

**AUTHORITY FOR ADVANCE RULING  
TAMILNADU ADVANCE RULING AUTHORITY**  
PAPJM Buildings, II Floor, No.1, Greams Road, Chennai-6

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

**Members present are:**

1. Ms. Manasa Gangotri Kata, I.R.S., Joint Commissioner/Member,  
Office of the Commissioner of GST & Central Excise, Chennai -34
2. Thiru Kurinji Selvaan V.S., M.Sc., (Agri.), M.B.A.,  
Joint Commissioner (CT) / Member,  
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-6.

**ORDER No. 18 / AAR / 2019 DATED 16.04.2019**

GSTIN Number, if any / User id		33AAACA3140N1ZZ
Legal Name of Applicant		M/s. Alekton Engineering Industries Pvt. Ltd.,
Registered Address/Address provided while obtaining user id		No. C-17, Second Main Road, Ambattur Industrial Estate, Chennai - 600058, Tamil Nadu.
Details of Application		GST ARA-01 Application Sl. No. 58 dated : 30.11.2018
Concerned Officer		State - The Assistant Commissioner (ST), Anna Nagar Assessment Circle,  Centre : Chennai North Commissionerate, Chennai.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Manufacturer
B	Description (in Brief)	The Applicant manufactures and supplies Triple Screw Pumps and its parts which is also used for Marine Application i.e. On board Vessels and Warships
Issue/s on which advance ruling required		1. Whether the Triple Screw Pumps and its Parts manufactured by the Applicant supplied to the India Navy for commissioning in its Vessels and Warships are parts of 'All types of Vessels & Warships? 2. Whether Sl.No. 252 of Notification No. 1/2017 - Integrated Tax (Rate) dated 28.06.2017 and also Notification No. 1/2017 - Central Tax (Rate) dated 28.06.2017 is applicable for such supply ?

Question(s) on which advance ruling is required	<p>Whether the Triple Screw Pumps &amp; Parts thereof falling under Chapter Heading 8413 can be treated as Parts of HSN 8901,8902,8904,8905,8906,8907 attracting</p> <ul style="list-style-type: none"> <li>• IGST 5% as per Schedule I (Sl. No. 252) of Notification No.1/2017-Integrated Tax (Rate) dated 28.06.2017 or not?</li> <li>• CGST 2.5% + SGST 2.5% as per Schedule I (Sl.No. 252) of Notification No.1/2017- Central Tax (Rate) dated 28.06.2017 or not?</li> </ul>
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**Note :** Any appeal against the advance ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. Alekton Engineering Industries Private Limited, having registered office at C-17, Second Main Road, Ambattur Industrial Estate, Chennai - 600058. (hereinafter referred to as 'Alekton' or 'Applicant') are manufacturer and supplier of Triple Screws Pumps and Parts thereof. They are registered under GST Act 2017 vide GSTIN No. 33AAACA3140N1ZZ. The Applicant have preferred an application seeking Advance Ruling on the following:

***“ Whether the Triple Screw Pumps & Parts thereof falling under Chapter Heading 8413 can be treated as Parts of HSN 8901, 8902, 8904, 8905, 8906, 8907 attracting:***

- ***IGST 5% as per Schedule I (Sl.No. 252 of Notification No. 1/2017-Integrated Tax (Rate) dated 28.06.2017 or not?***
- ***CGST 2.5% +SGST 2.5% as per Schedule I (Sl.No 252) of Notification No.1/2017-Central Tax (Rate) dated 28.06.2017 or Not'?***

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under Sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2. The Applicant in the Statement of facts has stated that they are engaged in the manufacturing of Triple Screw Pumps and Parts thereof falling under Chapter Heading 8413 of Customs Tariff Act 1975 and supplying the same to Indian Navy for intended use of the same as "Parts of the Vessels & Warships" based on the Purchase Order placed by them. Triple Screw Pumps and parts thereof falling under Chapter Heading 8413 of Customs Tariff Act 1975 as adopted to GST attracts 18%(IGST) under Notification No. 1/2017-Integrated Tax(Rate) dated 28.06.2017. However when the same goods are supplied as parts of goods falling under Chapter 8901, 8902,8904,8906,8907 attracts GST @ 5% (IGST). Hence the Applicant content that the said goods supplied by them squarely fall under Sl.No. 252 of Notification No. 01/2017-Integrated Tax (Rate) dated 28.06.2017 and requested for ruling in this regard. They furnished copy of PO No. HMP/12/ELOP/S4\*/103 dated 18.01.2016 placed on them by DMDE, Secunderabad; Letter No. HSH/100BAR-SHP/S4 (STR) (RF) dated 08.03.2018 from DMDE re: clarification of GST rate. Fax message dated 02.07.2018 requesting them to charge 5% as per Notification; their product catalogue and their Manufacturing Process.

3. The Applicant appeared before us for hearing on 11.03.2019. They submitted written submission along with brochure of Lubricant Pumps, Copy of Purchase Order, and copy of Invoice for sale to Indian Navy. They stated that the product is Triple Screw Pump which has several applications. In HSN, they are classifiable under Chapter Head 8413. However, in case when these Pumps are used by the Navy, they are used to pump lubricant to the engines in the Vessels/Warships. They stated that in this case the goods and its parts should be classified as parts of other vessels under the Chapter Heading 8906. They submitted Certificates issued by the Navy about the use of Pumps, as part of Vessels / Warships and also stated that while invoicing other buyers meant for power sector such as Bharat Heavy Electrical Limited, they classify the goods and its parts under the Chapter Heading 8413. They undertook to submit work order giving technical specifications and maintenance work order within a week time.

3.1 In the written submissions furnished by the applicant during the hearing, they have inter-alia, stated that

- They are manufactures and suppliers of Triples Screw Pumps and parts thereof (HSN 8413 60 – Rotary Positive Displacement Pumps), - for Marine applications, on board Vessels and Warships (Chapter 8906). They have been manufacturing and supplying these pumps for over 40 years to all major Shipyards in India namely:
  - 1) Garden Reach Shipbuilders & Engineers Ltd., Kolkatta
  - 2) Mazagon Dock Ltd., Mumbai
  - 3) Cochin Shipyard Ltd., Cochin
  - 4) Goa Shipyard Ltd., Goa
  - 5) Material Superintendent, Controllerate of Procurement, Material Organisation Mumbai, Visakhapatnam, Kochi, etc.
  - 6) Defense Machinery & Design Establishment (DMDE), Secunderabad
  - 7) Shipbuilding Centre, Naval Base, Vishakhapatnam,
- They are registered with Government of India, Ministry of Defense, Director General of Quality Assurance, Directorate of Quality Assurance (Warship Projects), vide Registration No.SS-DDP-Gde 1-0652(A) dated 19<sup>th</sup> September 2016 for supply of their products. Copy of Certificate with complete details of Procurement Agencies and Shipbuilders of Indian Navy are submitted. Specimen copies of Purchase Order from the Indian Navy, Sales Invoice and E-Waybills against their supplies under GST are also submitted for reference.
- The supply of pumps by the Applicant are made to meet the specific duty conditions for on -board parts for Marine applications and Warships.
- Materials of construction are special and the Pumps are to meet the stringent noise and vibration levels along with shock standards, which are subject to various tests by the third parties and Government Agencies appointed by the aforesaid customers.
- Pumps supplied to DMDE are Forced Lubrication Pumps (FLP), Emergency Lube Oil Pumps (ELP) and DG Lube Oil Transfer Pumps (DGLOTP), all of which are used for lubrication applications in Warships. The Pumps are connected to a lube oil storage tank inside the ship and the oil is circulated by the Pumps to various moving parts of machinery. They are also supplying other type of pumps to DMDE for Ship's Hydraulic Pump (SHP4), which are used to produce hydraulic power for various equipment and 160 Bar Pumps,

which are used for special hydraulic clamping operation, both On-board parts including the Warships.

- Since 1991 onwards till the implementation of GST i.e. up to 30.06.2017, they had Excise Duty Exemption as per Central Excise Notification No.64/1995-CE dated 16<sup>th</sup> March 1995 under the SI.Nos. 03, 19 & 21 against production of ED Exemption Certificate issued by the relevant/specified Naval Authorities and supplied their Pumps & parts thereof to their aforesaid customers
- DMDE has sent a request to them vide letter No. HSH/100BAR-SHP/S4 (STR) (RF) dated 08 March 2018 and Fax message dated 02 July 2018, wherein they have explicitly mentioned that their product falls under SI. No. 250 & 252 of Ministry of Finance Notification No. 1/2017 IGST dated 28.06.2017 and requested them to charge applicable GST for the above Serials only 5% IGST.
- Triple Screw Pumps and Parts thereof falling under Chapter Heading 8413 of Customs Tariff Act 1975, as adopted to GST attracts 18% (IGST 18% or CGST 9% + SGST 9%) under Notification No.1/2017-Integrated Tax (Rate)dated 28.06.2017 and Notification NO.1/2017- Central Tax (Rate) dated 28.06.2017. However when the same goods are supplied as parts of goods falling under Chapter 8901, 8902,8904,8906 & 8907 attracts GST @ 5% (IGST 5% or CGST 2/5% + SGST 2.5%). As they are manufacturing Triple Screw Pumps and Parts thereof falling under Chapter Heading 8413 of Customs Tariff Act 1975, and supplying the same to Indian Navy for intended use of the same as “ Parts of the Marine Application, on board Vessels & Warships” against the Purchase Orders placed by them squarely falls under SI.NO. 250 & 252 of the above Notification No.1/2017- Integrated Tax (Rate) dated 28.062017 and Notification No.1/2017- Central Tax (Rate) dated 28.06.2017 attracting GST @ 5% (IGST 5% or CGST 2.5% + SGST 2.5%).

3.2 In support of their request under Advance Ruling they have filed the following documents:

- a. Copy of the Notification No. 1/2017 integrated tax (Rate) Dated 28th June 2017, Department of Revenue, Ministry of Finance Government of India and Notification No.1/2017 Central Tax (Rate) Dated 28th June 2017, Department of Revenue, Ministry of Finance Government of India.

b. Copy of the booklet of Purchase Order No. HMP/12/ELOP/S4\*/103 Dated 18 Jan 16, Purchase Order No. HMP/11/FLP/S4\*/89 Dated 18 Dec 15 and Work Order No: HSH/51/FLP-ELP&SHP(SA)/S3S4/518 dated 07Jan19 received from the DMD Establishment, Secunderabad.

c. Letter received from DMD Establishment, Secunderabad dated 08.03.2018. In respect of clarification of GST on Additional Pump.

d. Fax message dated 2<sup>nd</sup> July 2018 in respect of Clarification on GST Rate received from DMD Establishment.

e. Brochure relating to Triples Screws pump which indicates the specification of the pump and a flowchart on manufacturing process for Alekton Triples Screws pumps.

f. Certificate issued by the Director, HQATVP Department of Defence, (R&D) Ministry of Defence.

g. Copy of correspondence Letter dated 29.01.2019. Received from DMD Establishment.

h. Copy of Invoice No. 0162 dated 14.12.2018 and 0128 dated 25.10.2018 along with Annexures and related Eway Bill No. 591073517673 dated 15.12.2018 and Elway Bill No. 551063261423 dated 25.10.2018 respectively.

i. Copy of Part 1 of commercial aspect of work order and commercial aspects of Purchase Order

j. Copy of the Order of Advance Ruling Authority of Maharashtra in GST -ARA-44/2017-18/D-51 dated 15.06.2018 in respect of the Parts supplied for Vessels.

k. Copy of Excise Duty Exemption Certificate relating to Pre-GST period vide SS/1670/WOT (KOL)/05 dated 31.01.2008. Received from the Chief Staff Officer (Technical), Head Quarters Eastern Naval Base, Vishakhapatnam.

4. The various submissions made by the applicant were examined in detail. In the case at hand, it is seen the Applicant manufactures 'Triple Screw Pumps and Parts'. From the product catalogue, it is seen that their products namely Alekton Triples Screw Pump are the positive displacement, self-priming rotary pumps of advanced design and manufacture, for use in a variety of industrial and marine applications.; Typical liquids handled include lubricating oils, fuel oils, viscose, molasses, paints and creams.; Alekton Triple-Screw Pumps are very versatile and can

handle liquids with as varied characteristics as Benzene and Bitumen. As the pumping action of their screws is continuous, the noise and vibration levels are extremely low. They are engineered to give long trouble-free service with minimum maintenance and upon request pumps can be manufactured to meet the specific requirements of international inspection agencies. In the present transaction, they supply the same to Indian Navy against the Purchase Orders placed by DMDE. As per purchase order, they are supplying 'Forced Lubrication Pumps, Emergency Lube Oil Pumps, DG Lub Oil Transfer Pumps and Triple Screw Pumps with spares and parts and servicing and commissioning of the same. As per the catalogues, these are used for circulation and pumping of lubricating oils, fuel etc. In this supply to the Indian Navy, they are used to pump and circulate lubricating oil to various machinery on the ship and are to be installed in naval vessels. It is seen from the invoices that they classify these goods under CTH 8413 60 and raise invoice with the applicable rate of 5% IGST.

The Applicant has sought ruling on

whether the Triple Screw Pumps & Parts there of falling under Chapter Heading 8413 can be treated as Parts of HSN 8901, 8902, 8904, 8905, 8906, 8907 attracting IGST @5% as per Schedule I (Sl.No. 252) of Notification No. No.1/2017- Integrated Tax (Rate) dated 28.06.2017 and CGST 2.5% + SGST 2.5% as per Schedule I (Sl.No. 252) of Notification No.1/2017- Central Tax (Rate) dated 28.06.2017

5.1 In terms of explanation (iii) and (iv) contained in the notification no.1/2017-C.T.(Rate), dated 28.06.2017, "Tariff item", "sub-heading", "heading" and "Chapter" shall mean respectively a tariff item, sub-heading and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification. Accordingly, to arrive at the classification, the respective chapter headings, Chapter Note, Section Notes are to be seen.

5.2 'Scope of Supply' in Purchase Order No. HMP/12/ELOP/S4\*/103 Dated 18 January 2016 and Purchase Order No. HMP/11/FLP/S4\*/89 Dated 18 December 2015 shows that the supply is for 'Emergency Lubrication Oil Pump for marine applications' and 'Forced Lubrication Pumps for marine applications' respectively. Also, the 'Scope of Supply of Equipment' of the Purchase Orders lists Pumps including 'Onboard Spares' and 'Base & Depot Spares' for a particular period of time.

Further, the applicant has produced Certificate dated 25<sup>th</sup> Jan 19, issued by the Director, Department of Defence (R &D), wherein, it is certified that the Forced Lubrication Pumps along with associated accessories ordered vice Purchase Order No. HMP/11/FLP S4\*/89 dated 18<sup>th</sup> Dec 15 on the applicant are the property of Government of India and are for use of the Defense Services as parts of Vessels/Warships of ATV programme. It is also seen from the invoices furnished, that the applicant has effected supply of 'Screw Type Pumps & Parts supplied as 'Parts of Vessel / Warship'. From the above, it is evident that Equipment supplied under the above purchase Orders are meant for 'Parts of Vessels / Warship' and it is also seen from the purchase order, invoices that the Forced Lubrication Pumps, Emergency Lube Oil Pumps, DG Lub Oil Transfer Pumps and Triple Screw Pumps with spares and parts are parts of vessels of the Indian Navy to be installed on the Navy vessels.

5.3 Chapter heading to 8413 of Customs Tariff covers Pumps For Liquids, Whether Or Not Fitted With A Measuring Device; Liquid Elevators.

Explanatory Notes to HSN 8413 covers

This heading covers most machines and appliances for raising or otherwise continuously displacing volumes of liquids (including molten metal and wet concrete), whether they are operated by hand or by any kind of power unit, integral or otherwise.

The heading also includes delivery pumps equipped with measuring or price-calculating mechanisms such as are used for supplying petrol or oil in garages, and also pumps specially designed for use with other machines, vehicles, etc. (including petrol, oil or water pumps for internal combustion engines, and pumps for man-made textile fibre spinning machines).

The machines of this heading can be subdivided, according to their system of operation, into the following five categories.

### PARTS

**Subject** to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are also classified here, e.g., pump housings or bodies; rods specially designed to connect and drive the piston in pumps placed at some distance from the prime mover (e.g., pumping rods, "sucker rods"); pistons, plungers, vanes; cams (lobes); helicoidal screws, impeller wheels, diffuser vanes; buckets and bucket-fitted chains; bands for band-type liquid elevators; pressure chambers.

The goods supplied by the applicant are covered under chapter 8413 and as per explanatory notes parts of such pumps are also covered under the same heading.

Chapter 8906 of Customs Tariff covers Other Vessels, Including Warships and Lifeboats Other Than Rowing Boats

Explanatory Notes to Section XVII covering chapter 89 states , with regard to 'Parts and Accessories', states as follows:

### (III) PARTS AND ACCESSORIES

It should be noted that Chapter 89 makes no provision for parts (other than hulls) or accessories of ships, boats or floating structures. Such parts and accessories, even if identifiable as being for ships, etc., are therefore classified in other Chapters in their respective headings. The other Chapters of this Section each provide for the classification of parts and accessories of the vehicles, aircraft or equipment concerned.

It is seen from the above that even when the goods supplied by the applicants are meant as parts of vessels, they are to be classified under their respective chapter.i.e 8413.

5.4 The short question to be answered is whether the goods under consideration is covered under the entry No. 250 or 252 of Schedule I of Notification no. 01/2017-central GST (RATE) Dated: 28.06.2017 and Notification No. II(2)/CTR/532(d-4)/2017 vide G.O. (MS) No. 62 dated 29.06.2017 are reproduced under:

S.No.	Chapter/Subheading/ Tariff Item	Description of Goods
250.	8906	Other vessels, including warships and lifeboats other than rowing boats
252.	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907

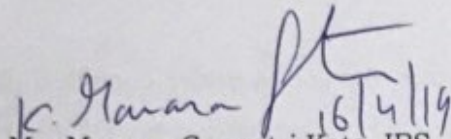
Forced Lubrication Pumps, Emergency Lube Oil Pumps, DG Lub Oil Transfer Pumps and Triple Screw Pumps with spares and parts are parts of vessels classifiable under 8906 and themselves classifiable under chapter 8413. Therefore, they are covered under entry at Sl.No. 252 of Schedule I of the Notification No. 01/2017-C.T. (Rate) dated 28.06.2017 as amended at 2.5% CGST and at Sl.No. 252 of Schedule I of the Notification No. II(2)/CTR/532(d-4)/2017 vide G.O. (Ms) No. 62 dated 29.06.2017 as amended at 2.5% SGST and at Sl. No 252 of Schedule I of Notification No.1/2017-Integrated Tax (Rate) dated 28.06.2017 as amended at 5% IGST.

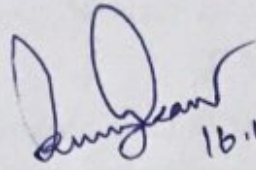
6. In view of the above, the question raised is ruled as under:

#### Ruling

1. Forced Lubrication Pumps, Emergency Lube Oil Pumps , DG Lub Oil Transfer Pumps and Triple Screw Pumps manufactured by the Applicant supplied to the India Navy for commissioning in its Vessels and Warships are parts of 'All types of Vessels & Warships'

2. They are covered under entry at Sl.No. 252 of Schedule I of the Notification No. 01/2017-C.T. (Rate) dated 28.06.2017 as amended at 2.5% CGST and at Sl.No. 252 of Schedule I of the Notification No. II (2)/CTR/532(d-4)/2017 vide G.O. (Ms) No. 62 dated 29.06.2017 as amended at 2.5% SGST and at Sl. No 252 of Schedule I of Notification No.1/2017-Integrated Tax (Rate) dated 28.06.2017 as amended at 5% IGST.

  
Ms. Manasa Gangotri Kata, IRS  
Member, CGST

  
16.04.2019  
Shri. Kurinji Selvaan, V.S., M.Sc., (Agri), M.B.A.,  
Member, TNGST

To

M/s. Alekton Engineering Industries Pvt. Ltd.,  
No. C-17, Second Main Road,  
Ambattur Industrial Estate,  
Chennai - 600058.  
Tamil Nadu.



// By Speed Post with Ack. Due //

Copy submitted to :-

1. The Additional Chief Secretary / Commissioner of Commercial Taxes,  
2nd Floor, Ezhilagam, Chepauk, Chennai - 600 005.
2. The Principal Chief Commissioner of CGST & Central Excise,  
No. 26/1, Uthamar Mahatma Gandhi Road, Nungambakkam,  
Chennai - 600 034.

Copy to:

3. The Commissioner of GST & C.Ex., Chennai South Commissionerate.
4. The Assistant Commissioner (ST),  
Anna Nagar Assessment Circle,  
1-B, New Avadi Road,  
Lakshmipuram 2nd Street,  
Villivakkam,  
Chennai - 600 049.
5. Master File / Spare.