

**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. Rajiv Magoo, Joint Commissioner of Central Tax, (Member)  
(2) Shri. T. R. Ramnani, Joint Commissioner of State Tax, (Member)

GSTIN Number, if any/ User-id		27AAACE6641EIZV
ARN Number		AD270920016898N
Legal Name of Applicant		M/s. Exide Industries Limited
Registered Address/Address provided while obtaining user id	Exide Industries Ltd, Chinchwad East, D2, MIDC Industrial Estate, Pune, Maharashtra-411019	
Details of application		GST-ARA, Application No. 39 Dated 08.10.2020
Concerned officer		PUN-VAT-E-602, PUNE-LTU-01
<b>Nature of activity(s) (proposed/present) in respect of which advance ruling sought</b>		
A	Category	Factory/ Manufacturing
B	Description (in brief)	Determination of applicable rate of tax on supply of submarine batteries to Indian Navy for use in submarines
Issue/s on which advance ruling required		ii) Applicability of a notification issued under the provisions of the 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. Exide Industries Limited the applicant, seeking an advance ruling in respect of the following question.

*Whether the supply of batteries by the required Applicant for the use in warships such as submarines of the Indian Navy falls under Entry 252 of Schedule I to Notification No. 01/2017-integrated Tax (Rate) dated 28.06.2017 and hence is taxable @ 5% GST?*

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.

## 2. FACTS AND CONTENTION – AS PER THE APPLICANT

The submissions, made by the applicant are as under:-

- 2.1 *M/s. Exide Industries Limited, the applicant is a registered person under GST Laws in the State of Maharashtra. Applicant manufactures and supplies of lead acid storage batteries falling under Chapter 85 of the First Schedule to the Customs Tariff Act 1975.*
- 2.2 *Applicant is seeking an advance ruling on the rate of GST leviable on supply of batteries for use in warships, specifically submarines, by Indian Navy. Applicant also seeks applicability of Entry No. 252 of Notification No. 01/2017-Integrated Tax (Rate) for supply of batteries for use in warships, specifically submarines, to Indian Navy.*
- 2.3 *Applicant has been awarded orders by the Ministry of Defense, Government of India, requiring the Applicant to supply specific types of batteries for use in warships, specifically submarines, for instance, Applicant was awarded a purchase order No. HLB/111/Type II MB/S4/479 dated 02.02.2018 from the Defense Machinery Design Establishment, Department of Defense Research & Development to supply submarine batteries, spares, interconnecting links and also provide inspection, testing and acceptance trials. The said Department is under the Ministry of Defense, Government of India.*
- 2.4 *Supply of submarine batteries under the Purchase Orders consists of a combination of goods and ancillary services with the supply of goods as the principal supply. Moreover, the supply of spares and services of inspection and testing are naturally bundled with the supply of batteries. Hence, the same is a composite supply, the principal supply being supply of battery.*
- 2.5 *Applicant feels that the rate of tax applicable would be 5% in terms of Sl.No.252 of Schedule I of the Notification No.1/2017 – I.T.(R) which is reproduced as under:*






S. No.	Chapter/ Heading/ Sub-heading/ Tariff item	Description of Goods
252.	Any chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907

2.6 Explanation (iv) to Notification 1 /2017 - Integrated Tax dated 30.06.2017 clarifies that "Tariff item" "Heading" "Sub-heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (Act No.51 of 1975).

2.7 Further, Explanation (v) provides that the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this Notification.

2.8 It is also apposite to take into consideration the entries preceding the above in the same Schedule I to appreciate the scheme of placing the given group of items falling under Chapter 89 in the 5% category:



246.	8901	Cruise ships, excursion boats, ferry-boats, cargo ships, barges and similar vessels for the transport of persons or goods
247.	8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products
248.	8904	Tugs and pusher craft
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
250.	8906	Other vessels, including warships and lifeboats other than rowing boats
251.	8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons)

2.9 Chapter Heading 8903 relating to Cruise ships, are kept out of the above list which clearly shows the intention of the legislature to tax it as a luxury item. The grounds on which the Applicants feel that the subject supplies attract 5% GST are enumerated hereunder:

**Grounds to support the contention that the said supply is subject to tax @ 5% under Entry No. 252 of Schedule I to Notification No. 01/2017 Integrated Tax (Rate) dated 28.06.2017**

**A) THE SAID ENTRY COVERS ANY PRODUCT SUPPLIED WHICH FORMS PART OF GOODS COVERED UNDER TARIFF HEADING 8901, 8902, 8904, 8905, 8906, 8907**

- A.1. Applicant submits that the Entry 252 of Schedule I to Notification No. 01/2017 I.T.(Rate) dated 28.06.2017 (hereinafter referred to as the "rate notification") covers all goods which form a part of goods falling under tariff Heading 8901, 8902, 8904, 8905, 8906 and 8907. From a bare reading of the said entry at S. No. 252, it is apparent that any and all goods irrespective of their individual classification would be covered there under, if such goods are used as parts of the goods covered under tariff heading 8902, 8904, 8905, 8906 and 8907. Submarines, being a warship, is covered under the tariff heading 8906.
- A.2. In the instant case, Applicant is supplying submarine batteries to Ministry of Defense for use in warships. In this regard, the Indian Navy has provided "End User Certificate" wherein it has been certified that the batteries, spares and interconnecting links supplied by the Applicant are "intended for bonafide use towards warship applications of Indian Navy of Indian Armed Forces".
- A.3. Applicant submits that batteries manufactured for such supplies are specifically designed and manufactured for use only in warships more particularly in submarines. Applicant has a dedicated division for the manufacture of such batteries at its factory located in Taloja.
- A.4. Further, the said batteries are essential to the submarines and warships as all internal controls and systems work on the power supplied by these batteries. Without such batteries in the submarines, the submarines will not be able to function. Hence, the batteries supplied by the Applicant to the Ministry of Defense for use in warships are essential parts of warships and are consequently covered under Sl. No. 252 of Schedule I of the Rate Notification.
- A.5. In this regard, reliance is placed in the following decisions of various Authorities of Advance Ruling as under:-

- 1) A.S. Molobhoy Pvt. Ltd. [2019 (023) GSTL 0106 (AAAR-GST)]
- 2) C.S. Diesel Engineering Pvt. Ltd. [2019 (26) GSTL 506 (AAR-GST)]
- 3) Shandong Heavy Industries India Pvt. Ltd. [2018 (17) GSTL 631 (AAR-GST)]



- 4) In Re: Fluid Power Pvt. Ltd. [2019 (29) GSTL 505 (AAR - GST)]
- 5) Mazaqaon Dock Shipbuilder Limited 2019 (20) GSTL 475 (AAR-GST)
- 6) Techno Tradings and Services (P) Ltd. [2019 (24) GSTL 105 (AAR-GST)]
- 7) In Re: Bharat Electronics Limited 2019 (29) GSTL 0178 (AAR-GST)]

A.6. Thus, in view of the above decisions it is submitted that the impugned batteries manufactured specifically for the Indian Navy, for use in its submarines, would become a part of such submarines and accordingly, would be covered under Sl. No. 252 of Schedule I to the Rate Notification.

A.7. Further, under Customs or in the earlier regime of Central Excise, exemption was similarly provided to parts etc. of boats, ships. Notification No.12/2012-Cus dated 17.03.2012 which provided for exemption of customs duty, contained the following entry:

469	Any Chapter	Raw materials and parts, for use in the manufacture of goods falling under heading 8901, 8902, 8904, 8905, (except sub-heading 8905 20) or 8906, in accordance with the provisions of section 65 of the Customs Act, 1962 (52 of 1962)	Nil	Nil	83
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A.8. The above entry was inserted with effect from 24.11.2015. Further, the above Notification has since been superseded by Notification No. 50/2017-CUS dated 30.06.2017; with the exemption being provided under Sl.No. 559 in the new Notification

A.9. Similarly, in the context of Central Excise, Notification No. 12/2012-CE dated 17.03.2012 also exempted "raw materials and parts of ships etc. The relevant entry 306C, which was inserted by Notification No.44/2015-CE dated 24.11.2015 reads as under:

306C	Any Chapter	Raw materials and parts, for use in the manufacture of goods falling under heading/tariff item 8901, 8902, 8904, 00 00, 8905 (except tariff item 8905 20 00) or 8906...
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A.10. From the above, it can be seen that whenever exemption is provided to goods meant for ships etc. falling under Chapter 89, either for manufacture of ships or for repairs or for specified purposes such as use by Indian Navy, such exemption has been provided to goods falling under any Chapter of the respective Tariff (Customs or Central Excise).

A.11. During the period prior to 30.06.2017, i.e pre GST regime, Notification No. 64/95-CE dated 16-3-1995 provided for exemption from excise duty in case of the following:

21.	All Goods	If,- (a) the said goods are supplied for use in construction of warships of the <b>Indian Navy or Coast Guard</b> ; and (b) before clearance of the said goods, a certificate from an officer not below the rank of a <b>Rear Admiral of the Indian Navy or Cost Guard or Director General of Coast Guard or any other officer of the Indian Navy or Coast Guard</b> equivalent to the Joint secretary to the Government of India, to the effect that the said goods are intended for the said use, is produced to the proper officer.
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A.12. Hence, prior to GST, such supplies were exempt from excise duty and the same was duly claimed and given to the Applicant. The Applicant also relies on the following decisions wherein it has been held that once the goods are supplied for the specified use, such as construction of warship and have been certified to be so used by the Naval authorities, the exemption is applicable irrespective of the classification of the goods:

**Brahmos Aerospace Pvt. Ltd Vs CC, CE & ST, Hyderabad II - 2014 (307) ELT 795 - Tri**

**GE Industrial India Ltd Vs CCE, Cus & ST, Bangalore-I - 2016 (335) ELT 103 (Tri Bang)**

A.13. It is submitted that the batteries supplied by the applicant are meant for use in Warships, specifically Submarines as evidenced by the Purchase Orders as well as the end user certificate. Hence, irrespective of the classification of the respective individual goods, the rate of tax applicable would be 5% in terms of Sl.No.252 of Schedule I of the rate notification.

#### **B. BATTERY IS UNDERSTOOD TO BE A PART OF THE SUBMARINE IN COMMON PARLANCE.**

B.1. Entry 252 of Schedule I of the rate notification uses the expression "Parts of goods". Hence, it is pertinent to analyses the meaning of the term "parts" so as to understand as to whether the batteries supplied by the Applicant are parts of submarine.

B.2. The term "parts" have not been defined under the rate notification or the GST Act, 2017. The term, 'part as defined in Black's Law dictionary means "an integral portion, something essentially belonging to a larger whole, that which together with another or others makes up a whole



- B.3. Further, as per Cambridge English Dictionary, part means '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'.
- B.4. Relying on the aforesaid definitions, it is submitted that "part" means an essential and integral piece of a goods without which the goods are incomplete.
- B.5. It is a well settled law that in a taxing statute, words of everyday use must be construed not in their scientific or technical sense but as understood in its popular sense, meaning that sense with which people conversant with the subject matter of the statute would attribute. In essence, it is to be construed as understood in common parlance or language. The doctrine of common parlance becomes clearly applicable in the instant case to establish that in common parlance, 'parts of goods' would include within its ambit batteries essential for operation of the goods. This principle of common parlance has been enumerated in innumerable decisions of the Hon'ble Supreme Court.
- B.6. The product in question is known in the trade and common parlance as parts of submarines. The same is evident from the purchase order raised by the Department of Defense Research and Development as well as the end user certificate issued by the said purchaser. It is an admitted fact that the submarines cannot be operated without the batteries to power them. Therefore, the said product is an essential part of submarines.
- B.7. Reliance in this regard is placed on the decision of the Hon'ble Supreme Court in the case of **Delhi Cloth and General Mills Co. Ltd. v. State of Rajasthan & Ors 1980 (6) ELT 383 (SC)** wherein it was held that in determining the meaning or connotation of words and expression describing an article or commodity the turnover of which is taxed in a sales tax enactment, if there is one principal fairly well settled it is that the words or expressions must be construed in the sense in which they are understood in the trade, by the dealer and the consumer.
- B.8. Applicant submits that batteries are essential for the overall functioning of the Warships, Vessels and Submarines and therefore the expression 'parts' in the subject entry in the Notifications(s) should be construed to include the battery supplied by the Applicant.

- B.9. The Hon'ble Supreme Court in the case of Saraswati Sugar Mills Vs. CCE, Delhi [2011 (270) ELT 465 (SC)] held that component part of an article is an integral part necessary in the constitution of the article as a whole, without which the article is incomplete.
- B.10. Applicant submits that the batteries are essential to the submarines and warships as all internal controls and systems work on the power supplied by these batteries. Without such batteries, the submarines will not be able to function. Hence, the batteries are essential parts of the submarines and consequently, GST @ 5% under Sl. No. 252 of Schedule I of the rate notification is applicable.
- B.11. The Applicant submits that the batteries manufactured by the Applicant for such supplies are specifically designed and manufactured for use only in warships more particularly in submarines. It is reiterated that the said batteries are essential to the submarines and warships as all internal controls and systems work on the power supplied by these batteries. Hence, without such batteries, the submarines will not be able to function. Hence, the batteries are an essential part of the warship / submarine and hence, are liable to be covered under Sl. No. 252 of Schedule I of the Rate Notification.

**C. THE INTENTION OF THE LEGISLATURE IS NOT TO HAVE HIGH GST ON ESSENTIAL SUPPLIES TO MINISTRY OF DEFENCE, GOVERNMENT OF INDIA.**

- C.1. The batteries supplied by Applicant are used by the Ministry of Defense in warships as is evident from the end user certificate, the supply undertaken by the Applicant is chargeable to GST @ 5%.
- C.2. Applicant has already made detailed submissions above that batteries supplied by it, forms an essential part of the warships as it is specifically designed and manufactured for use in warships and without such batteries, the warships cannot function.
- C.3. It is submitted that it can never be the intention of the legislature that goods procured by the Armed Services are taxed at the highest rate of taxation. The said goods being procured for use in National Defense cannot be taxed as batteries being supplied for luxury items.
- C.4. It is humbly submitted for the kind consideration of the Hon'ble Authority that the Supplies of the Applicant to the Ministry of Defense, Government of India, are used only



*for the purposes of National Defense and this being a priority sector, a beneficial interpretation of the entries would be in consonance to the legislative intent. Hence, the Applicant's view is that the supply of batteries to the Ministry of Defense for use in Warships is chargeable to GST @ 5% under Sl. No. 252 of the Rate Notification.*

**03. CONTENTION – AS PER THE CONCERNED OFFICER:**

The submissions dated 08.02.2021, as reproduced verbatim, is as under -

- 3.1 *The company was awarded a purchase order No HLB/111/Type II-MB/S4/479 dated 02/02/2018 from the Defense Machinery Design Establishment, Department of Defense Research and Development. The said Department is under the Ministry of Defense, Government of India. As per the said order dealer was to supply submarine batteries, spares, interconnecting links and also provide inspection, testing and acceptance trial. The "End User Certificate" from DMDE certifies that the goods being procured vide Purchase order No.: HLB/111/Type II-MB/S4/479 dated 02/02/2018 are in line with stipulation mentioned in notification under GST. A letter from DMDE dated 29/10/2020 bearing number HLB/111BATT/S3 Spares (02 type) is also available on record in which it was communicated by the recipient that the items purchased are directly fitted onboard warship and are neither 'Raw Material' not 'FIM'. Hence the supply is covered under SI number 252 of Schedule-I to Notification number 01/2017-IT (rate) dated 28/06/2017 and hence chargeable @ 5%. From this documentation it seems that the GST rate would be 5% otherwise it would be 18%.*

**04. HEARING**

- 4.1 Preliminary hearing was held on 20.08.2021. Authorized representatives of the Applicant, Shri. Sanjay Kumar, STP and Shri. Ganesh Garje, Deputy Finance Manager were present. The Concerned Nodal officer Shri. Rajendra Kulkarni, Deputy Commissioner, LTU-001, Pune was also present. The Authorized representative made oral submission with respect to admission of their application. The application is admitted for further process.

4.2 The application was admitted and called for final e-hearing on 27.08.2021. Authorized representatives of the Applicant, Shri. Sanjay Kumar STP and Ganesh Garaje DFM were present. The Jurisdictional Officer /Concerned officer was absent. The Authorized representative made oral and written submission with regard to their application.

4.3 Heard the matter.

**05. OBSERVATIONS AND FINDINGS:**

5.1 We have perused the records on file, facts of the case and the submissions made by the applicant. The matter is related to the rate of GST on the supply of goods by the applicant. The applicant has made both, oral and written submissions.

5.2 Applicant manufactures and supplies of lead acid storage batteries falling under Chapter 85 of the First Schedule to the Customs Tariff Act 1975. The present application has been made by them in respect to supply of batteries for use in warships, specifically submarines, by Indian Navy as per orders received. The issue before this authority is whether Entry No. 252 of Notification No. 01/2017-Integrated Tax (Rate) is applicable to the supply of batteries to the Indian Navy.

5.3 Applicant has made submissions stating that the said supply of batteries to the Indian Navy, for use in submarines are subject to tax @ 5% under Entry No. 252 of Schedule I to Notification No. 01/2017 Integrated Tax (Rate) dated 28.06.2017 because the said batteries are understood to be a part of the submarines in common parlance.

5.4 Applicant has stated that the supply of the subject goods in the subject case is specific to and tailor-made for use of the Indian Navy, in submarines. Applicant feels that the subject goods, classified under heading 85 of the GST tariff, are parts of submarines, hence, can be supplied in terms of Entry No. 252 of Schedule I of Notification No. 01/2017-C.T. (Rate).

5.5 Sr. No. 252 of Notification No. 01/2017 – C.T (Rate) dated 28.06.2017 is as under:-

Schedule No.	Sr. No.	Chapter / Heading / Sub-heading / Tariff item	Description of goods	CGST / SGST Rate	IGST Rate
I	252	Any Chapter	Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907	2.5%	5%



5.5.1 From the above table it is very clear that parts of goods of headings 8901, 8902, 8904 to 8907 are chargeable to CGST/SGST @ of 2.5% each. We now reproduce the description of headings 8901, 8902, 8904, 8905, 8906 and 8907 as under:-

Chapter / Heading / Sub-heading / Tariff item	Description of goods
8901	Cruise-ships, excursion boats, ferry-boats, cargo-ships, barges and similar vessels for the transport of persons or goods
8902	Fishing vessels; factory ships and other vessels for processing or preserving fishery products
8904	Tugs and pusher crafts
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
8906	Other vessels, including warships and lifeboats other than rowing boats
8907	Other floating structures (for example, rafts, tanks, coffer-dams, landing-stages, buoys and beacons)

5.5.2 As per Sr.No. 252 of Notification No. 01/2017-C.T. (Rate) dated 28.06.2017, goods falling under any chapter of the GST Tariff, if used as parts of goods falling under headings 8901, 8902, 8904 to 8907, would attract CGST and SGST @ 2.5% each.

5.6 The only issue that is raised before us by the applicant is whether the said batteries are used in submarines forming parts of the said submarines and therefore chargeable to reduced tax @ 5% under Sr.No.252 of Notification No.1/2017 Central Tax (Rate) dated 28.06.2017.

5.7 To deal with the limited issue before us i.e. to find out whether the batteries supplied by the applicant are parts of a ship first of all we need to examine as to what are "Parts". We find that the word, "Part/Parts" has not been defined under GST Laws. 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.

-----We find that as per Cambridge English Dictionary:

Part as a 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.*

It has other meanings also in other context which are not of relevance in present context like:

----a single broadcast of a series of television or radio programme or Division of a story.

----one of two or more equal or almost equal measures of something etc.

5.7.1 In view of the above meanings/definitions of parts, we are required to examine as to whether the subject goods can be taken to be covered within the meaning of Parts of Goods of CTH 8901, 8902, 8904, 8905, 8906 and 8907 and for Sr. No. 252 of Notification No. 1/2017 Integrated Tax (Rate) dated 28.06.2017.

5.7.2 We find that batteries are essential parts of a submarine. A submarine cannot be imagined to be in existence without batteries because all internal controls and systems in the submarines, work on the power supplied by these batteries and without batteries, the submarine will not be able to function at all. Further, we find that the batteries manufactured for such supplies are specifically designed and manufactured for use only in warships more particularly in submarines.

5.7.3 We find that batteries are such essential components without which, the submarines would not be complete. These are very much integral for the functioning of submarines and can also be separated 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.

5.7.4 While interpreting the issues like the one at hand, we may refer to the following judgement which throws light on the disputed issue.

**In case of Saraswati Sugar Mills Vs Commissioner of Central Excise Civil Appeal No.5295 of 2003 decided on 2<sup>nd</sup> Aug 2011 Hon. Supreme Court of India observed :**

*12. In order to determine whether a particular article is a component part of another article, the correct test would be to look both at the article which is said to be component part and the completed article and then come to a conclusion whether the first article is a component part of the whole or not. One must first look at the article*





*itself and consider what its uses are and whether its only use or its primary or ordinary use is as the component part of another article. There cannot possibly be any serious dispute that in common parlance, components are items or parts which are used in the manufacture of the final product and without which, final product cannot be conceived of.*

*13. The meaning of the expression 'component' in common parlance is that 'component part of an article is an integral part necessary to the constitution of the whole article and without it, the article will not be complete'.*

5.7.5 In light of the above, we find that batteries will be considered as parts of vessels falling under heading 8901, 8902, 8904 to 8907, only if they are used in manufacturing goods falling under Tariff Headings 8901, 8902, 8904 to 8907. We agree with the applicant's contention that the batteries supplied by them for exclusive use in goods falling under heading 8901, 8902, 8904 to 8907 will be taxable @ 5% IGST (2.5% CGST and SGST each). However it is to reiterate that the benefit of reduced CGST and SGST for such batteries is only available if the said batteries are used as parts of goods falling under heading 8901, 8902, 8904 to 8907 of the GST Tariff. The benefit of reduced GST rates would not be available in respect of subject batteries supplied for use in goods other than goods of heading 8901, 8902, 8904 to 8907 of the GST Tariff.

5.8 We find that, batteries are essential requirements in manufacture of submarines and are classified under heading 85 of the GST Tariff and are parts of submarines. Since the subject goods are meant for use in manufacture of submarines and are supplied for purpose of use or application in manufacture of goods that are classifiable under Tariff headings 8901, 8902, 8904, 8905, 8906, 8907, the said goods can be considered as parts of a submarine. Entry at Sr. No. 252 covers goods which merit classification under "Any Chapter" of the GST Tariff wherein the description in Sr. No. 252, is "Parts of goods of headings 8901, 8902, 8904, 8905, 8906, 8907". Accordingly, in the present matter, the Subject Goods will be covered under Sr. No.252.

5.9 During the course of the hearing held on 27.08.2021, the applicant informed this Bench that, the subject product, Viz. batteries, were not being supplied by them for use in and

manufacture of vessels falling under Heading 8903 of the GST Tariff. Applicant has also submitted an end user certificate provided by the Indian Navy wherein it has been certified that the batteries, spares and interconnecting links supplied by the Applicant are intended for bonafide use towards warship applications of Indian Navy of Indian Armed Forces.

5.10 In view of above, we conclude that, the supply of batteries by the Applicant exclusively and directly to the Indian Navy for use in the manufacture of submarines will be classified under Sr. No. 252 of Notification No. 1/2017- C.T. (Rate), dated 28-6-2017.

06. In view of the above discussions, 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- 39/2020-21/B- 58 Mumbai, dt. 09.09.2021 .

For reasons as discussed in the body of the order, the questions are answered thus –

**Question:** Whether the supply of batteries by the required Applicant for the use in warships such as submarines of the Indian Navy falls under Entry 252 of Schedule I to Notification No. 01/2017- integrated Tax (Rate) dated 28.06.2017 and hence is taxable @ 5% GST?

**Answer:-** Answered in the affirmative.



  
RAJIV MAGOO  
(MEMBER)

  
T. R. RAMNANI  
(MEMBER)

**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. 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, 15<sup>th</sup> floor, Air India Building, Nariman Point, Mumbai – 400021. Online facility is available on [gst.gov.in](http://gst.gov.in) for online appeal application against order passed by Advance Ruling Authority.

