

NATION TAX MARKET	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM
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BEFORE THE AUTHORITY OF: *Shri. Anil Kumar IRS &*

: Shri. B.S. Thyagarajababu B.Sc, LL.M

Legal Name of the applicant	M/s. Techno Tradings and Services (P) Ltd.
GSTIN	32AAFCT9130N1Z3
Address	16/341 B, Veliyathu Parambu, Nettoor, Ernakulam.
Advance Ruling sought for	The tax rate of Marine Diesel Engine and Gear Box.
Date of Personal Hearing	01.03.2019
Authorized Representative	Mr.Chester Chirayath, CA.

ADVANCE RULING No. KER/ 34 /2019 Dt. 01.03.2019

Applicant is an authorized dealer of Marine Engines and Marine Gear Box used for fishing boats. Applicant requested advance ruling on the following:

- i. As per the Notification No.1/2017, Marine Diesel Engine falling under TSH 8408 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14% CGST+14% SGST) as per Serial No.115 of Schedule IV is correct or not?
- ii. As per the Notification No.1/2017, Gear Box falling under TSH 8483 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14% CGST+14% SGST) as per Serial No.135 of Schedule IV is correct or not?
- iii. Whether the Marine Diesel Engine (TSH 8408) and Gear Box (TSH 8483) of Customs Tariff Act, 1975 as adopted to GST can be treated as parts of heading of 8902, 8904,8905, 8906 and 8907 attracting 5% of IGST(2.5% CGST + 2.5% SGST)as per Serial No.252 of Schedule-I of the Notification No.1/2017 Central Tax (Rate) dated 28.06.2017 or not?

The authorized representative was heard. It is stated that as per Notification 1/2017 Central Tax (Rate) dated 28.06.2017 vide Sl.No.247 of Schedule 1, HSN 8902 fishing vessels, factory ships and other vessels for processing or preserving fishery products and as per Sl.No.252 parts of goods of heading 8901, 8902, 8904, 8905, 8906 and 8907 for any chapter, the applicable rate of GST is 5%. As such Marine Diesel Engine, Gear Box and parts mainly used for fishing and allied activities are also taxable 5% GST.

As per the Circular No.52/26/2018-GST dated 9th August, 2018, it was clarified that fishing vessels are classifiable under heading 8902, and attract GST @5%, as per Sl.No.247 of Schedule I of the Notification 1/2017 -Central Tax (Rate) dated 28.06.2017. Further, parts of goods of heading 8902, falling under any chapter also attracts GST @5%, vide Sl.No.252 of Schedule I of the said notification. The Marine Engine for fishing vessel falling under Tariff item 8408 10 93 of the Customs Tariff Act, 1975 would attract a GST rate of 5% by virtue of Sl.No.252 of Schedule I of the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017. Therefore, it is clarified that marine engine falling under tariff item 8408 10 93 when supplied for fishing vessel (being a part of the fishing vessel), attracts 5% GST.

Gear Boxes are specifically mentioned under HSN 8483 at Sl.No.135 of Schedule IV of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017 and is taxable @28% GST. This classification covers transmission shafts (including cam shafts and crank shafts) and cranks (excluding crank shaft for sewing machine), gear boxes and other speed changers, including torque converters; flywheels and pulleys, including pulley blocks; clutches and shaft couplings (including universal joints). The gear boxes if supplied for use in fishing vessel, ships, boats etc falling under chapter 8901, 8902, 8904, 8905, 8906, 8907 of Customs Tariff Act, 1975 then the supply will be deemed to be as parts of such vessels / goods and accordingly will attract 5% GST as per Sl No.252 of Schedule I of the Notification No.01/2017 Central Tax (Rate) dated 28.06.2017.

The parts of goods of heading 8901, 8902, 8904, 8905, 8906, 8907 falling under any chapter are taxable @5% GST as per Sl No.252 of Schedule I of Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017. In view of the specific inclusion of parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907 of any chapter under Sl No. 252 of 1st Schedule of the notification, the general tax rate applicable to parts like Marine Engine and Gear Box falling under HSN 8408 and 8483 respectively has no applicability, if the end use of the goods are in the vessels / goods falling under the heading 8901, 8902, 8904, 8905, 8906, 8907 of the Customs Tariff as parts of such goods.

In view of the observations stated above, the following rulings are issued:

i) As per the Notification No.01/2017 Central Tax (Rate) dated 28.06.2017 Marine Diesel Engine falling under TSH 8408 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14%CGST+14% SGST) as per Serial No.115 of Schedule IV is correct or not?

The Diesel Engines supplied for use in goods falling under heading 8901, 8902, 8904, 8905, 8906, 8907 will be deemed to be parts of vessels / goods falling under the above headings and thereby taxable @5% GST as per Sl No.252 of Schedule I of the Notification No.01/2017 Central Tax (Rate) dated 28.06.2017. If it is used for some other purpose, the applicable tax rate would be 28% GST as per Sl No. 115 of Schedule IV of the said notification.

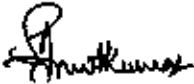
ii) As per the Notification No.01/2017 Central Tax (Rate) dated 28.06.2017, Gear Box falling under TSH 8483 of Customs Tariff Act, 1975, as adopted to GST, attracts 28% IGST (14% CGST+14% SGST) as per Serial No.135 of Schedule IV is correct or not?

The Gear Boxes falling under TSH 8483 when supplied for use in vessels / goods falling under heading 8901, 8902, 8904, 8905,8906, 8907 will be deemed to be parts of such goods and thereby would be taxable @5% GST as per Sl No.252 of

Schedule I of the Notification No.01/2017 Central Tax (Rate) dated 28.06.2017. If it is used for some other purpose, the applicable tax rate would be 28% GST as per Sl No. 135 of the said notification.

iii) Whether the Marine Diesel Engine (TSH 8408) and Gear Box (TSH 8483) of Customs Tariff Act, 1975 as adopted to GST can be treated as parts of heading of 8902, 8904,8905, 8906 and 8907 attracting 5% of IGST(2.5% CGST + 2.5% SGST)as per Serial No.252 of Schedule-I of the Notification No.1/2017 Central Tax (Rate) dated 28.06.2017 or not?

The marine diesel engine and gear boxes supplied for use in vessels / goods falling under heading 8901, 8902, 8904, 8905, 8906, 8907 will be deemed to be parts of such goods and thereby taxable @5% GST per Serial No.252 of Schedule-I of the Notification No.1/2017 Central Tax (Rate) dated 28.06.2017. If it is used for some other purpose, the applicable tax rate would be as per their respective TSH 8408 and 8483 at the rate of 28% GST as per Sl Nos 115 and 135 of the said notification.



S.Anil Kumar, IRS
Additional Commissioner of Central Tax
Member



B.S.Thyagarajababu, B.Sc, LL.M
Joint Commissioner of State Tax
Member

To

M/s.Techno Tradings & Services Private Limited,
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