

# TAX INFO

*Dated 13.10.2021*

Latest update on GST Law: Information regarding **Sale of goods to Outbound Passengers by Duty Free Shop qualify as Exports; ITC Refund is available** based on the **Judgement issued by Kerala High Court.**

We expressly disclaim liability to any person in respect of anything done in reliance of the contents of this publication

## **Sale of goods to Outbound Passengers by Duty Free Shop qualify as Exports;**

### **ITC Refund is available**

<b>Name of Petitioner</b>	CIAL DUTY FREE AND RETAIL SERVICES LTD
<b>Name of Respondent</b>	UNION OF INDIA
<b>Court</b>	HC-KERALA
<b>Date of Judgement</b>	22.09.2020
<b>Appeal No.</b>	WP(C).No.12280 OF 2020(H)

### **Facts of the Case:**

Various petitions have been filed by the petitioners running Duty Free Shop ('DFS') in international airports wherein the sale of goods made to Outbound Passengers were disqualified as exports and accordingly, refund of unutilized ITC was denied by the authorities.

### **Contention of Petitioner:**

The petitioners submitted that every sale at the DFS located at departure terminal is covered by sale voucher which is deemed to be a shipping bill under the Customs Act, 1962. These transactions are carried out as per the guidelines issued by the Department of Customs from time to time.

### **Findings of Court:**

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 warehouse.

### **Decision of the Court:**

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.

**Suresh Aggarwal, Advocate**

**Compliance & Litigation under GST**

**Address:** House No. 54, Pocket A-3, Sector-5, Rohini- 110085

**Phone:** 91-9810032846; 011 - 45131427

**Email:** sureshagg@gmail.com

**Website:** <http://www.sureshtaxation.com>