M/s Blackstone Diesels, B-36, Industrial Area, New Power House Road, Jodhpur-342001, Rajasthan (GSTIN 08AFOPB8919C1ZE)

Authority for Advance Ruling — Rajasthan

ADVANCE RULING NO.RAJ/AAR/2018-19/26, dated 18.12.2018 (F.No. IV(… Dated **18.12.2018**

Q Questions Before the Authority

- What is the tax rate on 'Air dryer complete with final filter for used in breaking system of locomotive supplied to Railway', as per the order attached given by Western Railway? (Admitted under Section 97(2)(a) CGST Act, 2017, on classification of goods.)

F Facts

The applicant is a trader in air dryers used by Indian Railways in the braking systems of locomotives. It received purchase order 69185017150035 dated 14.03.2018 from Western Railway for 'Air Dryer complete with final filter for MEMU DMC' (2 units). The goods were bought from the manufacturer, M/s Trident Pneumatics Pvt. Ltd., Coimbatore, under invoice dated 27.03.2018, which classified them under Chapter 8421 and charged GST at 18%. The applicant argued that, because the goods are used only in railway locomotives, they fall under Chapter 86 (heading 8607) and attract the 5% railway rate.

H Ruling

Tax rate and classification of air dryer with final filter supplied to Western Railway for locomotive braking system	**Chapter 8421; GST 18% (CGST 9% + SGST 9%)**	Held that the supplier's classification is correct. The 5% railway rate for Chapter 86 goods does not apply because the goods are not classified under Chapter 86.

The authority held that the 'Air Dryer complete with final filter for used in breaking system of locomotive' has been **rightly classified under Chapter 8421** by the supplier. It therefore **attracts GST at 18% (CGST 9% + SGST 9%)** . The fact that the goods are supplied to the railways does not move them into Chapter 86.

R Reasoning

The authority found that a compressed air dryer removes water vapour from compressed air, which places it within the Chapter 8421 description of machines that remove moisture from wet substances and of filtering or purifying apparatus for gases. It rejected the applicant's use-based argument under heading 8607 and subheading 86072100 (air brakes and parts thereof), which the applicant supported with Rule 3 of the General Rules of Interpretation. The authority relied on Circular No. 30/4/2018-GST dated 25.01.2018, which states that only Chapter 86 goods supplied to railways attract 5%, while goods falling in other chapters attract the general applicable rate even when supplied to railways. It also noted that the goods reach the applicant unmodified from the manufacturer, and that the jurisdictional officer reported an 18% rate for HSN 8421.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

P Provisions Relied On

Section 97(2)(a) of the CGST / SGST Act, 2017 (classification of goods or services)

Chapter 8421 of the GST Tariff (HSN 8421, centrifuges and filtering or purifying machinery for liquids or gases), as described…

Chapter 86, heading 8607 and subheading 86072100 (Customs Tariff Act, 1975), as relied on by the applicant

Rule 3 of the General Rules for the Interpretation of the Tariff, as relied on by the applicant

Notification No. 01/2017 Central Tax (Rate) dated 28.06.2017, as amended (entry for heading 8607 at 2.5% CGST / 2.5% SG…

Circular No. 30/4/2018-GST dated 25.01.2018, Tax Research Unit, Department of Revenue, paragraph 4

! For the Practitioner

Railway suppliers should note that the end-user being a railway does not by itself bring a product within the Chapter 86 railway rate. Classification is decided by the goods' own description under the tariff. This ruling settles that an air dryer with final filter is taxed at 18% under Chapter 8421. It does not decide the rate for any Chapter 86 part, such as air brake parts supplied to railways. Under the advance ruling scheme the ruling binds only the applicant and the revenue for this case, so other suppliers should check their own products against the tariff.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> raj.26.2018-19_blackstone_diesels.pdf

Prepared 27-10-2026.

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