

01. HOW ARE EXPORTS TREATED UNDER THE AP VAT ACT 2005 ?

Exports under the AP VAT Act 2005 are sales of goods outside the territory of India. Sales from Andhra Pradesh to another State are not exports under this Act. Exports are zero-rated under the provisions of the Act. This means that you do not have to charge any tax or pay any VAT on your export sales and you can reclaim any VAT you have been charged on the goods being exported or any input tax incurred in the production of such goods.

02. CAN ANY PERSON OTHER THAN THE DIRECT EXPORTER CLAIM THIS ZERO-RATING ?

Yes. If you are supplying goods to be exported to an exporter in the same form, as a result of an order from a foreign buyer, you can zero-rate the sales to the exporters. This zero-rating is only available to a dealer directly selling to the exporter.

03. WHAT EVIDENCE DO I NEED TO PROVE THAT THE GOODS HAVE BEEN EXPORTED IF I AM A DIRECT EXPORTER ?

You must obtain the following:

- Copy of contract or order from a foreign buyer.
- Copy of the customs clearance certificate.
- Copy of the invoice issued to the foreign purchaser.
- Transport documentation, i.e., Bill of Lading, Air-Way Bill or a similar document.
- Evidence of payment from the foreign purchaser or letter of credit.

04. WHAT EVIDENCE DO I NEED TO JUSTIFY ZERO-RATING OF MY SALES TO A DIRECT EXPORTER ? (SALES IN THE COURSE OF EXPORT).

You must obtain the following:

- Purchase order from exporter.
- Form 'H'.
- Evidence of export in the form of a transport documentation, i.e., Copy of Bill of Lading, air way bill or similar document.

05. WHAT HAPPENS IF I AM A DIRECT EXPORTER AND PURCHASE GOODS WITHOUT THE USE OF FORM 'H'?

In such a case your supplier charges you VAT and supplies you with a tax invoice if he is a VAT dealer. You can claim a refund of the tax you are charged provided the input tax on your VAT return exceeds the output tax and you make international exports, in the same tax period.

06. DO I HAVE TO CLAIM A REFUND ONLY ON THE INPUT TAX I HAVE BEEN CHARGED DIRECTLY RELATED TO THE EXPORTS ?

No. If in any tax period your input tax declared on the VAT return exceeds the output tax, and you declared international exports in the same tax period you can claim a refund of the excess input tax.

07. HOW DO I CLAIM A REFUND ?

By completing the VAT return and entering the credit balance in Box 23 of the VAT Return.

08. WHAT SHOULD I DO TO OBTAIN FURTHER INFORMATION?

You should contact your local Tax Office.