

GIB/WB/Shewratan/11.11.2019/AAR-219

Advance Ruling Category : Taxability

State : West Bengal

Order No.: GIB/WB/Shewratan/11.11.2019/AAR-219

Name of Entry :
Shewratan company Pvt. Ltd.

Date : 11-11-2019

Breif Issue :

Facts & Issue of The Case :

The applicant is a supplier of foreign going vessels stores like paint, ropes and electric equipment Etc. The applicant seeks the advance ruling on willing to know

whether it is liable to pay tax on such supplies he was making?

He also wants to know whether such supplies are zero rated supplies or not?

According to the applicant the supply he was making is an export and a zero rated supply in accordance with section 16 of the IGST Act. These are the warehouse goods which needs documentation like exports (Bill Of Duty) because they are crossing the limits of the customs, though they aren't cleared for home consumption and neither be exported. In terms of section 11(b) the place of supply is the location outside India.

It is not considered as a zero rated supply as the supply of stores can't be marked as export unless it is meant/marked for a location outside India. The goods which the applicant was supplying are getting consumed after they crossed territorial waters of India.

Decision of Advance Ruling Authority :

Decision :

The court has given a consideration that the supply are not export or zero-rated supply as defined under section 2(21) of the custom Act, as it can only be considered as export only if it is marked for a location outside India.

It is not a zero rated supply so the applicant is liable to pay tax on these supplies under GST.

The applicant is supplies to foreign outgoing vessels are neither be treated as a supply of goods or services in terms of schedule III of section 7(2)(a) of the GST Act, if such stores are supplied to the recipient before the clearance of home consumption.