KERALA AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX DEPARTMENT
TAX TOWER, THIRUVANANTHAPURAM

BEFORE THE AUTHORITY OF: Shri. Jomy Jacob IRS &
: Shri. Mansur M.I.

Legal Name of the applicant	M/s.SMMARAINS ADVANCES GEAR BOXES INDIA PRIVATE LIMITED
GSTIN	32AAOCS3326A1ZS
ARN	AD320923000376E
Address	17/38K, Datt Complex, Neyyattinkara, Thiruvananthapuram, Kerala, 695121.
Advance Ruling sought for	The question is about "determination of liability to pay tax on any goods or service or both: 1. Whether the Marine engine (HSN:84081093) and its spares (84099990) of customs Tariff act 1975 as adopted to GST can be treated as parts of heading of 8902, 8904, 8905, 8906 and 8907 and applicability of 5% of IGST (CGST 2.5+SGST 2.5) as per serial No.252 of Schedule-I of the Notification No.01/2017 Central Tax dated 28.06.2017 & State Notification No. S.R.O.360/2017. 2. Applicability of GST Rate of 5% Marine Gear box (84834000) and Can be treated as parts of heading of 8902, 8904, 8905, 8906 and 8907 fishing vessel heading 8902 as per serial No.252 of Scheduled -I of the Notification No.01/2017 Central Tax dated

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	28.06.2017 & State Notification No. S.R.O.360/2017. 3. Applicability of 5% IGST (CGST 2.5+SGST 2.5) on Maintenance and repair service of Marine engine and Gear and other parts of fishing boat, as per Notification 02/2021-Integrated Tax (Rate) & 02/2021- CGST (Rate) dated 02/06/2021 is correct or not. 4. Marine Fuel 5% as per Notification CGST Rate 14/2019 dated 30/09/2019, is the same rate 5% applicable to Marine engine oil?
Date of Personal Hearing	02/04/2025
Authorized Representative	Shri. Kamaraj T, Manager.

ADVANCE RULING No.KER/12/2025 Dated 21.04.2025

1. SMMARAINS ADVANCES GEAR BOXES INDIA PRIVATE LIMITED is a taxpayer registered under the CGST/KSGST Act 2017, bearing GSTIN:32AAOCS3326A1ZS. The applicant is engaged in the business of Marine engine and marine gear boxes and their spares.

2. In this ruling, any reference to the provisions of the CGST Act, Rules and Notifications issued thereunder shall include corresponding provisions of the KSGST Act, Rules and the Notifications issued thereunder.

3. The issues on which advance ruling is sought are stated above.

4. Contentions of the Applicant.

4.1. The applicant submits that they are engaged in the business of buying and selling marine engines and their spares, marine engine oil, and providing maintenance and repair services for boat engines, gearboxes, and other fishing boat components. The applicant imports these products from Sino Truck International and Hangzhou Advance Gear Box Group Co. Ltd., China, and dis-

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tributes them to the fishing community and boat builders across 11 states through 38 branches.

4.2. The applicant states that they are an authorized dealer of marine engines, marine spares, marine gear, and marine engine oil. The marine engines and spares are procured from their Head Office and other dealers at a GST rate of 5% and are sold to the fishing community at the same rate. These transactions are classified under HSN Codes 84081093 and 84099990, covered under Sl. No. 252 of Notification No. 1/2017 – Central Tax (Rate) dated 28.06.2017. Marine gear is purchased under HSN Code 84834000 at 5% GST and sold to fishermen at the same rate.

4.3. The applicant purchases marine engine oil from Mega Marine Spares India Pvt. Ltd. under HSN Code 27101980 at an 18% GST rate and sells it to the fishing community at the same rate. Additionally, the applicant provides maintenance and repair services for marine engines, gear, and fishing boat parts. These services are provided at a concessional GST rate of 5% as per Notification No. 02/2021 – Central Tax (Rate) dated 02.06.2021, under HSN Code 998729.

4.4. The applicant has submitted supporting documents, including the bill of entry, purchase and sales invoices, maintenance bills, and certificates issued by the Fisheries Department. Furthermore, the applicant has obtained a certificate from a Chartered Engineer certifying that the marine diesel engine and marine gearbox are parts of vessels or fishing boats. The certificate affirms that these components are not usable or suitable for functioning in automobiles or other industrial sectors.

5. Comments of the Jurisdictional Officer

The application was forwarded to the jurisdictional officer as per provisions of Section 98 (1) of the CGST Act. The Jurisdictional officer reported that the questions raised in the application are not pending or decided in any proceedings



in the case of SMMARAINS ADVANCES GEAR BOXES INDIA PRIVATE LIMITED, in that office.

6. Personal hearing

A personal hearing was conducted on 02.04.2025. Shri Kamaraj T., Manager, appeared on behalf of the applicant through virtual mode. During the hearing, he placed reliance on several advance rulings issued by this Authority as well as by authorities in other States, namely: KER/34/2019 dated 01.03.2019, KER/10/2021 dated 25.05.2021, KER/137/2021 dated 01.06.2022, KER/139/2021 dated 25.06.2022, and KAR ADRG-02/2022 dated 21.01.2022. In these rulings, the respective authorities have held that marine engines and their spare parts, when supplied for use in fishing vessels falling under Heading 8902, attract a GST rate of 5%. The representative reiterated the contentions raised in the application and requested that a ruling be issued based on the submissions already made.

7. Discussion and conclusion.

7.1. The issue has been examined in detail. The application is found to be admissible under sub-section (2) of Section 97 of the CGST Act, 2017. The first two questions pertain to the applicability of the concessional GST rate of 5% on marine engines (HSN 8408), their spares (HSN 8409), and marine gearboxes (HSN 8483), when supplied as parts of fishing vessels, in terms of Serial No. 252 of Schedule I of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017.

7.2. The contentions have been examined in the light of the relevant entries concerning the classification and applicable rate of tax on marine engines and fishing vessels, as outlined in Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017. It is noted that the applicant imports marine engines, their spares and marine gearboxes under Customs Tariff Headings 8408, 8409 and 8483. As per Entry Nos. 115, 116 and 135 of Schedule IV of the said Notification, these items attract GST at the rate of 28%. The relevant entries for fishing vessels under



the Customs Tariff Act, in relation to the applicable GST Notification No. 01/2017-Central Tax (Rate), are as below.

SI No.	Notification/Schedule	Chapter/ Heading/ Subheading/ Tariff item	Description of goods	Tax rate
247	Schedule I of Notification No.01/2017 Central Tax (Rate) dated 28.06.2017.	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products.	2.5% CGST
252	Schedule I of Notification No.01/2017 Central Tax(Rate) dated 28.06.2017.	Any chapter	Parts of goods of heading 8901, 8902, 8904, 8905, 8906, 8907.	2.5% CGST

7.3 For this reason, if marine engines, their spare parts and marine gearboxes are supplied for use as part of a fishing vessel, they shall attract GST at the rate of 5%, in accordance with the entry at Serial No. 252 of Schedule I of Notification No. 01/2017–Central Tax (Rate) dated 28.06.2017. Furthermore, we find that the question raised before us has already been clarified by the Central Board of Indirect Taxes and Customs (CBIC) through Circular No. 52/26/2018–GST dated 09.08.2018. The relevant portion of Paragraph 10 of the circular is reproduced below:

"10.1 Applicability of GST on marine engine: Reference has been received seeking clarification regarding GST rates on Marine Engine. The fishing vessels are classifiable under heading 8902, and attract GST @ 5%, as per S. No. 247 of Schedule I of the notification No. 01/2017-Central Tax (rate) dated 28.06.2017. Further, parts of goods of heading 8902, falling under any chapter also attracts GST

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rate of 5%, vide S. No. 252 of Schedule I of the said notification. The Marine engine for fishing vessel falling under Tariff item 8408 1093 of the Customs Tariff Act, 1975 would attract a GST rate of 5% by virtue of S. No. 252 of Schedule I of the notification No. 01/2017-Central Tax (rate) dated 28.06.2017.

10.2 Therefore, it is clarified that the supplies of marine engine for fishing vessel (being a part of the fishing vessel), falling under tariff item 8408 10 93 attracts 5% GST."

7.4 It is clarified that in terms of Note 2 to Section XVII of the First Schedule to the Customs Tariff Act, 1975, parts and accessories which are goods included in any of the headings of Chapters 84, 85 or 90 are in all cases to be classified in their respective headings, even if they are identifiable as being for goods of Section XVII (which includes Chapters 86 to 89, covering ships and vessels). Accordingly, marine diesel engines falling under HSN 8408 and their spare parts under HSN 8409 continue to be classified under Chapter 84 and do not shift to Chapter 89 merely by virtue of their end-use in vessels. However, for the purpose of determining the applicable rate of tax, Serial No. 252 of Schedule I of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017 provides for a concessional rate of GST at 5% for parts of goods of headings 8901, 8902, 8904, 8905, 8906 and 8907, irrespective of their classification under any chapter. In this context, CBIC Circular No. 52/26/2018-GST dated 09.08.2018 rightly affirms the concessional rate of GST at 5% for marine engines and their parts when supplied for use in fishing vessels, without altering their classification. Therefore, while the classification remains under Chapter 84, the concessional rate is applicable by virtue of the goods being supplied as parts of vessels falling under the specified headings.

7.5 Therefore, if marine engines, their spare parts and marine gearboxes are supplied for use as part of a fishing vessel falling under Customs Tariff Heading 8902, they shall attract GST at the rate of 5% [2.5% CGST + 2.5% SGST], as per entry at Serial No. 252 of Schedule I of Notification No. 01/2017–Central Tax

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(Rate), dated 28.06.2017. However, if such goods are supplied for use other than as parts of goods falling under headings 8901, 8902, 8904, 8905, 8906, and 8907, then the GST rate applicable will be that which corresponds to the respective Customs Tariff Headings under which the goods are classified. SMMAINES should ensure clear documentation of the intended vessel usage to solidify its entitlement to the concession for both engines and spares.

7.6 With respect to the third question, which pertains to the applicability of 5% GST on maintenance and repair services of marine engines, marine gear, and other parts of fishing boats, reference is made to Notification No. 02/2021–Integrated Tax (Rate) and Notification No. 02/2021–Central Tax (Rate), both dated 02.06.2021. The activity of rendering repair or maintenance services for fishing vessels/boats typically involves the supply of both goods/spare parts and services in conjunction, in a manner that is naturally bundled in the ordinary course of business. Therefore, such transactions qualify as a composite supply under GST. Unless the contract explicitly separates charges for goods and services, the entire transaction is treated as a composite supply. The principal supply in such cases is determined by the dominant element of the transaction. Accordingly, the predominant supply is that of services, i.e., repair or maintenance of fishing vessels. Hence, the activity is classifiable under Heading 9987, more specifically under 998714 – Maintenance and repair of transport machinery and equipment, as per the Scheme of Classification of Services notified as an annexure to Notification No. 11/2017–Central Tax (Rate) dated 28.06.2017. Pursuant to Notification No. 02/2021–Central Tax (Rate) dated 02.06.2021, the tax rate applicable to such services is 5% (2.5% CGST + 2.5% SGST). This is in consequence of the insertion of entry (ib) under Serial No. 25 of Notification No. 11/2017–Central Tax (Rate), which covers:

"Maintenance, repair, or overhaul services in respect of ships and other vessels, their engines and other components or parts."



7.7 Prior to the amendment made vide Notification No. 02/2021–Central Tax (Rate) dated 02.06.2021, the supply of maintenance and repair services of fishing vessels was liable to GST at 18%, whereas parts used in such repairs were taxed at 5%, leading to complications in composite supply scenarios. However, post-amendment, since both the principal service and the goods involved in such repair activities attract a uniform GST rate of 5%, this issue no longer arises. Therefore, whether the parts and services are billed separately or together, the effective rate applicable from 02.06.2021 remains 5%, thereby ensuring uniform tax treatment and simplifying compliance. In the instant case, the supply of maintenance and repair services for marine engines, gear, and other parts of fishing boats, with effect from 02.06.2021, is liable to GST at the rate of 5%.

7.8 In the fourth question, the applicant has sought clarification on the classification of marine engine oil, specifically whether it falls under the entry at Serial No. 164 of Schedule I of Notification No. 01/2017–Central Tax (Rate) dated 28.06.2017, as amended by Notification No. 14/2019–Central Tax (Rate) dated 30.09.2019. As per the latest amendment, the modified entry at Serial No. 164 is reproduced below:

Serial No.	**Chapter/ Heading/ Sub-heading/ Tariff item**	**Description of goods**	**Tax rate**
164	2710	[kerosene oil PDS, (b) The following bunker fuels for use in ships or vessels, namely, i. IFO 180 CST ii. IFO380 CST] {iii. Marine Fuel 0.5%(FO)}	CGST: 2.5%

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7.9 In this regard, the question of whether the same tax rate applies to both marine fuel and marine engine oil is not relevant, as these two products serve entirely different functions in the operation of a marine vessel. In any motor vehicle, fuel is directly used for propulsion. Similarly, in marine vessels, marine fuel acts as the primary energy source that powers the vessel. The supply of marine fuel is recognized as essential for the operation of commercial marine transport and fishing activities. Therefore, the concessional GST rate of 5% is allowed as per the amendment made to the basic rate in Notification No. 01/2017–Central Tax (Rate), dated 28.06.2017, by Notification No. 14/2019–Central Tax (Rate), dated 30.09.2019. This benefit specifically applies to fuels such as furnace oil, high-speed diesel, or bunker fuel (classified under HSN Code 27101951), which are directly used in the propulsion of marine vessels.

7.10 However, marine engine oil, generally classified under HSN Code 27101972, is lubricating oil used in internal combustion engines to reduce wear and friction, control temperature, and clean engine parts. It is not used for propulsion but serves as a maintenance consumable. Since the notification restricts the concessional rate only to 'fuel' and does not extend it to lubricants or other consumables, marine engine oil is not covered under this provision. Consequently, marine engine oil continues to attract GST at the standard rate of 18% under HSN Code 27101972. Therefore, it is concluded that the scope of Notification No. 14/2019 is strictly limited to fuels intended for direct propulsion and does not include auxiliary products like lubricants, even if they are used in the same vessel.

8. Given the observations stated above, the following rulings are issued;

RULING

Question No.1. Whether the Marine engine (HSN: 84081093) and its spares (84099990) of Customs Tariff Act 1975 as adopted to GST can be treated as parts



of heading of 8902, 8904, 8905, 8906 and 8907 and applicability of 5% of IGST (CGST 2.5+SGST 2.5) as per serial No.252 of Scheduled -I of the Notification No.01/2017 Central Tax dated 28.06.2017 & State Notification No. S.R.O.360/2017?

RULING: If marine engines and their spare parts are supplied to be used as parts of goods that come under Customs Tariff Headings 8902, 8904, 8905, 8906 and 8907, then they will attract GST at the rate of **5%** (2.5% CGST + 2.5% SGST) as mentioned at Serial No. 252 of Schedule I of Notification No. 01/2017 – Central Tax (Rate) dated 28.06.2017. If these marine engines and spare parts are supplied for any other use, apart from being parts of goods under the above headings, then GST will be charged according to the rates applicable under their own Customs Tariff classification.

Question No. 2. Applicability of GST Rate of 5% Marine Gear box (84834000) and can be treated as parts of heading of 8902, 8904, 8905, 8906 and 8907 fishing vessel heading 8902 as per serial No.252 of Scheduled -I of the Notification No.01/2017 Central Tax dated 28.06.2017 & State Notification No. S.R.O.360/2017.

RULING: If marine gearboxes are supplied for use as part of goods falling under Customs Tariff Headings 8902, 8904, 8905, 8906, or 8907, then GST will be charged at 5% (2.5% CGST + 2.5% SGST) as per Serial No. 252 of Schedule I of Notification No. 01/2017 – Central Tax (Rate) dated 28.06.2017. However, if marine gearboxes are supplied for any other use, apart from being parts of goods under the above headings, then GST will be applicable according to their respective classification under the Customs Tariff.

Question No. 3. Applicability of 5% IGST (CGST 2.5+SGST 2.5) on Maintenance and repair service of Marine engine and Gear and other parts of fishing boat, as per Notification 02/2021- Integrated Tax (Rate) & 02/2021- CGST (Rate) dated 02/06/2021 is correct or not.



RULING: GST at the rate of 5% is applicable on maintenance and repair services of marine engines, gear, and other parts of fishing boats from 02.06.2021, as per Notification No. 02/2021-Central Tax (Rate) dated 02.06.2021.

Question No. 4. Marine Fuel 5% as per Notification CGST Rate 14/2019 dated 30/09/2019, is the same rate 5% applicable to Marine engine oil?

RULING: The concessional GST rate of 5%, as per the amendment in entry at serial No. 164 of Schedule I of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, modified by Notification No. 14/2019-Central Tax (Rate) dated 30.09.2019, does not apply to Marine Engine Oil. Marine Engine Oil is classified under HSN Code 27101972.

Jomy Jacob, IRS
Additional Commissioner of Central Tax
Member

Mansur M.I.
Joint Commissioner of State Tax
Member

To,

M/s. SM MARAINS ADVANCES GEAR BOXS INDIA PRIVATE LIMITED,
17/38K, Datt Complex,
Neyyattinkara,
Thiruvananthapuram, Kerala, 695121.

Copy submitted to:

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin- 682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]

2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002.
3. The Commissioner of Central Tax and Central Excise, Thiruvananthapuram Commissionerate, GST Bhavan, Statue, Thiruvananthapuram. (E-mail id: commr-tvmhqrs@gov.in)

Copy to :

1. The Additional Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Thiruvananthapuram.
3. The Superintendent, Central Tax, Neyyattinkara Range, Thiruvananthapuram South Division.
4. The Assistant Commissioner/State Tax Officer, Tax payer services Circle, Neyyattinkara.

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