

M/s Esprit India Private Limited

Authority for Advance Ruling — Haryana

ADVANCE RULING NO.HAR/HAAR/R/2018-19/6

Dated 11.04.2018

Q Questions Before the Authority

- Taxability of above stated services provided by Esprit India to its associate concern in Hong Kong EDCFE under GST regime.
- Whether the above stated services provided by Esprit India are covered under Export of Services having Zero rated taxability.
- Whether Esprit India is eligible for seeking refund of GST for the taxes paid on input services or goods or both.

F Facts

The applicant, M/s Esprit India Private Limited, acts as a sub-contractor for its Hong Kong affiliate, M/s Esprit De Corp. (Far East) Limited (EDCFE), providing sourcing support services in India for Esprit Europe Service GmbH, Germany. These activities include market research, supplier identification, negotiation, inspection/quality control, and logistics coordination. The applicant sought an advance ruling on the GST taxability of these services, whether they qualify as zero-rated export of services, and whether it can claim a refund of input tax credit.

H Ruling

Taxability of sourcing support services provided to foreign affiliate	Taxable @ 18% under forward charge	Classified under SAC 998371, 998599, and 998311
Qualification of services as zero-rated export of services	No ruling due to lack of jurisdiction	Place of supply determination is outside the scope of Section 97(2)
Eligibility for refund of GST paid on inputs/input services	No ruling due to lack of jurisdiction	Dependent on the place of supply and export service determination

The Authority held that the sourcing support services provided by the applicant to its foreign affiliate qualify as **taxable services** under forward charge at 18% GST. However, the Authority declined to rule on whether the services qualify as an export of services or whether the applicant is eligible for input tax refund, citing a **lack of jurisdiction** over place of supply determinations.

R Reasoning

The Authority evaluated the listed activities and classified market research under SAC 998371, vendor support/identification under SAC 998599, and quality control/logistics under SAC 998311, finding them all liable to 18% GST under Notification No. 11/2017-Central Tax (Rate). Regarding export of services under Section 2(6) and zero-rating under Section 16(1) of the IGST Act, the determination hinges on whether the place of supply is outside India. Since Section 97(2) of the CGST/HGST Act does not confer authority on the AAR to decide the

place of supply, the Authority ruled that it lacks jurisdiction to pronounce upon export status or consequential tax refunds.

P Provisions Relied On

Section 97(2) of CGST/HGST Act, 2017

Section 98 of CGST/HGST Act, 2017

Section 2(6) of IGST Act, 2017

Section 16(1) of IGST Act, 2017

Notification No. 11/2017-Central Tax (Rate)

! For the Practitioner

This ruling highlights that liaison and back-office sourcing support services provided to foreign group entities attract forward charge GST at 18%. Crucially, it confirms that the AAR cannot decide whether a transaction constitutes an **export of services** because determining the **place of supply** falls outside the statutory jurisdiction of advance rulings under Section 97(2) of the CGST Act.

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 -> [haryana-ar_06_2018-19_dt.11.04.18_eipl.pdf](#)

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