

PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING
U/s.98 OF THE GOODS AND SERVICES TAX ACT, 2017.

Members present are:

1. *Senthil Nathan S, IRS*
Joint Commissioner,
Office of the Commissioner of Central Tax & Cental Excise, Thiruvananthapuram.

2. *N. Thulaseedharan Pillai.*
Joint Commissioner (General),
Office of the Commissioner of State Taxes, Thiruvananthapuram

Sub: GST Act, 2017 - Advance Ruling U/s 98 - rate of tax of marine propellers, rudder set for fishing boats, stern tube set for fishing boats, propeller shaft and MS shaft for couplings - Orders issued.

Read:- Application dated 10.03.2018 from Sri. Dharsak.V.P., Saraswathi Metal Industries, Alappuzha

ORDER No. CT/5496/18-C3 DATED 29/05/2018

1. Sri. Dharsak.V.P., Saraswathi Metal Industries, Alappuzha, manufacturer of marine propeller, rudder set, stern tube set, propeller shaft and M.S. Shaft for couplings, has preferred an application for Advance Ruling on the rate of tax of the above commodities used in fishing / floating vessels.

2. The applicant has argued that all the above products are used in fishing/floating vessels. Since the products manufactured by the unit are mainly used for the purpose of fishing and other allied activities, the applicant is of the opinion that the rate of tax applicable to the above products is 5% as per entry 247 and 252 of Schedule 1 of the Central Notification 1/17.

3. The applicant was heard in the matter and the contentions raised were examined. On the basis of the facts disclosed in the application and the submissions made at the time of personal hearing, it was decided to admit the application.

4. As per the HSN specified in the application, the rate of tax applicable to the above commodities is 18%. Relevant entries are extracted below:

Marine Propellers		8487 10 00	
371	8487		Machinery parts, not containing electrical connectors, insulators, coils, contacts or other electrical features not specified or included elsewhere in this chapter
Rudder set for fishing boats		7325	
237	7325		Other cast articles of iron or steel

Stern Tube set for fishing boats 218	7304	7304 Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel
Propeller Shaft 209	7221, 7222	7222 All bars and rods, of stainless steel
M.S. Shaft for Couplings 204	7213 to 7215	7214 All bars and rods, of iron or non-alloy steel

5. However, parts of fishing vessels, factory ships and other vessels for processing or preserving fishery products are taxable @ 5% by virtue of entry 252 of 1st schedule of SRO 360/2017. Fishing vessels; factory ships and other vessels comes under the HSN code 8902. The said entries read as under:

247	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products
252	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907

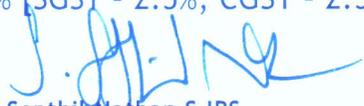
Thus, it is clear that the classification of the commodities under Entry 252 solely depends on the nature of use to which the commodities are put to.

6. In view of the aforesaid position, commodities such as marine propellers, rudder set, stern tube set, propeller shaft and M.S. Shaft for couplings used only for the purposes of fishing / floating vessels would be taxable @ 5%. If the said commodities are used for some other purpose, then the applicable tax rate would be 18%.

7. In the light of the above, we rule as under.

RULING

Commodities such as marine propellers, rudder set, stern tube set, propeller shaft and M.S. Shaft for couplings used as a part of fishing / floating vessels would come under the Entry 252 of Schedule 1 of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 and State Notification 360/2017 dated 30.06.2017 and hence taxable @ 5% [SGST - 2.5%; CGST - 2.5%].


Senthil Nathan S IRS
Member, CGST


N. Thulaseedharan Pillai
Member, SGST

To

M/s. Saraswathi Metal Industries,
Development Area, Aroor,
Alappuzha - 688 534