

**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. C. Lalappan.**  
**Joint Commissioner (Audit & Inspection),**  
**Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.**

**2. P.S. Soman.**  
**Joint Commissioner (Law),**  
**Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.**

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

Sub : KVAT Act, 2003 – Clarification U/s 94 – Rate of tax of Fishing tackle and flashing light – Orders issued.

Read : Application from Smt. Christina Johnson, M/s. Blue Ocean Impex, Kochi dtd. 22/5/2014.

**ORDER No.C3/17878/14/CT DATED 13/11/2014.**

1. Smt. Christina Johnson, M/s. Blue Ocean Impex, Kochi has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification on the rate of tax of Fishing tackle and flashing light.

2. The applicant is an importer and trader in fishing tackles, conducting business under the name and style, M/s. Blue Ocean Impex and is borne on the rolls of the Office of the Commercial Tax Officer, 2nd Circle, Thripunithura. The applicant imports the above said items from China and is effecting local sales. The item fishing tackles includes flashing light (fishing net light) and squid jig, hook, having HSN Code 9507.90.90.

3. The applicant would contend that Excise Tariff Head 9507 reads '*Fishing rods, fish-hooks and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy birds and similar hunting or shooting requisites*'. The use of flashing light in fishing tackles is to identify the position of the fishing net, which is floated in the sea water and can be identified from a long distance, which will blink when there is no sun light and which will automatically switch with sunlight. The applicant would contend that the item is classified in First Schedule Entry No 18(7) without any HSN Code. The applicant placing reliance on the Rules of Interpretation would contend that those commodities against which HSN numbers are not given should be read with HSN number as per the Customs Tariff Act, 1975 and hence the item would fall under Entry 18(7) of the First Schedule. The applicant has requested to clarify the following:

- i. Whether fishing tackles, having HSN Code 9507.90.90 will come under Entry 18(7) of First Schedule?
- ii. Whether flashing light used in fishing tackle having HSN Code 9507.90.90 is taxable as an RNR item?

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

5. The applicant has produced a copy of the Bill of Entry for Home Consumption and the HSN Code mentioned therein is 9507.90.90.

6. The Kerala Value Added Tax Act Schedule entries to be examined with respect to fishing tackles are Entry 18(7) of the First Schedule and Entry 121(3) of the Third Schedule. Entry 18(7) of the First Schedule reads:

**18 Fishnet, Fishnet fabrics and accessories**

(7) Fishing rods and tackles

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7. Entry 121(3) of the Third Schedule is as extracted hereunder:

**121 Sports goods excluding apparels and footwear**

(3) Fishing rods, fish- hooks and other line fishing tackle; fish landing nets, butterfly nets, and similar nets; decoy "birds" (other than those of the HSN heading No. 9208 or 9705) and similar hunting or shooting requisites 9507

8. 'Fishing tackle' appears in both the above said entries. As per item No. VI (10) of the Rules of Interpretation appended to the Schedules *Fishnets under sub-entries (1) and (2) of entry 18 of first schedule does not include fish landing nets used as sports goods under sub-entry (3) of entry 121 of third schedule. Similarly, sub-entry (7) of entry 18 of first schedule does not include fishing rods, fishhooks and other fishing tackle used as sports goods under sub-entry (3) of entry 121 of third schedule.* The statutory position being so, it is clarified that fishing tackles and flashing lights used in sports/recreational fishing would be taxable at the rate of 5% by virtue of Entry 121(3) of the Third Schedule to the Kerala Value Added Tax Act, 2003.

The issues raised above are clarified accordingly.

**C. Lalappan**  
Joint Commissioner (A&I)

**P.S. Soman**  
Joint Commissioner (Law)

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

To

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