

**GIB/AP/Ocean/24.02.2020/AAR-355**

**Advance Ruling Category :** Rate

**State :** Andhra Pradesh

**Order No.:** GIB/AP/Ocean/24.02.2020/AAR-355

**Name of Entry :**  
Ocean Sparkle Limited

**Date :** 24-02-2020

**Breif Issue :**

**Facts & Issue Of The Case :**

The applicant is engaged in the business of providing comprehensive port operations and management services which inter alia includes provision of technical management of marine crafts, harbour towage services, mooring services, pilotage services etc.

This application for Advance Ruling is being filed seeking the rate of IGST on vessel charter hire charges?

In view of the submission made by the applicant we find that the basic issue before us is whether the Tug Jupiter that the Applicant has let out under a charter for 730 days (with an option to extend the contract one year more) is classifiable under SAC 996602 as 'Rental Services of water vessels including passenger vessels, freight vessels and the like with or without operator' attracting GST @5% in terms of SI. No. 10 (ii) which covers 'Time charter of vessels for transport of goods' of Notification No. 1/2018-IT(Rate) dated 25.01.2018 read with Notification No. 8/2017-IT(Rate) dated 28.06.2017 or under SAC 997319 as 'Leasing or rental services concerning other machinery and equipments with or without operators' attracting GST @5% in terms of Si. No. 17(viia) of the Notification No. 1/2018-IT(Rate) dated 25.01.2018, as amended by Notification No. 28/2018-IT (Rate) dated 31.12.2018 which covers 'Leasing or renting of goods' or attracting GST @5% in terms of SI. No. 17(vii) of the Notification No. 1/2018-IT(Rate) dated 25.01.2018 (as amended), which covers 'Time charter of vessels for transport of goods'

**Decision of Advance Ruling Authority :**

**Decision :**

Classifiable under SI. No. 10 of Heading 9966, vide Notification No. 1/2018-IT(Rate) dated 25.01.2018 read with Notification No. 8/2017-IT(Rate) dated 28.06.2017 as amended

from time to time attracting tax rate of 5%, subject to fulfilling of the conditions attached to it.