

**AUTHORITY FOR ADVANCE RULING
TAMILNADU ADVANCE RULING AUTHORITY
PAPJM Buildings, IstFloor, No.1, Greams Road, Chennai-600 006.**

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

Members present :

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

ORDER No. 30/ARA/2019 Dated 25.07.2019

GSTIN Number, if any / User id	33AANFP5828N1ZM
Legal Name of Applicant	PRISM FLUIDS LLP
Trade Name of the Applicant	PRISM FLUIDS LLP
Registered Address / Address provided while obtaining user id	Old No. 55 New No. 3, Y Block , 8 th Street Anna Nagar. Tamil Nadu Chennai 600 040.
Details of Application	Form GST ARA – 001 Application SI.No.52 Dated 15.03.2019
Concerned Officer	State: The Assistant Commissioner(ST), Amaidakarai Assessment Circle. Centre: Chennai North , Division-Anna Nagar.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought for	
A Category	Manufacturer
B Description (in brief)	
Issue/s on which advance ruling required	Classification of any goods or services or both
Question(s) on which advance ruling is required	1. Rate of Tax for circulating oil systems/Lube Systems 2. HSN Code

Note: Any appeal against this Advance Ruling order shall lie before the Tamil Nadu State Appellate Authority for Advance Rulings, Chennai as under Sub-Section (1) of CGST Act / TNGST Act 2017, within 30 days from the date on the ruling sought to be appealed 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 same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. PRISM FLUIDS LLP Old No. 55 New No.3,Y Block, 8th Street Anna Nagar, Tamil Nadu, Chennai 600 040 (hereinafter referred to as the 'Applicant') is registered under GST vide GSTIN 33AANFP5828N1ZM. The Applicant has sought Advance Ruling on the following questions:

1. What is the rate of tax on "Oil Lubrication Systems" ?
2. What is the HSN code

The Applicant has submitted the copy of application in Form GST ARA – 01 and also submitted copy of Challan evidencing payment of application fees of Rs.5000/- each under Sub-rule (1) of Rule 104 of CGST Rules 2017 and also SGST Rules 2017.

2. The applicant has stated that Bearings, Slide ways and Gearboxes require constant lubrication to overcome friction and for efficient trouble free operation. Oil lubrication systems are used not only to lubricate but also to cool and wash away the wear, debris from the machine elements. Oil has to be supplied to the machine elements in motion at the right time, quantity, pressure and temperature. Any change in these parameters will result in machine break down and loss. They have further stated that Oil Lube Systems ensures that the oil is delivered to the consumption points at the right quantity, temperature, pressure and at the right time. Typically Circulating Oil Systems consists of a suitably sized tank, made of mild steel material with partitions and built in Strainer along with pumps, filters, Heat exchangers, Isolation and Check valves, Pressure and temperature Gauges, Control Vales, Level, Pressure, Temperature and Flow Instrumentation. The oil after passing through the bearings, gear box etc, is sent back to the tank for re-circulation. Except for Tank and filters all the other components are bought outs attracting a GST of up to 18%. Based on the requirement the systems are designed and engineered. Subsequently all the components are integrated on a common base tested and shipped out to the client's plant for installation and startup. The applicant has

requested GST rate of tax for Circulating Oil lubricating System. They furnished the following documents for consideration with the application: (i) List of components used for manufacturing the subject commodity; (ii) Drawing of the Oil Lubrications Systems; (iii) Sample invoices for supplying the said commodity and (iv) List of customers to whom supplies are made by the applicant

3. The applicant was heard on 09.04.2019. They submitted that their products are used for lubrication. They design based on the requirements of the buyer. The products has a filtration system, heat exchanger, coolant and pumping using air or water or fluids. They stated that they will provide technical write-up, along with usage, drawings, description of each component for each of the categories of options that a buyer can buy. They also undertook to provide purchase order and invoice within two weeks.

3.1 The applicant did not furnish the documents undertook to submit. However, in accordance to the Principle of Natural Justice, the appellant was extended another opportunity to be heard on 19.06.2019. The applicant vide e-mail dated 13th June 2019, stated that they will not be able to come for the personal hearing as the personnel is out of Chennai and requested to grant extension till 2nd week of July 2019 to attend the hearing.

3.2 The applicant's request was accepted and another opportunity was granted to them to submit the details and to appear personally on 24.07.2019. The applicant neither appeared nor furnished the details undertook to be submitted by them.

4. The jurisdictional authority- Commissioner of Central GST & Central Excise, North in their comments, has stated that the subject circulating Oil Lubrication System are covered under Chapter 8413[fuel, lubricating or cooling medium pumps for Internal combustion piston engine 841330] and attracts 28% GST.

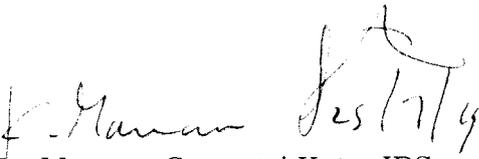
5. We have carefully examined the statement of facts, supporting documents filed by the Applicant and also comments furnished by the Commissioner, North Commissionerate, and heard the arguments made by the Applicant at the time of hearing on 09.04.2019. The questions raised seeking rulings are (1) the applicable rate of tax for Circulating Oil Systems/ Lube Systems and (2) HSN Code. The applicant in their application has stated that the circulating Oil Systems consist of a suitable sized tank, made of mild steel material with partitions and built in Strainer along with Pumps, Filters, Heat exchangers, Isolation and Check Valves, Pressure and Temperature Guages, Control Valves, Level, Pressure, Temperature and Flow

Instrumentation. It was further stated that based on the requirement systems are designed and engineered. To arrive at the classification and the applicable rate of tax, the applicant during the hearing undertook to submit the technical write-up, along with usage, drawings, description of each component for each of the categories option that a buyer can buy. The said details are necessary to arrive at the proper classification and the rate of tax. The applicant after being extended enough opportunities has not furnished the required documents. In the circumstances, the Ruling sought for by the applicant could not be furnished for want of the necessary technical details.

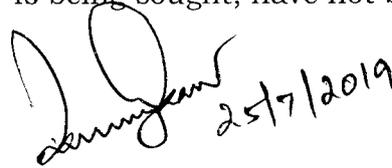
6. In view of the above, we rule as under:

Ruling

The application is rejected as the relevant technical details of the supply for which classification and rate of CGST/SGST is being sought, have not been produced.

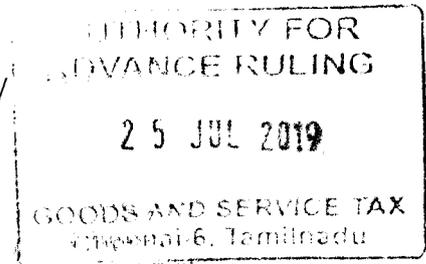


Ms. Manasa Gangotri Kata, IRS
Member, CGST



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

To
M/s. PRISM FLUIDS LLP // By Speed Post with Ack. Due//
Old No. 55 New No.3,
Y Block , 8th Street Anna Nagar
Chennai 600 040.



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, Ch - 600 034.

Copy to:

3. The Commissioner of GST & Central Excise,
Chennai North Commissionerate,
No. 26/1, Uthamar Mahatma Gandhi Road,
Nungambakkam, Chennai - 600 034.

4. The Assistant Commissioner(ST),
Amaindakarai Assessment Circle.
F-50, 10th Avenue, Anna Nagar (East),
Chennai 600 102.

5. Master File / spare

