

**DEPARTMENT OF COMMERCIAL TAXES, KERALA**  
**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION**  
**U/s.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.**

*Members present are:*

**1. T.K. Ziavudeen.**  
***Joint Commissioner (General),***  
***Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.***

**2. Dr. A. Bijikumari Amma.**  
***Joint Commissioner (Law),***  
***Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.***

**3. V.J. Gopakumar.**  
***Deputy Commissioner (General),***  
***Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.***

Sub : KVAT Act, 2003 – Clarification U/s 94 – Rate of tax of Nylon  
Monofilament line falling under HSN 5404 – Orders issued.

Read : Application from M/s. Covema Filaments Ltd., Kakkanad, Kochi dtd.  
5/12/2013.

**ORDER No.C3/35808/13/CT DATED 23/4/2015.**

1. M/s. Covema Filaments Ltd., Kakkanad, Kochi has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification on the rate of tax of nylon monofilament fishing line.

2. The applicant is borne on the rolls of the Office of the Assistant Commissioner (Assessment), Special Circle - III, Ernakulam having its manufacturing unit at 14B, Cochin Special Economic Zone, Kakkanad and is engaged in the manufacture and sale of 'Nylon Monofilament Fishing Line'. The company imports raw materials such as nylon chips, from overseas and manufactures the commodity.

3. The applicant would contend that Nylon Monofilament Fishing Line is made from a single fibre of nylon. Most fishing lines are now monofilament and are produced in a range of diameters which have different tensile strength. Imported nylon chips are fed into extruder with colour and heat is applied to the extruder for melting and mixing of the colour and in melted stage the nylon chips with colour added is extruded through tiny holes. It is then passed through water tank for cooling and the final produce is obtained. Thereafter the same is wound on the spools, packed and sold.

4. The applicant would contend that fishing tackles means apparatus for fishing and includes any equipment or gear used for fishing which is exempt from tax. The applicant would contend that Nylon Monofilament Fishing Line attracts HSN Code of 5607.50.10, falling under Entry 18(3) of the First Schedule, and is used solely for the purpose of fishing. As such Nylon Monofilament Fishing Line shall also be exempt. The applicant has requested to clarify the rate of tax of the commodity.

5. The authorised representative of the applicant was heard in the matter and the contentions raised were examined.

6. Entry 18(3) of the First Schedule relied on by the applicant takes within its ambit only *Nylon fish net twine* falling under the HSN Code 5607.50.10. But the commodity under consideration is apparently different from Nylon fish net twine in commercial parlance. Hence it can safely be concluded that the impugned commodity would not fall under the above said entry.

7. The applicant has produced the sample of the impugned commodity before this Authority. An examination of the product and the manufacturing process of the same stated supra would show that, though stated to be 'nylon monofilament fishing line', the impugned product is essentially a 'monofilament of nylon' which can be used for varied purposes. Monofilament of nylon is aptly classified under the HSN Group 5404 of the Customs Tariff Act.

8. The HSN 5404 does not figure in any of the Schedules to the Kerala Value Added Tax Act, 2003. None of the entries in any of the Schedules to the Act is suitable for incorporating the commodity 'monofilament of nylon'. As such it is clarified that the impugned commodity viz. 'monofilament of nylon' would be taxable at the rate of 14.5% by virtue of Entry 103 of S.R.O. No. 82/2006.

The issues raised above are clarified accordingly.

**T.K. Ziaudeen**  
**Joint Commissioner (General)**

**Dr. A. Bijikumari Amma**  
**Joint Commissioner (Law)**

**V.J. Gopakumar**  
**Deputy Commissioner (General)**

To,

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