

M/s. Luksha Consulting Private Limited

Authority for Advance Ruling — Tamil Nadu

Advance Ruling No. 12/AAR/2023 Dated: 06.06.2023

Q Questions Before the Authority

- Is GST applicable for monitoring the software application contract outside India?
- Whether IGST is applicable for the above export online monitoring software contract work and if applicable rate of GST.

F Facts

The applicant is an Indian private limited company providing information technology enabled services, specifically monitoring and updating customer applications for clients located in the UK. The applicant receives payment for these services in foreign currency. The applicant sought a ruling on whether these services qualify as an export of service under the GST Act.

H Ruling

Applicability of GST/IGST on export of software monitoring services

Qualifies as export of services and is a zero rated supply

Subject to fulfillment of conditions under section 2(6) of the IGST Act

The Authority ruled that the services rendered by the applicant to the foreign recipient qualify as an **export of services**. Consequently, the supply is considered a **zero rated supply** under the IGST Act.

R Reasoning

The Authority analyzed the conditions for export of services under section 2(6) of the IGST Act, 2017. It determined that the applicant and the foreign recipient are not merely establishments of a distinct person, as they are separate legal entities incorporated under different jurisdictions. The Authority relied on the definition of person and company under the Companies Act and the CGST Act to establish that the Indian subsidiary and the foreign parent are distinct persons. Therefore, the transaction satisfies all criteria for an export of service, including the receipt of payment in convertible foreign exchange.

P Provisions Relied On

Section 2(6) of the IGST Act, 2017

Section 8 of the IGST Act, 2017

Section 13(2) of the IGST Act, 2017

Section 16(1)(a) of the IGST Act, 2017

Section 97(2) of the CGST Act, 2017



For the Practitioner

This ruling confirms that an Indian subsidiary providing IT services to a foreign parent company can qualify as an **export of service** provided they are distinct legal entities and not merely establishments of the same person. It provides clarity for Indian service providers with foreign group entities regarding their tax liability. However, it does not override the necessity of strictly satisfying all five conditions stipulated in section 2(6) of the IGST 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 -> 12 aar 2023luksha.pdf

Prepared 20-10-2026.

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