

AUTHORITY FOR ADVANCE RULING – MADHYA PRADESH
GOODS AND SERVICE TAX

O/o THE COMMISSIONER, COMMERCIAL TAX,

MOTI BUNGALOW,

MAHATMA GANDHI MARG, INDORE (M.P.) - 452007

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

Members Present

1. Manoj Kumar Choubey
 Joint Commissioner
 Office of the Commissioner of Commercial Tax, Indore Division-1

2. Shri Virendra Kumar Jain
 Joint Commissioner
 Office of the Commissioner CGST and Central Excise, Indore

GSTIN Number. If any/User-id	23AABCI8209H1ZS
Name and address of the applicant	M/s. Innovative Clad Solutions (ICS) is a SEZ unit, Plot No.M-07, SEZ, Pithampur.
Point on which advance ruling sought	WHETHER RE. ROLLED BIMETAL STRIP 108 SP IS COVERED UNDER HSN 81110010 ?
Present on behalf of applicant	Mr. Manoj Jain, Consultant and Mrs. Sonal Kawadi, Authorised Signatory and Financial Comptroller of Applicant.
Case Number	...21.../2019
Order dated	16/01.2020

Order No. 03/2020
PROCEEDINGS

(Under sub-section (4) of Section 98 of Central Goods and Service Tax Act, 2017 and the Madhya Pradesh Goods & Service Tax Act, 2017)

1. M/s. Innovative Clad Solutions (ICS) is a SEZ unit (hereinafter referred to as the Applicant) is engaged in manufacturing of Clad and Rerolled Bimetal Strips 108 SP. The Applicant is having a GST registration with GSTIN **23AABCI8209H1ZS**.

The provisions of the CGST Act and MPGST Act are identical, except for certain provisions. Therefore, unless a specific mention of the dissimilar provision is made, a



reference to the CGST Act would also mean a reference to the same provision under the MPGST Act. Further, henceforth, for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST or MP GST Act would be mentioned as being under the GST Act.

3. BRIEF FACTS OF THE CASE –

3.1 M/s. Innovative Clad Solutions (ICS) is a SEZ unit (hereinafter referred to as the Applicant) is engaged in manufacturing of Clad and Rerolled Bimetal Strips 108 SP and registered with GST with GSTIN **23AABC18209H1Z5**. **The Applicant manufacture 'Re Rolled Bimetal Strip 108 SP' in small quantity as per customer requirements.**

3.2 The company was established in 2009. It is a joint venture of Aperam (France) and Shivalik Bimetals with Aperam as its major share holder. ICS is recognized globally as one of the industry leaders providing custom clad solutions

3.3 The "Re-Roll Bimetal Strips 108SP" is Thermostatic Bimetal Strips in Re-roll form, made by bonding of two metallic strips . One strip of which is made of alloys of 72% Manganese, 10% Nickel , 18% Copper and another strip is made of 36% Nickel and 64% Iron . Both the strips are bonded to make Bimetal Strips 108 SP. After bonding of these two metallic content of the bimetal strip, the resultant composition of Bimetal Strips is Manganese 36%, Iron 32%, Nickel 23% and Copper 9%. Thus, in the Bimetal Strips Manganese is predominating with metallic contents of 36%.

3.4 The Applicant since starting manufactured and cleared the goods Re Rolled Bimetal Strip 108 SP from SEZ unit vide Bill of entry for home consumption with HSN 81110010 and paying duty leviable on it under said chapter heading(HSN) as the said product predominating the base metal manganese.

3.5 The Applicant filed the application under Advance Ruling for clarification in the matter of classification of Re-rolled Bimetal Strips 108 SP under HSN 81111010.

4. QUESTION RAISED BEFORE THE AUTHORITY

The Applicant wishes to know whether Re-rolled strip 108 SP is covered under HSN 81110010 or not.

5. **DEPARTMENT VIEW POINT –** As per the Bill of Entry submitted by Applicant and assessed by the SEZ of the applicant, the said product i.e. Rerolled Bimetal Strip 108 SP classified under HSN 82110010.



MP

6. RECORD OF PERSONAL HEARING -

Shri Manoj Jain, Consultant and Mrs. Sonal Kawadi, Authorised Signatory of the applicant appeared for personal hearing on 19.11.2019 and they reiterated the submission already made in the application and attached additional submission which goes as follows –

- (i) That the Bimetal Strips is Manganese 36%, Iron 32%, Nickel 23% and Copper 9%. Thus, in the Bimetal Strips Manganese is predominating with metallic contents of 36%.
- (ii) That the Bimetal Strips supplied by applicant cannot be used directly by the customers. That the Bimetal Strips supplied to the Industries and the Industries further process it to make it usable as per the customer requirements. After being processed by the industries, it is generally used in making electrical on / off switches.
- (iii) That the as per the the contemporary Bill of Entry submitted by the applicant, the same product imported under Ch. 81110010 vide Bill of entry no 9226129 dt 14.05.2015 and 2028935 dt 25.07.15 of M/s Zodiac Metal strips Ltd, for Product - Re Rolled Bimetal 108SP Strips Thickness 1.65mm width 200mm (Nickle 23%, Ferrous 32%, Manganese 36%, Copper 9%) wherein the BOE is assessed by the Customs Authorities in HSN 81110010.
- (iv) That, Since starting of our unit at SEZ, Pithampur, we are manufacturing this product and clearing the same in HSN 81110010 and department being agreed with our declaration have finally assessed the same in HSN 81110010. That the applicant submitted the copies of BOE Nos. 2012767/12.11.2018, 2003320/21.03.2018, 2009393/21.09.2017, 0003954/19.04.2017, 0001150/31.01.2017, 0009798/25.10.2016, 0006708/25.07.2016, 0004011/03.05.2016 finally assessed by the department in support.
- (iv) That as per chapter notes of Chapter 72 (Base metal) of the Customs Tariff Act, 1975, the Manganese is covered under the category of Base Metals and as per the foot notes given in the Chapter 72 , the Re Roll Bimetal Strip 108SP which is **manganese predominating by weight is treated as Manganese based Alloy**. Therefore it falls under chapter 81 under heading **81110010, where specifically written "manganese base alloy"**.

7. DISCUSSIONS AND FINDINGS –

7.1 We have carefully gone through the application, provisions and submission of the Applicant, we proceed to decide the case as under :-

7.2 The Applicant submitted that the Bimetal Strips supplied by applicant cannot be used directly by the customers. That the Bimetal Strips supplied to the Industries and the Industries further process it to make it usable as per the customer requirements. After being processed by the industries, it is generally used in making electrical on / off switches.

7.3 The Applicant submitted that the as per the contemporary Bill of Entry submitted by the applicant, the same product imported under Ch. 81110010 vide Bill of entry no 9226129 dt 14.05.2015 and 2028935 dt 25.07.15 of M/s Zodiac Metal strips Ltd, for Product - Re



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Rolled Bimetal 108SP Strips Thickness 1.65mm width 200mm (Nickel 23%, Ferrous 32%, Manganese 36%, Copper 9%) wherein the BOE is assessed by the Customs Authorities in HSN 81110010.

7.4 The applicant submitted that, since starting of their unit at SEZ, Pithampur, they are manufacturing this product and clearing the same in HSN 81110010 and department being agreed with our declaration have finally assessed the same in HSN 81110010. That the applicant submitted the copies of BOE Nos. 2012767/12.11.2018, 2003320/21.03.2018, 2009393/21.09.2017, 0003954/19.04.2017, 0001150/31.01.2017, 0009798/25.10.2016, 0006708/25.07.2016, 0004011/03.05.2016 finally assessed by the department in support.

7.5 As per the Bill of entry of submitted by the applicant, the said goods classified under 81110010. The applicant units is under SEZ and also the SEZ assessing and clearing the said goods i.e Re rolled Bimetal Strip 108 SP manufactured by the applicant under HSN 81110010. Hence, it appears that the practice being followed by the department to classify the said goods under chapter 81110010.

7.6 The provisions of Section 98(2) of CGST Act, 2017 is reproduced below:-
“(2) The Authority may, after examining the application and the records called for and after hearing the applicant or his authorised representative and the concerned officer or his authorised representative, by order, either admit or reject the application:
Provided that the Authority shall not admit the application where the question raised in the application is already pending or **decided in any proceedings in the case of an applicant under any of the provisions of this Act.**”

7.7 As per the submission of the Applicant that their Bill of entry is being assessed by the department under the Chapter heading(HSN) No. 81110010 and paying the Customs duty and IGST as per the rate applicable in this chapter heading means the question raised by the applicant has already been decided by the department by assessing the goods under HSN 81110010 and also Applicant paid the IGST under this heading, hence as per the proviso to Section 98(2) of CGST Act, the Authority shall not admit the application where the question raised in the application is already decided in any proceedings in the case of an applicant.

7.8 As per the Notification No.1/2017-Central Tax(Rate) dated 28.06.2017, “Tariff item”, “sub-heading” “heading” and “Chapter” shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). Hence, in GST HSN is applicable as per the Customs Tariff Act, 1975 and in this case the assesment was done by the department under Customs Tariff as well as GST tariff and duty has paid customs as well as IGST.

7.9 In view of above, it is concluded that the application is liable to be rejected as per the proviso of section 98(2) of CGST Act.





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8. Ruling

8.1 The Application filed by the Applicant under Advance Ruling under CGST Act, 2017 is hereby rejected as per the provision of Section 98(2) of CGST Act, 2017.

8.2 The ruling is valid subject to the provisions under section 103 (2) until and unless declared void under Section 104 (1) of the GST Act.


(Virendra Kumar Jain)
(Member)


(Manoj Kumar Choubey)
(Member)

Copy to:- No.21/2019/A.A.R./R-28/07 Indore, date-16.01.2020

1. Applicant
2. The Principal Chief Commissioner, CGST & Central Excise, Bhopal Zone, Bhopal
3. The Commissioner(SGST) Indore
4. The Commissioner, CGST & Central Excise, Indore
5. The Concerned Officer
6. The Jurisdictional Officer – State/Central

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