

IMPORT AND EXPORT UNDER GST

MULTIPLE CHOICE QUESTIONS

1. "Export of goods" means —
 - (a) Taking goods out of India to a place outside India.
 - (b) Bringing goods into India from a place outside India.
 - (c) Goods which crossed the territorial water of India.
 - (d) Taking goods out of India for being brought to any place in India.
2. Exporter will be eligible for refund of taxes, if—
 - (a) He export goods upon payment of IGST.
 - (b) He export goods under LUT without payment of IGST
 - (c) Both (A) or (B)
 - (d) The goods are subjected to export duty.
3. Exporter will not be eligible for refund of taxes in case of zero-rated supply of goods, if —
 - (a) The goods are subjected to export duty.
 - (b) The supplier of goods or services or both avails of drawback in respect of central tax.
 - (c) Both (A) or (B)
 - (d) He exports goods under LUT without payment of IGST.
4. Claim of refund shall be withheld, where —
 - (a) A request has been received from the jurisdictional Commissioner of central tax.
 - (b) A request has been received from the Commissioner of State tax or Union territory tax.
 - (c) The proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act, 1962.
 - (d) All of the above
5. Which of the following are essentials for deemed exports?
 - (a) The goods supplied do not leave India.
 - (b) Payment for such supplies is received in Indian Rupees/ Convertible Foreign Exchange.
 - (c) Such goods are manufactured in India.
 - (d) All of the above.
6. Any registered person availing the option to supply goods for export without payment of integrated tax shall furnish, prior to export, a bond or a LUT to the jurisdictional Commissioner, binding

himself to pay the tax due along with the interest specified under Section 50(1) within a period of—

- (a) 30 days after the expiry of 3 months or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the goods are not exported out of India.
 - (b) 15 days after the expiry of 3 months or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the goods are not exported out of India.
 - (c) 30 days after the expiry of 1 year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export of goods, if the payment of such service is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India.
 - (d) 15 days after the expiry of 1 year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export of goods, if the payment of such service is not received by the exporter in convertible foreign exchange.
7. In which case a registered person cannot furnish Letter of undertaking instead of Bond?
- (a) If he is prosecuted for tax offence exceeding ₹ 3 Crore.
 - (b) If he is prosecuted for tax offence exceeding ₹ 2.5 Crore.
 - (c) If he is person prosecuted for tax offence exceeding ₹ 2.5 Lakh.
 - (d) If he is prosecuted for tax offence exceeding ₹ 3 lakh.

8. In case of inter-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions, the concessional rate of IGST leviable is _____.
 - (a) 0.25%
 - (b) 0.05%
 - (c) 0.1%
 - (d) 1%
9. In case of intra-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions, the concessional rate of central tax rate leviable is _____.
 - (a) 0.25%
 - (b) 0.05%
 - (c) 0.1%
 - (d) 1%
10. In case of inter-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions, to avail the benefit of the concessional rate of IGST levy, the registered recipient shall export the said goods within a period of _____ from the date of issue of tax invoice by the registered supplier.
 - (a) 30 days
 - (b) 90 days
 - (c) 60 days
 - (d) 180 days
11. Which documents are required to be filed by the supplier for claiming refund of taxes in case of Deemed Exports?
 - (a) Acknowledgment by the jurisdictional Tax officer of the Advance Authorisation holder or Export



Promotion Capital Goods
 Authorization holder, as the case may be.

- (b) An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him.
- (c) An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund.
- (d) All of the above
12. "Export of service" means supply of any services, where —
- (a) The supplier of service is located outside India, recipient of service is located in India and place of supply of service is outside India.
- (b) The supplier of service is located in India, recipient of service is located outside India and place of supply of service is outside India and the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India and the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in Section 8.
- (c) The supplier of service is located in India, recipient of service is located outside India and place of supply of service is in India and payment is received in convertible foreign exchange.
- (d) The supplier of service is located outside India, recipient of service is located in India and place of supply of

service is in India and payment is made in Indian rupees.

13. "Tourist" means a person who not normally resident in India, who enters India for a stay of not more than _____ for legitimate non-immigrant purposes.
- (a) 3 months
- (b) 2 months
- (c) 1 month
- (d) 6 months
14. The assessable value of an article imported into India is ₹ 10,00,000. Basic Customs Duty is 10% ad-valorem. Integrated tax rate is 12%. Social welfare surcharge @ 10% is leviable. Calculate the total custom duty leviable.
- (a) ₹ 1,33,200
- (b) ₹ 2,43,200
- (c) ₹ 1,10,000
- (d) ₹ 2,33,200
15. M/s. Global Exports (P) Ltd. made following supplies as under:
- (i) Exports of taxable goods made on 01-Jun-2023 with payment of tax. GST returns were duly filed in time. However, GST RFD-01 has not been filed.
- (ii) Exports of exempted goods were made on 15-Jul-2023 under letter of undertaking. However, input tax credit in respect of manufacturing of such goods is ₹ 50,000/-. Refund application GST RFD-01 is filed on 30-Apr-2024 i.e. after end of financial year 2023-24.
- (iii) Goods supplied to export oriented unit on 29-Jul-2023 and return for the month of July, 2023 was filed on 20-Aug-2023. Input tax credit in



respect of such supply is ₹ 26,000/- and an under-taking was received from the recipient that it will not claim input tax credit and supplier may seek refund. GST RFD-01 is filed on 01-Dec-2025.

- (iv) Supply of services outside India were made on 11-Aug-2023 and payment was received on 10-Oct-2023. Input tax credit in respect of such supply is ₹ 48,000/-. GST RFD-01 is filed on 30-Sep-2025.

Note: Payment is received in US Dollars (\$) for all transactions except transaction (i).

Determine in which of above mentioned transactions, refund is available to M/s. Global Exports (P) Ltd.?

- (a) (ii), (iii) and (iv)
 (b) (i), (ii) and (iv)
 (c) (iii) and (iv)
 (d) (i) and (ii)

16. "Import of service" means supply of any services, where —

- (a) The supplier of service is located outside India, recipient of service is located in India and place of supply of service is outside India.
 (b) The supplier of service is located in India, recipient of service is located outside India and place of supply of service is outside India.
 (c) The supplier of service is located in India, recipient of service is located outside India and place of supply of service is in India.
 (d) The supplier of service is located outside India, recipient of service is located in India and place of supply of service is in India.

17. Import of services are non-taxable, where —

- (a) Import of service with consideration, in course or furtherance of business.
 (b) Import of service with consideration, not in course or furtherance of business.
 (c) Import of service without consideration between related/distinct person, in course or furtherance of business.
 (d) Import of service without consideration, not in course or furtherance of business.

18. "Zero rated supply" means :

- (a) Export of goods or services or both
 (b) supply of goods or services or both "for authorised operations" to a Special Economic Zone developer or a Special Economic Zone unit.
 (c) Both (a) or (b)
 (d) Exempt Supply

19. In case of zero rated supply of goods or services or both without payment of tax under bond or LUT, refund of input tax credit shall be granted as per following formula—

- (a) Refund amount = (Turnover of Zero rated supply of goods and services) / Adjusted Total Turnover × Net ITC
 (b) Refund amount = (Turnover of Zero rated supply of goods) / Adjusted Total Turnover × Net ITC
 (c) Refund amount = (Turnover of Zero rated supply services) / Adjusted Total Turnover × Net ITC
 (d) Refund amount = (Turnover of Zero rated supply of goods and services) / Total Turnover × Net ITC



20. For the purpose of claiming refund under Rule 89(4), the value of export goods shall be –
- Free on Board (FOB) value declared in the Shipping Bill/Bill of Export
 - Value declared in tax invoice or bill of supply,
 - (a) or (b) whichever is less.
 - (b) or (b) whichever is more
21. M/s. Kalaji Manufacturers & Exporters Pvt. Ltd. furnishes following information and requests you to compute the maximum refund eligible in respect of Zero-rated supplies for the relevant period :
- Input tax credit availed on inputs - ₹ 2,50,000
 - Input tax credit availed on input services - ₹ 50,000
 - Input tax credit availed on capital goods - ₹ 2,00,000
 - Taxable value of goods exported without payment of tax - ₹ 15,00,000
 - Taxable value of goods supplied within India - ₹ 35,00,000
 - Payments received towards services supplied for exports (includes ₹ 50,000 of advance towards services to be supplied/ exported after the current relevant period) - ₹ 5,50,000
 - Taxable value of services supplied within India - ₹ 5,00,000
- ₹ 99,173
 - ₹ 1,00,000
 - ₹ 1,66,667
 - ₹ 1,65,289
22. If refund of tax on inputs used in exports is not granted within _____, from the date of receipt of refund application under Section 54 interest is payable @ 6% p.a.
- 30 days
 - 60 days
 - 15 days
 - 120 days
23. Mr. A manufactures 100 units of a product [value is ₹ 20,000 per piece]. SGST and CGST payable is 9% each. Input tax credit is ₹ 1,00,000 each of CGST and SGST. The manufacturer sells 70 pieces in export under bond and 30 pieces in India. Determine refund.
- SGST ₹ 1,00,000 and CGST ₹ 1,00,000
 - SGST ₹ 54,000 and CGST ₹ 54,000
 - SGST ₹ 70,000 and CGST ₹ 70,000
 - SGST ₹ 46,000 and CGST ₹ 46,000
24. In order to claim the refund of the integrated tax of goods exported out of India _____
- exporter shall file an application with the concerned authorities.
 - the Shipping bill filed by exporter shall be deemed to be an application for refund.
 - exporter shall furnish a return claiming such refund.
 - None of the above.
25. M/s. XYZ have a factory in Pune and they export the goods to Dubai through Mumbai Port. M/s. XYZ seeks to remove the goods on payment of tax. The tax consultant has advised them to pay IGST on the goods while they contend that since there is no inter-state movement of goods hence they should be paying CGST and SGST and not IGST. What is your opinion?



- (a) Yes, M/s. XYZ is right. IGST is levied only on inter-state movement of goods and since there is no such movement involved, CGST and SGST is leviable.
- (b) No, M/s. XYZ is not right. Export of goods is exempted supply and therefore no tax shall be leviable.
- (c) No, M/s. XYZ is not right. Export of goods is deemed to be a supply of goods in course of inter-state trade or commerce, hence IGST is leviable.
- (d) No, M/s. XYZ is not right. Export of goods are non-taxable.

26. Which of the following supplies have been notified by the Central Government as 'deemed exports'?

- (i) Supply of goods by a registered person against advance authorization.
- (ii) Supply of goods of special importance.
- (iii) Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation.
- (iv) Supply of goods by a registered person to EOU.
- (v) Export of gold ornaments.
- (vi) Supply of gold by a bank or Public Sector Undertaking against advance authorization.

- (a) All of the above
- (b) (i), (iii), (iv) and (vi)
- (c) (ii), (iv) and (v)
- (d) None of the above

27. Under the GST Laws, Export of services is –

- (a) exempted supply
- (b) zero-rated supply

- (c) non-taxable supply
- (d) None of the above

28. Which of the following statements are true in case of Exports being 'Zero rated supplies' —

- (i) No tax would be payable on such supplies
- (ii) IGST is payable on such supplies
- (iii) The exporter will be eligible to claim the corresponding input tax credits
- (iv) Input tax credit benefit is not available to the exporter.

- (a) (i) and (iii)
- (b) (ii) and (iv)
- (c) (ii) and (iii)
- (d) All of the above

29. Mr. X engaged in retail sale of sunglasses has a retail outlet at the International Airport in the security hold area on crossing the customs and immigrations. The goods from here are supplied only to international passengers travelling to outside India against a valid international boarding pass. Mr. X claims that this supply of goods to international passengers is export of goods and therefore zero rated transaction. Is Mr. X right?

- (a) Yes, since the retail outlet of Mr. X is situated in the Security hold area of international airport it has crossed the customs frontiers of India and therefore is export.
- (b) No, it cannot be treated as export sale as export will be completed only when the goods cross the air space limits of Indian territory (in case of export by air) and not merely crossing the customs frontiers.



- (c) Yes, since goods are sold only to the international passenger who carry the goods out of India.
- (d) No, since it is exempt supply.

30. Can the importer avail the credit of the taxes paid by him on the imported goods and utilise the same for the payment of taxes on his outward supplies.

- (a) Yes, he can avail of the input tax credit of all the taxes paid by him on the imported goods.
- (b) He can avail of the input tax credit only of the IGST and GST compensation cess paid by him on the imported goods.
- (c) No, input tax credit is not available to the importer on the imported goods.
- (d) He can avail of the input tax credit of both the IGST and the Basic customs duty paid on the imported goods.

31. Mr. X of Delhi India placed an order for supply of goods to Mr. Paul of Germany. While the goods were in transit, Mr. X made high sea sales of the goods to Mr. Ranga of Rajasthan. Are the goods liable to tax under GST laws?

- (a) Yes, IGST is leviable on such goods as the goods are deemed to have been imported into India.
- (b) There are two transactions involved - first import of goods on which IGST is leviable and the other export of goods which are zero rated.
- (c) As per Paragraph 8(b) of Schedule III, supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption shall be regarded neither

as supply of goods nor supply of services. Hence, no integrated tax shall be levied on such transaction treating the same as interstate supply.

- (d) It shall be treated as import of goods and importation is exempt under GST laws.

32. ABC Ltd. of Nasik imported certain goods from a company in France. When the goods landed at Mumbai port, prior to their clearance from custom authorities, they were sold to PQR Ltd. of Pune charging IGST. PQR Ltd., objected on levy of IGST contending that it was intra-State sale as the supplier and the recipient are in same state. Is their contention valid?

- (a) No, as per Paragraph 8(b) of Schedule III, supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption shall be regarded neither as supply of goods nor supply of services.
- (b) Yes, since the supplier and the recipient both belong to the same state it is a case of intra-State trade and commerce.
- (c) It is a case of high sea sale and IGST is not leviable.
- (d) Such sales are exempted from GST.

33. Mr. X, a registered trader in spices, receives orders from a customer in US for the supply of spices. He places a corresponding order to a supplier in China. The supplier in China, based on the request of Mr. X ships the goods directly to the customer in US. The Chinese supplier raises invoice on X for which payment was made by Mr. X and Mr. X raises an invoice on the US customer for



which he received the proceeds in convertible foreign exchange. Is this import and export and is GST applicable in this transaction?

- (a) Yes, it is importation of goods by Mr. X from China and exportation to US. Since importation is liable to IGST while exports are zero rated, therefore, IGST is leviable on the value charged by the Chinese supplier.
- (b) Yes, it is importation of goods by Mr. X from China and exportation to US. Both import and export of goods are treated as supply of goods in the course of inter-state trade. Hence, GST is leviable on the value charged by the Chinese supplier in case of importation and also when the goods are exported by Mr. X to US.
- (c) As per paragraph 7 of Schedule III, Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India shall be regarded neither as supply of goods nor supply of services, hence it cannot

be regarded as import or export and no GST is payable on such transaction.

- (d) None of the above.

34. Mr. X, a registered trader in spices, receives orders from a customer in US for the supply of spices. He supplied spices FOB value ₹ 5,00,000 under LUT and claimed refund of ₹ 15,000. Out of sale proceeds ₹ 4,00,000 was realized in convertible foreign exchange. What will be its consequences.

- (a) There will be no recovery of refund as condition of receipt of amount in convertible foreign exchange is not in respect of goods.
- (b) The refund of ₹15,000 will be recovered along with interest @ 18% p.a.
- (c) The refund of ₹ 3,000 will be recovered along with interest @ 18% p.a.
- (d) The refund of ₹12,000 will be recovered along with interest @ 18% p.a.

ANSWERS TO MCQ'S

| Question No. | Answer |
|--------------|--|
| 1. | (a) As per Section 2(5) of the IGST Act, 2017, "export of goods" with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India. |
| 2. | (c) As per Section 16(1) of the IGST Act, 2017, exports are zero- rated. As per Section 16(3), a registered person making zero rated supply shall be eligible to claim refund under either of the following options, namely:— (a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or |

| | | |
|----|-----|--|
| | | (b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 of the CGST Act or the rules made thereunder. |
| 3. | (c) | As per provisos to Section 54(3) of the CGST Act, 2017, refund in case of exports is not eligible in the following cases— <ul style="list-style-type: none"> – If the goods exported out of India are subjected to export duty; or – If the supplier of goods or services or both avails of drawback in respect of central tax. |
| 4. | (d) | As per Rule 96(4) of the CGST Rules, 2017, the claim for refund shall be withheld where,— <p>(c) a request has been received from the jurisdictional Commissioner of central tax, State tax or Union territory tax to withhold the payment of refund due to the person claiming refund in accordance with the provisions of Section 54(10)/(11); or</p> <p>(d) the proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act, 1962.</p> |
| 5. | (d) | As per Section 147 of the CGST Act, 2017, the Government may, on the recommendations of the Council, notify certain supplies of goods as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India. |
| 6. | (b) | As per Rule 96A of the CGST Rules, 2017, any registered person availing the option to supply goods or services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under Section 50(1) within a period of— <p>(a) 15 days after the expiry of 3 months or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the goods are not exported out of India; or</p> <p>(b) 15 days after the expiry of 1 year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India.</p> |
| 7. | (b) | All registered persons are eligible to furnish a LUT in place of a bond except those who have been prosecuted for cases involving an amount exceeding ₹ 250 lakh. [Notification No. 37/2017-CT dated 04-10-2017] |

| | | |
|-----|-----|--|
| 8. | (c) | As per Notification No. 41/2017-IT(R), the Central Government has exempted the inter-State supply of taxable goods by a registered supplier to a registered recipient for export, from so much of the integrated tax leviable thereon under Section 5 of the IGST Act, 2017, as is in excess of the amount calculated at the rate of 0.1% subject to fulfilment of certain specified conditions. |
| 9. | (b) | As per Notification No. 40/2017-CT(R), the Central Government has exempted the intra-State supply of taxable goods by a registered supplier to a registered recipient for export, from so much of the central tax leviable thereon under Section 9 of the CGST Act, 2017, as is in excess of the amount calculated at the rate of 0.05% subject to fulfilment of certain specified conditions. |
| 10. | (b) | As per Notification No. 41/2017-IT(R), in case of inter-State supply of taxable goods by a registered supplier to a registered recipient for export subject to specified conditions, to avail the benefit of the concessional rate of IGST levy, the registered recipient shall export the said goods within a period of 90 days from the date of issue of tax invoice by the registered supplier. |
| 11. | (d) | As per Notification No. 49/2017-CT dated 18-10-2017, the following documents are required to be filled by the supplier to claim the benefits of deemed export supplies – (1) Acknowledgment by the jurisdictional Tax officer of the Advance Authorisation holder or Export Promotion Capital Goods Authorisation holder, as the case may be, that the said deemed export supplies have been received by the said Advance Authorisation or Export Promotion Capital Goods Authorisation holder, or a copy of the tax invoice under which such supplies have been made by the supplier, duly signed by the recipient Export Oriented Unit that said deemed export supplies have been received by it. (2) An undertaking by the recipient of deemed export supplies that no input tax credit on such supplies has been availed of by him. (3) An undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and the supplier may claim the refund. |
| 12. | (b) | As per Section 2(6) of the IGST Act, 2017, "Export of services" means the supply of any service when,— (i) the supplier of service is located in India; (ii) the recipient of service is located outside India; (iii) the place of supply of service is outside India; (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India; and (v) the supplier of service and the recipient of service are not merely establishments of a distinct person in accordance with Explanation 1 in Section 8. |

| 13. | (d) | As per Explanation to Section 15, "Tourist" means a person not normally resident in India, who enters India for a stay of not more than 6 months for legitimate non-immigrant purposes. | | | | | | | | | | | | | | | | |
|---|------------------|---|-------------|---|------------------|-----------|---|----------|--|--------|---|------------------|--|----------|-------------------------------------|------------------|---------------------------------------|-----------------|
| 14. | (b) | <p>The total custom duty payable will be worked out as under :</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Assessable Value</td> <td>10,00,000</td> </tr> <tr> <td>Add: Basic Customs duty @ 10% of ₹ 10,00,000 [A]</td> <td>1,00,000</td> </tr> <tr> <td>Add: SWS on basic customs duty i.e. 10% of ₹ 1,00,000 [B]</td> <td>10,000</td> </tr> <tr> <td>Total value for levy of Integrated Tax u/s 3(7) of CTA, 1975</td> <td>11,10,000</td> </tr> <tr> <td>Add: Integrated tax u/s 3(7) @ 12% of ₹ 11,10,000 [C]</td> <td>1,33,200</td> </tr> <tr> <td>Total cost of imported goods</td> <td>12,43,200</td> </tr> <tr> <td>Total Customs duty [A + B + C]</td> <td>2,43,200</td> </tr> </tbody> </table> | Particulars | ₹ | Assessable Value | 10,00,000 | Add: Basic Customs duty @ 10% of ₹ 10,00,000 [A] | 1,00,000 | Add: SWS on basic customs duty i.e. 10% of ₹ 1,00,000 [B] | 10,000 | Total value for levy of Integrated Tax u/s 3(7) of CTA, 1975 | 11,10,000 | Add: Integrated tax u/s 3(7) @ 12% of ₹ 11,10,000 [C] | 1,33,200 | Total cost of imported goods | 12,43,200 | Total Customs duty [A + B + C] | 2,43,200 |
| Particulars | ₹ | | | | | | | | | | | | | | | | | |
| Assessable Value | 10,00,000 | | | | | | | | | | | | | | | | | |
| Add: Basic Customs duty @ 10% of ₹ 10,00,000 [A] | 1,00,000 | | | | | | | | | | | | | | | | | |
| Add: SWS on basic customs duty i.e. 10% of ₹ 1,00,000 [B] | 10,000 | | | | | | | | | | | | | | | | | |
| Total value for levy of Integrated Tax u/s 3(7) of CTA, 1975 | 11,10,000 | | | | | | | | | | | | | | | | | |
| Add: Integrated tax u/s 3(7) @ 12% of ₹ 11,10,000 [C] | 1,33,200 | | | | | | | | | | | | | | | | | |
| Total cost of imported goods | 12,43,200 | | | | | | | | | | | | | | | | | |
| Total Customs duty [A + B + C] | 2,43,200 | | | | | | | | | | | | | | | | | |
| 15. | (b) | <p>(i) The shipping bill filed by an exporter of goods shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India, hence no separate claim form is to be filed. Hence statement no (i) is correct in law.</p> <p>(ii) As per provisions of Section 54 of the CGST Act, 2017, any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application electronically in prescribed form before the expiry of 2 years from the date on which the ship or the aircraft in which such goods are loaded, leaves India. Since the refund application is made within time limit, hence refund claim is admissible.</p> <p>(iii) In case of deemed exports, the refund application is to be made within 2 years from the date on which the Return relating to such deemed exports is furnished. Hence, in this case refund application can be made upto 20-08-2025. Since the refund application is filed on 01-12-2025, hence, refund is not admissible.</p> <p>(iv) in case of services, the refund application is to be made within 2 years from the date of receipt in convertible foreign exchange or in Indian rupees wherever permitted by the Reserve Bank of India, if service provision has been completed prior to receipt of such payment. In this case re-fund application can be made upto 10-10-2025. Since the same is made on 30-09-2025, hence refund is admissible.</p> | | | | | | | | | | | | | | | | |
| 16. | (d) | <p>As per Section 2(11) of IGST Act, 2017, "Import of services" means the supply of any service, where—</p> <p>(i) the supplier of service is located outside India;</p> <p>(ii) the recipient of service is located in India; and</p> <p>(iii) the place of supply of service is in India.</p> | | | | | | | | | | | | | | | | |

| 17. | (d) | As per Section 7(1)(b), Import of services for a consideration whether or not in course of furtherance of business or commerce shall be treated as supply. As per Section 7(1) (c) read with Para 4 schedule I Import of services without consideration by a person from a related person or from any of his other establishments outside India, in the course or furtherance of business. | | | | | | | | | | | | | | | | |
|--|-----------------|---|-------------|---|---|----------|--|-----------|--|----------|--------------------------------|--|---|--|--|-----------|---|-----------------|
| 18. | (c) | As per Section 16(1) of the IGST Act, 2017, "Zero rated supply" means any of the following supplies of goods or services or both, namely:- (a) export of goods or services or both; or (b) supply of goods or services or both "for authorised operations" to a Special Economic Zone developer or a Special Economic Zone unit. | | | | | | | | | | | | | | | | |
| 19. | (a) | In the case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of Section 16(3) of the IGST Act, 2017, refund of input tax credit shall be granted as per the following formula- Maximum Refund Amount = [(Turnover of inverted rated supply of goods and services/Adjusted Total Turnover) × Net ITC] - Tax payable on such inverted rated supply of goods and services | | | | | | | | | | | | | | | | |
| 20. | (c) | The value of goods exported out of India shall be taken as – (i) the Free on Board (FOB) value declared in the Shipping Bill/Bill of Export; or (ii) the value declared in tax invoice or bill of supply, whichever is less. | | | | | | | | | | | | | | | | |
| 21. | (b) | Computation of maximum refund admissible in respect of Zero-rated supplies : <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">₹</th> </tr> </thead> <tbody> <tr> <td>Net ITC i.e. input tax credit availed on inputs and input services during the relevant period [₹ 2,50,000 + ₹ 50,000]</td> <td style="text-align: right;">3,00,000</td> </tr> <tr> <td>Turnover of zero-rated supply of goods i.e. value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking</td> <td style="text-align: right;">15,00,000</td> </tr> <tr> <td>Turnover of zero-rated supply of services (advance received towards services to be supplied/ exported after the current relevant period shall not be included, hence: ₹ 5,50,000 – ₹ 50,000)</td> <td style="text-align: right;">5,00,000</td> </tr> <tr> <td colspan="2">Adjusted Total Turnover</td> </tr> <tr> <td>Turnover in State of goods and services [₹ 35,00,000 + ₹ 5,00,000] ₹ 40,00,000</td> <td></td> </tr> <tr> <td>Value of Zero rated supplies of goods and services (as computed above) ₹ 20,00,000</td> <td style="text-align: right;">60,00,000</td> </tr> <tr> <td>Maximum refund = [(Item (ii) + Item (iii)) ÷ Item (iv)] × Item (i)</td> <td style="text-align: right;">1,00,000</td> </tr> </tbody> </table> | Particulars | ₹ | Net ITC i.e. input tax credit availed on inputs and input services during the relevant period [₹ 2,50,000 + ₹ 50,000] | 3,00,000 | Turnover of zero-rated supply of goods i.e. value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking | 15,00,000 | Turnover of zero-rated supply of services (advance received towards services to be supplied/ exported after the current relevant period shall not be included, hence: ₹ 5,50,000 – ₹ 50,000) | 5,00,000 | Adjusted Total Turnover | | Turnover in State of goods and services [₹ 35,00,000 + ₹ 5,00,000] ₹ 40,00,000 | | Value of Zero rated supplies of goods and services (as computed above) ₹ 20,00,000 | 60,00,000 | Maximum refund = [(Item (ii) + Item (iii)) ÷ Item (iv)] × Item (i) | 1,00,000 |
| Particulars | ₹ | | | | | | | | | | | | | | | | | |
| Net ITC i.e. input tax credit availed on inputs and input services during the relevant period [₹ 2,50,000 + ₹ 50,000] | 3,00,000 | | | | | | | | | | | | | | | | | |
| Turnover of zero-rated supply of goods i.e. value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking | 15,00,000 | | | | | | | | | | | | | | | | | |
| Turnover of zero-rated supply of services (advance received towards services to be supplied/ exported after the current relevant period shall not be included, hence: ₹ 5,50,000 – ₹ 50,000) | 5,00,000 | | | | | | | | | | | | | | | | | |
| Adjusted Total Turnover | | | | | | | | | | | | | | | | | | |
| Turnover in State of goods and services [₹ 35,00,000 + ₹ 5,00,000] ₹ 40,00,000 | | | | | | | | | | | | | | | | | | |
| Value of Zero rated supplies of goods and services (as computed above) ₹ 20,00,000 | 60,00,000 | | | | | | | | | | | | | | | | | |
| Maximum refund = [(Item (ii) + Item (iii)) ÷ Item (iv)] × Item (i) | 1,00,000 | | | | | | | | | | | | | | | | | |

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| 22. | (b) | As per provisions of Section 56, if any tax ordered to be refunded u/s 54(5) to any applicant and such tax is not refunded within 60 days from the date of receipt of application u/s 54(1), interest at such rate not exceeding 6% as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the date of receipt of application under the said sub-Section till the date of refund of such tax. | | |
| 23. | (d) | The refund is a computed below– | | |
| | | Particulars | SGST (₹) | CGST (₹) |
| | | Tax on 30 pieces (30 × ₹ 20,000 = ₹ 6 lakh × 9% each) | 54,000 | 54,000 |
| | | Tax on export under bond (Turnover = 70 × ₹ 20,000 = ₹ 14 lakh) | Nil | Nil |
| | | Input tax credit | 1,00,000 | 1,00,000 |
| | | Net balance | 46,000 | 46,000 |
| | | Refund eligible for ITC = ₹ 1,00,000 × ₹ 14 lakh export turnover/₹ 20 lakh total turnover | 70,000 | 70,000 |
| | | Since balance lying is lower, hence, refund = | 46,000 | 46,000 |
| | | After this refund, balance of credit | Nil | Nil |
| 24. | (b) | The shipping bill filed by an exporter of goods shall be deemed to be an application for refund of in-tegrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when : (a) the person in charge of the conveyance carrying the export goods duly files departure manifest or an export manifest or an export report covering the number and the date of shipping bills or bills of export; and (b) the applicant has furnished a valid return in FORM GSTR-3B. | | |
| 25. | (c) | Export of goods is deemed to be a supply of goods in course of inter-state trade or commerce, hence IGST is leviable. | | |
| 26. | (b) | As per Section 147 of the CGST Act, 2017, the following supplies are covered under the ambit of deemed exports : (1) Supply of goods by a registered person against Advance Authorisation. However, goods so supplied, when exports have already been made after availing input tax credit on inputs used in manufacture of such exports, shall be used in manufacture and supply of taxable goods (other than nil rated or fully exempted goods) and a certificate to this effect from a chartered accountant is submitted to the jurisdictional commissioner of GST or any other officer authorised by him within 6 months of such supply. No such certificate shall be required if input tax credit has not been availed on inputs used in manufacture of export goods. | | |

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| | | <p>(2) Supply of capital goods by a registered person against Export Promotion Capital Goods Authorisation.</p> <p>(3) Supply of goods by a registered person to Export Oriented Unit.</p> <p>(4) Supply of gold by a bank or Public Sector Undertaking specified in the Notification No. 50/2017-Customs, dated 30-06-2017 (as amended) against Advance Authorisation.</p> |
| 27. | (b) | As per Section 16(1) of the IGST Act, 2017, export of services are zero-rated supplies. |
| 28. | (a) | <p>As per Section 16(3) of the IGST Act, 2017, a registered person making zero rated supply shall be eligible to claim refund under either of the following options, namely:-</p> <p>(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or</p> <p>(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of Section 54 of the CGST Act or the rules made thereunder.</p> |
| 29. | (b) | No, it cannot be treated as export sale as export will be completed only when the goods cross the air space limits of Indian territory (in case of export by air) and not merely crossing the customs frontiers. |
| 30. | (b) | Importer can avail credit of integrated tax and GST compensation cess paid on goods imported by him. |
| 31. | (c) | As per Paragraph 8(b) of Schedule III, supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption shall be regarded neither as supply of goods nor supply of services. Hence, no integrated tax shall be levied on such transaction treating the same as interstate supply. |
| 32. | (a) | As per Paragraph 8(b) of Schedule III, supply of goods by the consignee to any other person, by endorsement of documents of title to the goods, after the goods have been dispatched from the port of origin located outside India but before clearance for home consumption shall be regarded neither as supply of goods nor supply of services. Hence, no integrated tax shall be levied on such transaction treating the same as interstate supply. |
| 33. | (c) | As per paragraph 7 of Schedule III, Supply of goods from a place in the non-taxable territory to another place in the non-taxable territory without such goods entering into India shall be regarded neither as supply of goods nor supply of services. Thus, in |

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| | | this case the activity cannot be regarded as import and export and no GST applicable in this transaction. |
| 34. | (c) | The registered person making zero rated supply of goods shall, in case of non-realisation of sale proceeds, be liable to deposit the refund so received along with the applicable interest @ 18% p.a. within 30 days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed. In this case since ₹ 1,00,000 has not been realized proportionate amount will be recovered along with interest @ 18% p.a. |

