MAHARASHTRA AUTHORITY FOR ADVANCE RULING

GST Bhavan, Room No.107, 1st floor, B-Wing, Old Building, Mazgaon, Mumbai – 400010.

(Constituted under Section 96 of the Maharashtra Goods and Services Tax Act, 2017)

BEFORE THE BENCH OF

(1) Shri. Dipak Gojamgunde, Joint Commissioner of State Tax, (Member)

(2) Smt. Himani Dhamija, Joint Commissioner of Central Tax, (Member)

ARN No.		**AD270222029533E**
GSTIN Number, if any/ User-id		**27ABSFM6084B1ZY**
Legal Name of Applicant		**M/s. MARINE VISION**
Registered Address/Address provided while obtaining user id		Flat No 304, Duet, Near Shiv Mandir, Chilkhloli, Ambarnath, Thane, Kalyan, Maharashtra, 421503
Details of application		GST-ARA, Application No. 63 Dated 21.02.2022
Concerned officer		**KAL-NOD-C-0214, KALYAN**
Nature of activity(s) (proposed/present) in respect of which advance ruling sought		
A	Category	**Wholesale Business, Retail Business, Service Provision,**
B	Description (in brief)	The applicant is planning to Import marine propulsion engine under HSN Code 8407, 8408 & spare parts of marine propulsion engines under HSN Code 8409. These engines & spare parts thereof are to be sold in local markets to fishermen, Government agencies as parts of fishing boat / patrolling boat / relief & rescue boat.
Issue/s on which advance ruling required		➢ Classification of any goods or services or both ➢ Applicability of a notification issued under the provisions of this Act
Question(s) on which advance ruling is required		As reproduced in para 01 of the Proceedings below.

PROCEEDINGS

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

The present application has been filed under Section 97 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017 [hereinafter referred to as "the CGST Act and MGST Act" respectively] by **M/s. MARINE VISION,** the applicant, seeking an advance ruling in respect of the following questions.

1. **Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 without considering its general tax rate as per the entry of schedule I, Sl. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017, on the basis of its ultimate use as part of fishing vessel of heading 8902?**
2. **Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 when it is supplied for use of defense purpose, patrolling purpose, flood relief and rescue operations being part of heading 8901, 8904, 8905, 8906, 8907?**

At the outset, we would like to make it clear that the provisions of both the CGST Act and the MGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the MGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, the expression 'GST Act' would mean CGST Act and MGST Act.

1. **FACTS AND CONTENTION – AS PER THE APPLICANT FACTS:**

1.1 We M/s Marine Vision (Partnership Firm) have started business and are planning to Import Marine Propulsion Engine under HSN Code 8407, 8408 & spare parts of marine propulsion engines under HSN Code 8409. This Engines & spare parts thereof are supposed to sell it in local market to Fisherman, Government Agencies as part of Fishing Boat / Patrolling Boat / relief & rescue Boat.

1.2 With regard to above mentioned supplies we are supposed to charge GST @ 28%. However, recently we have come across advance ruling No.GST-ARA-32/2021-22/B-105 Mumbai, Dated 06-12-2021 (Maharashtra Authority for Advance Ruling given to M/S Ocean Blue Boating Private Limited) wherein marine engines & its spare parts which are supplied as a part of fishing Boat / Patrolling Boat / Relief & rescue Boat is covered and advance ruling authorities approved GST rate of 5% (i.e. CGST 2.5 % and SGST 2.5%.)

1.3 Applicant's explanation on how our supply is covered in Entry 252 of Schedule I of Notification NO. 01/2017.

1.4 8901 Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods

1.5 8902 (Fishing Vessels, Factory Ships and other vessels for processing or preserving fishery products)

1.6 8904 Tugs and pusher craft.

1.7 8905 Lights-Vessels, fire floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function, floating docks, floating or submersible drilling or production platforms.

1.8 8906 other vessels, including warships and lifeboats other than rowing boats.

1.9 8907 other floating structure.

1.10 In this connection, we would like to inform you that we would be supplying marine engines and spare parts of these engines to Fishermen (who use their boats for Fishing Operations) and Government Departments (who use their boats for patrolling and rescue operations). Hence, based on uses of our engines and spare parts, it becomes part of goods covered under HSN 8902 and 8906. Resultantly, our supply is covered under entry 252 of Schedule I of Notification NO. 01/2017.

1.11 Further, a clarification, was provided in circular No. 52/26/2018 GST regarding applicability of GST on Marine Engine. It was clarified that parts of fishing vessels covered under heading 8902, falling under any chapter (Inclusive definition) also

attract GST rate of 5% vide S. 252 of Schedule I of the Notification 01/2017 Central Tax (rate) dated 28-06-2017. Since the word 'any chapter' includes chapter 8408 it also includes the marine engines falling under chapter 8407. Hence, our engines which we supply to fishermen attract GST Rate of 5%.

Documents for confirmation of nature of supply.

We have attached following documents for your perusal

- Sample order copies of Government Organization.
- Sample order copies of Fisherman & Fisherman ID card.

Kindly take the above documents on record and consider the same for applicability of S. No. 252 of Schedule I of Notification No. 1/2017 dt. 28.06.2017.

On the basis of above plead we request your good self to allow us to charge lower rate of IGST @ 5% (CGST 2.5%+SGST 2.5%)

UPDATED CGST RATES SCHEDULES FOR GOODS AS ON 27.07.2018

1. CGST rates on goods as on 27.07.2018 {notification NO. 1/2017 Central Tax (Rate) dated 28th June, 2017, as amended from time to time.

Schedule I 2.5%

S. No.	Chapter/Heading/Sub-heading/Tariff item	Description of Goods	CGST Rate
1	2	3	4
246	8901	Cruise Ships, excursion boats, ferry-boats, cargo ships barges and similar vessels for the transport of persons or goods	2.5%
247	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products	2.5%
250	8906	Other vessels, including warships and lifeboats other than rowing boats	2.5%
251	8907	Other floating structure for example rafts, tanks, cofferdams, landing stages, buoys and beacons)	2.5%
252	Any chapter	Parts of goods of heading 8901, 8902, 8904, 8905, 8906, 8907	2.5%

Circular NO. 52/26/2018-GST

F. NO. 354/255/2018-TRU (Part-2)

Government of India,

Ministry of Finance

Department of Revenue

(Tax Research Unit)

Subject: Clarification regarding applicability of GST on various goods and services-reg

Representation have been received seeking clarification in respect of applicable GST rates on the following items.

i) ..
ii) ..
iii) ..
iv) ..s
v) ..
vi) ..
vii) ..
viii) Marine Engine

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 attract GST 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 1093 attracts 5% GST.

2. STATEMENT CONTAINING APPLICANT'S INTERPRETATION OF LAW

2.1 The Marine engines falling under HSN 8407 and HSN 8408 used by the applicant are taxed at the rate of 28% in spite of many changes in GST rates of several items made by the GST Council over the period. In circular No. 52/26/2018-GST dated 09.08.2018 it is clarified that supply of marine engine falling under heading 8408 for fishing vessel attracts 5% GST. Their product is also coming under marine engine category and used by poor fisherman during fishing along with their fishing boats of HSN 8902.

2.2 The supply falling under HSN 8407 and HSN 8408 used by the applicant are taxed at the rate of 28% in spite of many changes in GST rates of several items made by the GST Council over the period. These supplies under above HSN are also used by Police, Defence department, Patrol, flood relief & rescue department falling under HSN 8906.

Additional Submission dated 26.11.2025.

2.3 Documentary Evidence of Systematic Compliance for Concessional Rates:

To substantiate our claim of a disciplined and compliant approach for supplies under Chapters 8901, 8902, and 8906, we submit the following evidence:

2.4 Supply to Indian Coast Guard (Rescue & Life-Saving - Chapter 8906)

2.4.1 Document 1: Purchase Order from Auto NavCom Marine Solutions (PO No: ANMS/IND/JB163 Dt: 07.02.2025): This PO from our buyer is for a "Yamaha 40 HP Engine (Fisherman / Rescue)".

2.4.2 Document 2: Declaration for Concessional GST Rates from Auto NavCom (Dt: 16.04.2024): This is a critical document where our buyer provides a written declaration stating that the OBM is "for use on boats meant for life saving / rescue purpose" and is being supplied to the INDIAN COAST GUARD. This declaration legally binds them to use the engine for the declared purpose and to pay the differential GST if used otherwise.

2.4.3 Document 3: Our Tax Invoice to Auto NavCom (Invoice No: Marvis/24-25/42 Dt: 12.02.2025): This invoice, raised at 5% GST under HSN 84072100, records this transaction. The "Ship To" address is a Coast Guard vessel, directly linking the goods to a government rescue agency.

2.5 Direct Supply to Indian Navy (Rescue - Chapter 8906)

2.5.1 Document 4: GeM Contract with Indian Navy (Contract No: GEMC-511687769325676 Dt: 25-Sep-2024): This is a direct contract we hold with the Indian Navy for the supply of a complete rescue boat system.

2.5.2 Document 5: Our Tax Invoice to Indian Navy (Invoice No: Marvis/24-25/31 Dt: 13.12.2024): This invoice is raised directly to the Navy (INS Gomantak Unit of Navy) for supply of Boat along with Engine. The HSN code used is 8906 for the composite supply, and GST is charged at 5%.

2.6 Supply to an Individual Fisherman (Fishing Vessels - Chapter 8902)

2.6.1 Document 6: Quotation to Ms. Rovina Rapheal Gabru (Est/25-26/66 Dt: 03-11-2025): This quotation for a "Yamaha 9.9HP Rescue / Fisherman" is issued to an individual.

2.6.2 Document 7: Fisherman Identity Card of Ms. Rovina Rapheal Gabru: This card, issued by the Government of India, verifies her status as a marine fisher, proving the engine is for a fishing vessel.

2.6.3 Document 8: Our Tax Invoice to Ms. Rovina Rapheal Gabru (Invoice No: Marvis/25-26/16 Dt: 05-11-2025): This invoice records the sale at the concessional GST rate. We have collected and retained a copy of her Fisherman ID as proof of end-use.

2.7 In summary, we respectfully submit that:

2.7.1 Our goods are capable of use under Chapter 8903, and for such sales, we correctly charge the standard GST rate.

2.7.2 For supplies intended for eligible end-uses under Chapters 8901, 8902, and 8906, we claim the concessional GST rate only when supported by a

documented trail that establishes the genuineness of the transaction, such as:

i. End-use declarations from buyers.

ii. Government contracts and purchase orders.

iv. Valid Fisherman Identity Cards.

v. Direct invoicing to government entities.

This dual approach ensures full compliance with GST laws. We maintain clear records to distinguish between these two streams of business, thereby ensuring that the concessional rate is not misused. We respectfully request the Honorable Authority to consider this detailed submission and the attached documentary evidence.

3. CONTENTION – AS PER THE CONCERNED OFFICER:

The jurisdictional officer has submitted the following observations concerning the questions raised.

3.1 Principal place of business of the taxpayer situated at Flat No. 304, Duet, Near Shiv Mandir, Chilkhloli, Ambarnath, Thane, Kalyan has been visited by the office.

3.2 At the time of visit, Pooja Choudhary Partner, informed that, all the business activity is conducted from Gal Sr. NO. 196, Near Gahunje MCA Stadium, Gahunje Mahal, Pimpari Chinchwad, Pune, Maharashtra-412101. Considering the above facts, concerned office was unable to verify whether, the goods sold by the applicant are capable of being used in products covered under Code-8903 and also whether the said goods will be sold or supplied for use in products falling under Code-8903.

4. HEARING

Virtual Preliminary hearing in the matter was held on 05.04.2022. Mr. Harsh Dedhia, CA & Smt. Pooja Choudhary, Partner Appeared. Jurisdictional Officer Mr. Santosh Kulve, STO, KAL-NOD-C-0214, Thane also appeared.

The application was admitted and called for virtual final hearing on 15.10.2025. Mr. Harsh Dedhia, CA and Jurisdictional Officer Mr. Avinah Dhanawade, State Tax Officer of SGST appeared. We heard both the sides.

5. OBSERVATIONS AND FINDINGS:

5.1 The Applicant is engaged in sale of marine propulsion engines classified under HSN 8407, 8408, and spare parts classified under HSN 8409. The goods are supplied to fishermen for use in fishing boats and various Government agencies for use in patrolling boats, and rescue boats. As per the general rate notifications, engines under 8407/8408 attract tax rate of 28% up to 21.09.2025, and tax rate of 18% from 22.09.2025. The Applicant claims that their marine engines are used as parts of vessels under HSN 8902, Fishing vessels and 8906, Other vessels including warships, lifeboats. As per Entry 252 of Schedule I, Notification No. 1/2017-CT (Rate), GST on "Parts of goods of Heading 8901, 8902, 8904, 8905, 8906, 8907, falling under any chapter" is taxable at the rate of 5%. In this regard, the Applicant relies on the following decisions.

a. Advance Ruling No. GST-ARA-32/2021-22/B-105 dated 06.12.2021 in case of M/s Ocean Blue Boating Pvt. Ltd., wherein marine engines supplied as parts of fishing vessels were held taxable at 5%.

b. Circular No. 52/26/2018-GST dated 09.08.2018, which clarifies that marine engines for fishing vessels attract 5% GST under Entry 252.

The Applicant has produced sample purchase orders, invoices and fishermen IDs in support of end-use.

5.2 The Applicant submits that, although engines classified under Heading 8407/8408 normally attract 28% GST, when supplied for fishing vessels, they are deemed "parts of fishing vessels" and therefore attract 5% GST, as per the Circular cited. They further argue that when these engines are supplied to Defence or vessels used for police patrolling, flood relief, and rescue operations i.e. to the vessels classified under Headings 8901, 8904, 8905, 8906, 8907, they qualify for 5% GST under Entry 252.

5.3 The jurisdictional officer reported that, upon physical verification, the Applicant was not operating from its declared principal place of business at Ambernath. Business activities were reportedly conducted from another location at Gahunje,

Pune. The officer states that it was not possible to verify whether the engines supplied are in fact used as parts of vessels under Heading 8902 or 8906, and whether the end-use conditions for concessional rate are satisfied.

5.4 We have considered the application, submissions, documents, and arguments of the Applicant, as well as the report of the jurisdictional officer.

5.4.1 Applicants first question is whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and 8408 and/or their spare parts of heading 8409 as per the entry of schedule I, Sl. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017, on the basis of its ultimate use as parts of fishing vessel of heading 8902. The second question raised by the applicant is whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and 8408 and/or their spare parts of heading 8409 when it is supplied for the purposes of defence, patrolling, flood relief and rescue operations being parts of vessels of heading 8901, 8904, 8905, 8906, 8907.

5.4.2 We observe that Circular No. 52/26/2018-GST clarifies that marine engines falling under 8407/8408 when supplied for fishing vessels (Heading 8902) attract 5% by virtue of entry at Sr. No. 252 of schedule I of the notification No. 01/2017, CT(R) dated 28.06.2017.

This concessional rate applies only when the marine engine is supplied as a part of a fishing vessel. The said entry is for the Parts of goods of Heading 8901, 8902, 8904, 8905, 8906, 8907 – falling under any chapter. Thus, any goods, irrespective of classification, must satisfy the condition of being a "part" of a vessel of the above Headings. Goods which do not conform to “parts” of said goods will not be covered under the said entry.

Notification No. 1/2017 – C T (Rate) dated 28th June, 2017, amended from time to time, specifies CGST rate schedules and classification of above mentioned goods under different Schedules. The Schedule entries applicable to the classification of goods as mentioned in the submission are as follows:

Schedule No.	Sr. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	CGST / SGST Rate-upto 21.09.2025/ from 22.09.2025	IGST Rate-upto 21.09.2025/from 22.09.2025
IV	114	8407	Spark-ignition reciprocating or rotary internal combustion piston engine [other than aircraft engines]	14%/9%	28%/18%
IV	115	8408	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines)	14%/9%	28%/18%
IV	116	8409	Parts suitable for use solely or principally with the engines of heading 8407 or 8408	14%/9%	28%/18%

Chapter heading 8407 is related to Spark-ignition reciprocating or rotary internal combustion piston engine (other than aircraft engines). Spark-ignition (SI) internal combustion engines (non-aircraft) are power units that ignite a pre-mixed air-fuel charge using a spark plug. They are classified into reciprocating (piston moving in a cylinder) and rotary (rotor spinning in a housing) types. These engines operate on 2-stroke or 4-stroke cycles, primarily using petrol, LPG, or natural gas.

Chapter heading 8408 is related to Compression-ignition internal combustion piston engines (diesel or semi-diesel engines). Diesel engines are known as compression ignition internal combustion piston engines, are classified under Heading 8408 and are mainly differentiated as Marine Propulsion Engines, engines of a kind used for the propulsion of vehicles of Chapter 87. They can further be classified on the basis of operations viz. 2-stroke, 4-stroke, single acting, double acting and finally, on the basis of Cylinder arrangement namely, horizontal, vertical, radial, etc.

5.4.3 The applicant supplies Marine Propulsion engines and parts thereof to fishermen, government agencies as parts of fishing boat/ patrolling boat/

relief and rescue boat. The classifications of these ships/vessels etc. are falling under following headings of Customs Tariff Act, 1975 as adopted by GST Notification No. 1/2017 – Central Tax (Rate) dated 28th June 2017, amended from time to time.

Sr. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	CGST /SGST Rate
246	8901	Cruise-ships, excursion boats, ferry-boats, cargo-ships, barges and similar vessels for the transport of persons or goods	2.5%
247	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products	2.5%
248	8904	Tugs and pusher crafts	2.5%
249	8905	Light-vessels, fire-floats, dredgers, floating cranes and other vessels the navigability of which is subsidiary to their main function; floating docks; floating or submersible drilling or production platforms	2.5%
250	8906	Other vessels, including warships and lifeboats other than rowing boats	2.5%
251	8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons)	2.5%
252	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906,8907	2.5%

As per the submission of the applicant, goods to be supplied are parts of a ship, boat or vessels and makes them seaworthy. The issue that is raised before us by the applicant is whether the said goods which are used in a ship are forming parts of the vessels, boats of headings 8901, 8902, 8904, 8906, 8907 and therefore chargeable to reduced tax @ 5% under Sr.No.252 of Notification No.1/2017 Central Tax (Rate) dated 28.06.2017.

5.4.4 It is necessary to examine as to what are "Parts" and then find out whether the products sold by the applicant can be considered a 'part' of the goods specified under Chapter Headings 8901, 8902, 8904, 8905, 8906 or 8907. We find that the word "Part/Parts" has not been defined in GST law. The Hon'ble Supreme Court in the case of CIT, Bangalore Vs. Venkateswara Hatcheries OP) Ltd., reported in 1999 (3) SCC 632 has held that 'when the word is so defined in the Act, it may be permissible to refer to dictionary to find out the meaning of that word, as it is understood in common parlance'. In view of this, first we are required to understand the general meaning of the word 'Part/Parts' which is of relevance to us in the present case.

i) We find that as per Cambridge English Dictionary:

Part (noun) – *'a separate piece of something or a piece that combines with other pieces to form the whole of something. One of the pieces that together form a machine or some type of equipment'.*

ii) The Black's Law Dictionary, defines 'parts' as an integral portion, something essentially belonging to a larger whole, that which together with another or others makes up a whole.

iii) Sarkars Words, Phrases of Excise & Customs- Second Edition, defines 'Part' as 'Part is an element of a sub assembly, not normally useful by itself and not amenable to further dis-assembly for maintenance purpose. In common parlance, parts are used in the manufacture of the final product and without which the final product cannot be conceived of.

iv) Further, we also find the definition of 'Spare Part' as per Wikipedia

A spare part, spare, service part, repair part or replacement part is an interchangeable part that is kept in an inventory and used for the repair or replacement of failed units. Spare parts are an important feature of Logistics Engineering and Supply Chain Management.

5.4.5 We find that the items that are discussed as essential parts of a ship/vessel are such essential components of a vessel/ship without which the vessel would not be complete and would not exist. These are very integral for the functioning of the ship and can also be separated from the ship for repair/replacement. When we refer to the definition of the word 'part' as discussed in detail above, we find that 'part' is a separate piece of something or a piece that combines with other pieces to form the whole of something. Similarly, the second definition of 'part' also defines 'part' as one of the pieces that together form a machine or some type of equipment.

The issue has to be examined in the light of the following decision of the Hon'ble Supreme Court of India.

i) In case of Jindal Strips Vs Collector of Customs, Equivalent citations: 1997 ECR 98 Tri Delhi, 1997 (94) ELT 234 Tri Del. the Two Member Bench of the Tribunal referred the appeal before the larger bench on the following questions:

(i) Whether the phrase "component parts" occurring in Notification 77/90 would cover "spare parts" for the purpose of granting of benefit thereunder?

The larger Bench of the Tribunal having regards to dictionary meaning of 'part', and "Component" observed that in common parlance meaning of the expression "component" is also the same, that is, one of the parts or elements of which anything is made up or into which it may be resolved or a Constituent. The meaning in common parlance has to be looked into since the notification itself does not contain any definition of the expression.

In light of the above discussions, considering the meaning of an expression 'Part' as given in the dictionary and also the ratio as adopted by the Hon'ble Courts as mentioned above besides common parlance test, we find that Marine Engines can be said to be a 'part' of fishing vessel or any of the goods of Chapter headings 8901, 8902, 8904, 8905, 8906 or 8907.

5.4.6 We find that marine engines are essential parts of a ship or vessel. A ship or vessel cannot exist without marine engines because they are essential for the main propulsion or turning the propellers and also for providing auxiliary power the ship or vessel. A ship or vessel cannot sail without the marine engines. So, marine engine is essential 'part' of a ship or vessel without which the ship would not be complete and would not exist. These are very integral parts for the functioning of the ship. Hence, we are of the opinion that the items mentioned by them, 'marine engines and their parts' form parts of a ship and therefore would be eligible to concessional rate of GST as contended by the applicant. This authority has already taken same view in the case of M/s. Man Energy Solutions India P. Ltd. (ARA-56/2019-20/B-41, dated 30.07.2021) and M/s. Ocean Blue Boating P. Ltd. (ARA-32/2021-22/B-105, dated 06.12.2021).

5.4.7 We have found that marine engines and its parts are falling under Headings 8407/8408 of the GST Tariff. In the normal course of their supply, they are taxable at rates of 28% upto 21.09.2025 and from 22.09.2025 is 18%. But in view of the above discussion, we find that the marine engine and its parts supplied by them as 'parts' for ships, boats and vessels under headings 8901, 8902, 8904, 8905, 8906 and 8907 would attract GST at the rate of 5% (2.5% CGST and SGST each) under entry 252 of notification No. 1/2017 dated 28.06.2017 and under entry 472 of notification No. 9/2025 dated 17.04.2025. However, it is to reiterate that the benefit of reduced CGST and SGST for such Marine Engine would only be available and applicable if these goods are used as parts of goods falling under headings 8901, 8902, 8904, 8905, 8906 and 8907 of the GST Tariff. The benefit of concessional GST rates would not be available in respect of above goods supplied by the applicant if the same are for use in goods other than goods of headings 8901, 8902, 8904, 8905, 8906 and 8907 of the GST Tariff.

5.4.8 From the forgoing discussion, it is clear that the applicant can supply the Marine Engines as Parts of headings of 8901, 8902, 8904, 8905, 8906, 8907 as per Sr. No. 252 of Schedule I of Notification No. 1/2017 Central Tax (Rate) dated 28thJune, 2017. The concessional rate is conditional upon "use as a part of vessels under Heading 8901, 8902, 8904, 8905, 8906, 8907."

It is a well-settled principle that:

i. A supplier must demonstrably know and prove the end-use at the time of supply.

ii. Mere possibility of use or buyer's declaration is insufficient unless supported by verifiable documentation.

Thus, the concessional rate of 5% is available for Marine Engines and its parts only if the supplier can prove its end use based on aforesaid principles.

6. In view of the extensive deliberations as held hereinabove, we pass an order as follows:

ORDER

(Under Section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

NO.GST-ARA- 63/2021-22/B- 150 Mumbai, dt. 28.09.2026

For reasons as discussed in the body of the order, the question is answered thus –

Question 1: Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 without considering its general tax rate as per the entry of schedule I, Sl. No. 252 of Notification No. 1/2017-Central Tax (Rate), Dated 28-06-2017, on the basis of its ultimate use as part of fishing vessel of heading 8902.

Answer: - Yes, GST @ 5% is applicable only when the marine engines or their parts are supplied as parts of fishing vessels of Heading 8902, and the Applicant adequately establishes such end-use through verifiable documentary evidence. In absence of verification or clear end-use evidence, the normal GST rate applicable to HSN 8407/8408/8409 remains applicable.

Question 2: Whether GST rate of 5% can be charged on supply of marine engines of heading 8407 and heading 8408 and/or their spare parts of heading 8409 when it is supplied for use of defense purpose, patrolling purpose, flood relief and rescue operations being part of heading 8901, 8904, 8905, 8906, 8907.

Answer: - Yes, GST @ 5% is applicable only when the marine engines or their parts are supplied as parts of vessels used for defence, patrolling, flood relief or rescue operations (Headings 8901, 8904, 8905, 8906, 8907) and the Applicant adequately establishes such end-use through verifiable documentary evidence. In absence of verification or clear end-use evidence, the normal GST rate applicable to HSN 8407/8408/8409 remains applicable.

D.P. GOJAMGUNDE
(MEMBER)

HIMANI DHAMIJA
(MEMBER)

PLACE - Mumbai
DATE -

Copy to:-

1. The applicant
2. The concerned Central / State officer
3. The Commissioner of State Tax, Maharashtra State, Mumbai
4. The Pr. Chief Commissioner of Central Tax, Churchgate, Mumbai
5. The Joint commissioner of State Tax, Mahavikas for Website.

Note:-An Appeal against this advance ruling order shall be made before The Maharashtra Appellate Authority for Advance Ruling for Goods and Services Tax, 15th floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on **gst.gov.in** for online appeal application against order passed by Advance Ruling Authority