

18% GST APPLICABLE ON FABRICATING TANKS: AAR

Fact of the Case

- The applicant, M/s Meera Tubes Pvt. Ltd. is engaged in "Fabricating Tank" for M/s. Indian Oil Corp. Ltd. (IOCL) U.P. State Office-2 and for Delhi & Haryana State office.
- The process of fabrication involves usage of various consumables, for example, Welding Electrodes, Gas etc. as well as all the items mentioned above along with Free of Cost Steel Plates.
- All these components/materials together with the labour charges constitute the value of this work undertaken by the applicant.
- Only the Steel Plates are being provided by IOCL on Free of cost to the applicant and all other structural material and fittings required for the tank are to be arranged by the applicant without any extra financial implication to IOCL.

The applicant has sought the advance ruling in respect of the classification with respect to the nature of "Supply" i.e. whether the questioned supply tantamount to Supply of Goods or Supply of Service.

Decision of the Case

- The advance ruling was also sought in respect of the Correct HSN code applicable to the said supply and the rate of Tax. The coram consisting of Dinesh Kumar Verma and Abhishek Chauhan ruled that the nature of supply is Supply of goods for which the HSN code is 7309, 18% of GST is applicable.

The Uttar Pradesh Authority of Advance Ruling (AAR) ruled that 18% GST applicable on fabricating tanks.