Kay Pee Equipments Pvt Ltd

Authority for Advance Ruling — West Bengal

25/WBAAR/2019-20 Dated **23.09.2019**

Q Questions Before the Authority

- What is the classification, and the applicable rate of GST, for the items the applicant manufactures and supplies as locomotive spare parts to the railways?
- Does the answer change for the applicant's other supplies to the railways?
- How are supplies outside the above categories to be classified?

F Facts

The applicant is stated to be a manufacturer of railway locomotive spare parts. It makes the spares to the drawings and specifications of the railway authority and supplies them to the railways, and it claims classification under heading 8607 of the Customs Tariff. The list of goods it supplied was described as illustrative, not exhaustive, and includes composite items such as the Motor Suspension Unit for electric locomotives.

H Ruling

Composite goods manufactured by the applicant that are used primarily as parts of railway locomotives	**Heading 8607; 5% GST with no refund of unutilized ITC**	Applies only where the goods are used primarily as parts of railway locomotives.
Other supplies to the railways (non-composite spares)	**Heading 8607; 5% GST with no refund of unutilized ITC**	Only if used primarily as parts of railway locomotives and not excluded by Note 2 of Section XVII. Parts of general use, such as railway springs under heading 7320, are excluded.
Supplies other than the above two categories	**Not classifiable under heading 8607**	The order does not state the rate or heading for these supplies. They fall to be classified under the general rules.

The composite goods the applicant manufactures that are used primarily as parts of railway locomotives fall under **heading 8607** and are taxable at **5% GST with no refund of the unutilized input tax credit** . The same treatment applies to its other railway supplies used primarily as parts of locomotives, provided Note 2 of Section XVII does not exclude them. Supplies outside these two categories are not classifiable under heading 8607.

R Reasoning

The Authority read Notes 2 and 3 of Section XVII together with heading 8607, which covers parts of railway locomotives. It concluded that any locomotive part falls under 8607 unless Note 2 excludes it, and that it must be used solely or principally with locomotives under Note 3. For a composite item such as the Motor Suspension Unit, it applied Rule 3(b) of the General Rules of Interpretation and held the unit classifiable under 8607 as a whole without breaking down its thirty-five components. For railway springs, it applied Rule 3(a) because heading

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

7320 is more specific, and it treated them as parts of general use under Note 2 of Section XV, so they are not classified under Chapter 86. The order also relied on CBIC Circular No. 30/4/2018-GST dated 25/01/2018 for the 5% rate and the no-refund condition.

P Provisions Relied On

- Section 97(2)(a) and (b) of the CGST/WBGST Act, 2017 (admissibility)
- Section 100(1), (2) and (3) of the GST Act (appeal)
- Section 99 of the WBGST Act, 2017 (Appellate Authority)
- Section 103(2) and Section 104(1) of the GST Act (validity and declaration of void)
- Notification No. 01/2017-CT (Rate) dated 28/06/2017, Explanations (iii) and (iv)
- Railway Board Memo No. 2017/RS(G)/779/2 dated 20/06/2017
- CBIC Circular No. 30/4/2018-GST dated 25/01/2018
- Heading 8607 of the First Schedule to the Customs Tariff Act, 1975
- Section XVII, Notes 2 and 3
- Section XV, Note 2 (parts of general use)
- General Rules of Interpretation 3(a), 3(b), 3(c) and 4
- Heading 7320, Tariff Items 73201012 and 73209010

! For the Practitioner

The order helps suppliers of locomotive spares to the railways. It confirms that railway locomotive parts go under heading 8607 at 5% with no ITC refund, and that a composite part is classified as a whole. It does not settle the classification of each component in a composite item, and the list of goods was not exhaustive. Items such as railway springs fall under heading 7320 and remain outside this ruling. It also does not state a rate for supplies outside the two categories it identifies.

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 -> wb_aar_25_2019-20_kpepl_23.09.19.pdf

Prepared 10-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com

Patron Accounting LLP