

M/s Synthite Industries Ltd

Authority for Advance Ruling — Keralam

ORDER No. CT/2275/18-C3

Dated **26.03.2018**

Q Questions Before the Authority

- Whether on procuring goods from China, in a context where the goods purchased are not brought into India, is GST payable by them?
- On the sale of goods to the company in USA, where goods sold are shipped directly from China to USA without entering India, is GST payable by them?
- On procuring goods from China not against specific export order, in a context when the goods purchased are not brought into India, is GST payable by them?
- On the sale of goods from Netherlands warehouse to their end customers in and around Netherlands, without entering India, is GST payable by them?

F Facts

The applicant is engaged in trading spice products and operates two specific business models involving third-country trade. In the first, they procure goods from China and ship them directly to customers in the USA without the goods entering India. In the second, they procure goods from China and store them in a warehouse in the Netherlands for subsequent delivery to customers in and around the Netherlands, again without the goods entering India.

H Ruling

Procurement from China (not brought into India)	Not liable to GST	Goods are not imported into India
Sale to USA (shipped directly from China)	Not liable to GST	Goods are not imported into India
Procurement from China (not against specific export order)	Not liable to GST	Goods are not imported into India
Sale from Netherlands warehouse	Not liable to GST	Goods are not imported into India

The Authority ruled that the applicant is not liable to pay GST on either the sale of goods procured from China and shipped directly to the USA or on the sale of goods stored in the Netherlands warehouse. The ruling is based on the fact that the goods are not imported into India at any point in these transactions. Consequently, the taxable event of import does not occur.

R Reasoning

The Authority relied on the definition of 'import of goods' under Section 2(10) of the IGST Act, which requires

goods to be brought into India from a place outside India. Since the goods in the described transactions never enter the Indian territory, they do not cross the customs frontiers of India and thus do not attract IGST. The ruling also references CBEC Circular No. 33/2017-Customs, which clarifies that IGST on imported goods is collected at the time of importation, a condition not met here.

P Provisions Relied On

Section 2(10) of the Integrated Goods and Services Tax Act, 2017

Section 7(2) of the Integrated Goods and Services Tax Act, 2017

Section 5(1) of the Integrated Goods and Services Tax Act, 2017

Section 3 of the Customs Tariff Act, 1975

Section 12 of the Customs Act, 1962

Circular No. 33/2017-Customs dated 01.08.2017

! For the Practitioner

This ruling confirms that **third-country trade transactions** where goods are neither brought into nor cleared for home consumption in India are outside the scope of GST. It provides clarity for traders engaged in **merchandising trade** or offshore warehousing. However, it does not address transactions where goods might be temporarily brought into India or cleared for home consumption.

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 -> kerala-ct 2275-18-c3-sil 1.pdf

Prepared 16-10-2026.

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