

## **Stevedoring, Storing, Packing Goods Imported Temporarily Before Exporting Amounts to 'Export of Service' Post February 01, 2019: AAR Gujarat**

### Fact of the Case

M/S Manoj Bhagwan Mansukhani (M/S Rishi Shipping) ("the Applicant") is a service provider operating in Kandla port and handling imported fertiliser from abroad on behalf of Indian fertilizer companies.

Further, the Applicant used to discharge bulk fertiliser from the vessels, packing it into bags and then make despatches by rail, road and water and store in custom bonded warehouse without payment of custom duty and GST. After packing bulk fertiliser, the Applicant stuffed the fertiliser bags into containers and despatch the same after 2/3 months (as per instructions of their clients) for export to the ultimate buyers of the clients of the Applicant.

Issue:

Whether the services such as stevedoring, transportation, storage, bagging, stuffing and again transportation of the goods (which are temporarily imported) provided by the Applicant can be considered as 'Export of services'?

Whether the Applicant is eligible for 'Zero rated Supply' under Section 16 of IGST Act?

### Decision of the Case

The AAR, Gujrat in the matter of M/S Manoj Bhagwan Mansukhani (M/S. Rishi Shipping) ruled that services provided viz. stevedoring, transportation, storage, bagging, stuffing, and transportation of the goods which are temporarily imported into India before exporting shall not be considered as 'Export of service' upto January 31, 2019, but shall be considered as 'Export of service' w.e.f. February 01, 2019. Accordingly, it shall not be eligible for 'Zero rated Supply' under Section 16 of the Integrated Goods and Services Tax Act, 2017 ("IGST Act") upto January 31, 2019, but shall be eligible for the same w.e.f. February 01, 2019.