

Sri. Dharsak.V.P., Saraswathi Metal Industries, Alappuzha

Authority for Advance Ruling — Keralam

ORDER No. CT/5496/18-C3

Dated **29.05.2018**

Q Questions Before the Authority

- What is the rate of tax on marine propellers, rudder set for fishing boats, stern tube set for fishing boats, propeller shaft and MS shaft for couplings used in fishing / floating vessels?

F Facts

The applicant is a manufacturer of marine propellers, rudder sets, stern tube sets, propeller shafts, and M.S. shafts for couplings based in Alappuzha. These manufactured commodities are primarily supplied for use in fishing and floating vessels, leading the applicant to seek clarity on whether they qualify for a concessional rate of GST.

H Ruling

Marine propellers, rudder set, stern tube set, propeller shaft and M.S. shaft for couplings

Taxable @ 5% [SGST - 2.5%; CGST - 2.5%]

Applicable only when used as parts of fishing / floating vessels; 18% applies if used for other purposes

The Authority ruled that marine propellers, rudder sets, stern tube sets, propeller shafts, and M.S. shafts for couplings used as parts of fishing or floating vessels are taxable at **5% GST** under Entry 252 of Schedule 1 of Notification No. 01/2017-Central Tax (Rate). If the same commodities are used for any other purpose, the standard applicable tax rate of 18% applies.

R Reasoning

The Authority noted that under standard tariff chapters, the goods fall under headings attracting an 18% GST rate. However, Entry 252 of Schedule 1 of Notification No. 01/2017-Central Tax (Rate) prescribes a 5% rate for parts of goods under headings 8901, 8902, 8904, 8905, 8906, and 8907. The Authority held that classification under Entry 252 **depends solely on the end-use** to which the commodities are put. Therefore, when supplied for use as parts of fishing or floating vessels, the lower rate of 5% is applicable.

P Provisions Relied On

Entry 247 of Schedule 1 of Notification No. 01/2017-Central Tax (Rate)

Entry 252 of Schedule 1 of Notification No. 01/2017-Central Tax (Rate)

SRO No. 360/2017

Section 98 of the Goods and Services Tax Act, 2017



For the Practitioner

This ruling establishes that the eligibility for the 5% concessional GST rate under Entry 252 for marine vessel parts is **end-use dependent**. Practitioners representing marine component suppliers can use this precedent to claim the 5% rate, provided there is adequate proof that the components are supplied for fishing or floating vessels.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> [kerala-ct_5496-18-c3-smi.pdf](#)

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