

GIB/GA/Syngenta /29.08.2019/AAR-322

Advance Ruling Category : Place of Supply

State : Goa

Order No.: GIB/GA/Syngenta /29.08.2019/AAR-322

Name of Entry :

Syngenta Bioscience Private Limited

Date : 06-07-2020

Breif Issue :

Facts & Issue Of The Case -

- The applicant “Syngenta Bioscience Private Limited” is part of Syngenta Group which is headquartered in Switzerland and presently engaged in providing the R&D services on the agrochemical products to group companies across the globe.
- The issue of which clarification is being sought is with respect to the T&E division and its activities are summarized below:

i. T&E Analytical division performs testing on samples of goods received from persons located outside India.

ii. The goods received -from overseas persons are developed products which are either launched or due to be launched in the market for the customers.

iii. The testing of goods is carried out by Applicant with the objective of providing a test report with the results to the overseas customer. The test report is sent to the overseas customer by Applicant either along with the goods received for testing or without such goods. The test report provided by the Applicant is used in various R&D operations by the overseas customers.

The applicant sought clarification on the following issues:

1. Whether the activity of on the technical testing services carried out by the applicant be treated as ‘zero-rated supply’?
2. If the answer to the aforesaid question is negative, then is the applicant liable to pay IGST on the said ‘supply’?

Decision of Advance Ruling Authority :

Decision

- The goods on which technical testing is carried out are made available to the applicant in India and are not exported back to the recipient. Hence the exclusionary clause under Section 13(3),(a) is not applicable to the instant case. The activity of technical testing on goods is carried out in Goa, India. Hence the place of supply of service is rightly determined as per Section 13(3) of the IGST Act, 2017 which is the location of the supplier of the service i.e. Goa, India. Since the place of supply of service is in India, condition (iii) under Section 2(6) of the IGST Act, 2017 is not fulfilled. Hence the service provided by the applicant doesn't falls within the definition of export of service as defined under Section 2(6) of the IGST Act, 2017.
- The supplier of service is in Goa, India and place of supply of service as determined under Section 13(3)(a) is also in Goa, India, the applicant is liable to pay CGST and SGST on the aforesaid supply of service.