plain provision and refused to read in the appellant's

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

reliance on the test report as the ultimate deliverable. Sub-section (2) makes the recipient's location the place of supply unless a later sub-section applies. Sub-section (3)(a) applies where goods are made physically available by the recipient for the supplier to provide the service, and the appellant did not dispute that this applied. The Authority relied on the interpretive principle from Dilip Kumar and Dharmendra Textile that clear statutory words must be given effect. It distinguished the Service Tax-era case law the appellant cited, because those decisions turned on the Export of Service Rules, 2005.

P Provisions Relied On

- IGST Act, 2017 Section 2(6) (export of services)
- IGST Act, 2017 Section 7(5)(c)
- IGST Act, 2017 Section 8(2)
- IGST Act, 2017 Section 13(1), 13(2), 13(3)(a)
- IGST Act, 2017 Section 16 (zero rated supply)
- CGST Act, 2017 Section 13(3)(a) (cited in para 16 as printed; likely intended as IGST)
- Goa GST Act, 2017 and CGST Act, 2017 Sections 97, 100(1), 101 (procedural basis)
- Commissioner of Customs (Import), Mumbai v Dilip Kumar & Co. (2018) 361 ELT 577 (SC)
- Union of India v Dharmendra Textile Processors (2008) 231 ELT 3 (SC) (Larger Bench)
- Export of Service Rules, 2005 (referred to in the discussion of the appellant's cases)

! For the Practitioner

This order is useful for a Goa-based service provider that tests goods sent in by overseas clients and then returns a report. It indicates that, where the goods are made physically available by the recipient, Section 13(3)(a) will place the supply in India, so it cannot be claimed as an export and attracts CGST and SGST. It does not decide whether the activity is R&D or testing, nor whether the outcome differs where the goods are not physically made available or where the report alone is delivered. It also does not address the Section 13 proviso on unavailable recipient location.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> goa_aaar_02_2019-20_25.02.2020_sbpl.pdf

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