

GIB/KR/Cial Duty Free /22.09.2020/HC-153

High Court Category : Refund of Unutilized ITC

State : Kerala

Order No.: GIB/KR/Cial Duty Free /22.09.2020/HC-153

Name of Entry :

Cial Duty Free and Retail Services Ltd vs. Union of India

Date : 22-09-2020

Breif Issue :

Fact & Issues Involved:

The Hon'ble Kerala High Court observed that invoices issued by DFSs at the time of sale of goods to the outgoing passengers are duly signed by both the passengers and the cashier which envisages a condition that the passenger will not consume the goods until he lands at the final destination outside India. In other words, the passenger shall become owner of the goods only upon reaching of final destination. All the goods which are sold at the DFSs are either imported or purchased from Indian market and are stored in a customs bonded warehouses. Such goods are removed from such warehouses only under the supervision of the Jurisdictional Commissioner and are not sold for domestic purposes. The goods which are brought from customs warehouses do not cross customs frontiers as before the goods are imported in the country, they had been sold at DFSs.

Decision of Advance Ruling Authority :

Decision:

In view of the above, Hon'ble High Court held that sale of goods to outbound passengers by DFSs qualify as Exports and hence, refund of ITC shall be available.