

Circular 108/27/2019 Dated 18-07-2019

Clarification in respect of goods sent/taken out of India for exhibition or on consignment basis for export promotion

1. It is clarified that the activity of sending / taking the goods out of India for exhibition or on consignment basis for export promotion do not constitute supply as the said activity does not fall within the scope of section 7 of the CGST Act as there is no consideration at that point in time. Since such activity **is not a supply**, the same cannot be considered as „Zero rated supply“ as per the provisions contained in section 16 of the IGST Act.
2. **Whether any records are required to be maintained by registered person for sending / taking specified goods out of India?**- The registered person dealing in specified goods shall maintain a record of such goods as per the format at Annexure to this Circular.
3. **What is the documentation required for sending / taking the specified goods out of India?** - Specified goods shall be accompanied with a **delivery challan** issued in accordance with the provisions contained in rule 55 of the CGST Rules. And **execution of a bond or LUT**, as required under section 16 of the IGST Act, is not required.
4. The specified goods sent / taken out of India are required to be either sold or brought back **within the stipulated period of six**

months from the date of removal as per the provisions contained in sub-section (7) of section 31 of the CGST Act.

5. The supply would be **deemed to have taken place, on the expiry of six months** from the date of removal, if the specified goods are neither sold abroad nor brought back within the Said period.
6. The **sender shall issue a tax invoice** in respect of such quantity of specified goods which has been sold abroad. He will also Required to issue an Invoice in Expiry Of 6 Months If Goods are neither sold nor brought back into India.