

**GIB/MH/SANGHVI MOVERS/15.06.2018/AAR-195**

**Advance Ruling Category :** Input Tax Credit

**State :** Maharashtra

**Order No.:** GIB/MH/SANGHVI MOVERS/15.06.2018/AAR-195

**Name of Entry :**  
SANGHVI MOVERS LIMITED

**Date :** 15-06-2018

**Breif Issue :**

**Fact and Issues of the Case:**

SML is a public limited company, engaged in the business of providing medium-sized heavy-duty cranes on rental/lease/ hire basis to its clients without transferring the right to use the cranes. SML has pan-India presence and cranes are deployed across India as per the requirements of customers. Application has been sought On the following issues :

- a. whether movement of tyre mounted cranes or crawler cranes from one GST registered office of SML to another registered office of SML for further supply on hire charges to customers would be treated as “taxable supply” or whether GST would not be let-liable on the said movement as per the clarification issued by the CBEC vide Circular No. 21/ 21/ 2017 - CGST read with Circular No. 1/ 1/ 2017 - IGST?
- b. whether the recipient office of SML duly registered under GST receiving such cranes for further supply on hire charges would be eligible to avail input tax credit of GST charged?
- c. lyre-mounted crane or crawler crane is moved from one GST registered office of SML to another registered office of SML for maintenance, whether such movement of crane would be treated as “taxable supply” under the GST law or can it be said that it would not tantamount to “supply” as per clarification issued by the CREC vide Circular No. 21/ 21/ 2017 - CGST read with Circular No. 1/1/2017 - IGST?
- d. If the transaction stated above in question 1 is liable to tax, whether GST would be payable Only on the movement of tyre-mounted cranes being goods on wheels or GST would also be payable on movement of both types of cranes (i.e. tyre-mounted cranes and crawler cranes)?
- e. What should be the value under section 15 of the Central Goods and Services Tax Act, 2017 (CGST Act) and the rules made thereunder for discharging applicable GST on movement of cranes from one GST registered office to another registered office in case the said movement is considered to be a taxable supply?

**Decision of Advance Ruling Authority :****Decision:**

- a. The circular is not applicable in this case because if cranes moved by SML Maharashtra based on the internal work order received from SML Branch offices against the receipt of final work orders from unrelated customers, such movement shall be treated as a separate supply of service provided by SML Maharashtra to SML branch offices.
- b. This question is in respect of recipient office of SML registered under the GST Act in a taxable territory other than Maharashtra State. We are, therefore, of the opinion that applicant is not proper person to raise this question and therefore we are not expressing our opinion on this question.
- c. The situation as mentioned above in Question No. 3 is squarely covered by the clarification issued by Tax Research Unit vide circular no. 21/21/2017- GST DT. 22nd November, 2017. As such the interstate movement of cranes is neither a supply of goods nor supply of services and consequently no IGST would be applicable on such movement. However, tax is leviable on repairs and maintenance done for such goods.
- d. GST would be payable on the movement of both type of cranes i.e, tyre mounted cranes and crawler cranes.
- e. The value for the purpose of Section -15 where the recipient branch office in other state is eligible for full input tax credit would be the value declared in the invoices as open market value of the services for the purpose of levy of tax and alternatively the amount equivalent to 90% of the price charged for the supply of goods like ,kind and quality by the recipient to his customer . In view of this we do not find any irregularity in the value of supply considered by the applicant for levying GST which is approximately 95% of the value charged by SML branches to the Customer of the branches.