

CBIC issues clarification/guidelines to be considered for determination of classification of cranes

The Central Board of Indirect Tax and Customs (CBIC) received various representations regarding the classification of the goods referred as Truck Cranes or All Terrain Cranes, which are essentially goods that are used in handling and lifting heavy loads and have mobility. In this regard, the CBIC has issued certain aspects/guidelines to be considered for the correct classification of Cranes Lorries or All Terrain Cranes in consultation with the International Centre for Automotive Technology (iCAT) and the Automotive Research Association of India (ARAI).

Key aspects for consideration

- **Movement under load:** If the mobile machines can move under load then it will be classified under 8705. However, when the machine does not move under load or when the movement is limited and subsidiary to their main function, it would be classifiable under 8426.
- **Location of propelling and control elements:** When one or more of the propelling or control elements that are features of an automobile chassis are located in the cab of a lifting or handling machine (like crane) mounted on a wheeled chassis, the product is to be included under 8426.
- **Number of engines:** The number of engines in the vehicle does not have any bearing on the classification between chapter hearing 8426 or 8705.
- **Integration of machine with chassis:** If the machine is merely mounted (not integrated mechanically) on the chassis, the goods are classifiable under 8705. When chassis and working machine are specially designed for each other and form an integral mechanical unit and the chassis cannot be used for any other purpose, it will be classifiable under 8426.