Commr. of C. Ex. and Cus. Vs. Integral Bearings Pvt. Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Jul-06-2000

Reported in : (2001)(131)ELT155Tri(Mum.)bai

Appellant : Commr. of C. Ex. and Cus.

Respondent : integral Bearings Pvt. Ltd.

Judgement :

1. The question for consideration in these two appeals by the department is the classification of goods described as integral shaft bearings, or water pump bearings. In each of the orders impugned in these appeals the Collector (Appeals) has taken the view that the article is classifiable as a bearing under Heading 84.82 of the tariff and not as alleged in the notice and accepted by the Assistant Collector as parts of internal combustion engine.

2. Heading 84.82 is for ball roller bearing. The heading proposed by the department in the show cause notice 84.09 is "Parts suitable for use solely or principally with the engines of the Heading 84.07 or 84.08". These two headings are for spark ignition and compression ignition internal combustion engines. The notice in other words sought to classify these goods as parts of such engines.

3. The bearings in question consist of a combination of a bearing and of a shaft. A ball and roller bearing generally consists an inner and outer ring normally referred to as rase between which the balls or rollers are fitted. The balls or rollers are held in place by a cage.

This assembly is known as a bearing. By the views as Explanatory Notes to the Harmonized System of Nomenclature explains, the friction is considerably reduced. Such bearings may be designed to give radial or thrust support. In the case of these bearings the balls or rollers, as the case may be, lies between the outer rase and the shaft which therefore forms the inner rase. Earlier perhaps the only of these bearings was for water pumps for internal combustion engines. The water pump was located on the shaft which is connected end of shaft bearing, the other edge supporting pulley for the ball. The pulley was fitted to the rotary. It is on this basis doubtlessly that the department requires classification of these goods as parts of engine.

4. The literature produced by M/s. K.C. Bearings indicates use of these goods in various applications including power tool, conveyors, wood cutting tools, etc. It is evident that these goods can be used for applications whereby a combination of bearings and shaft is required.

This alone would exclude the classification under the heading claimed in the notice. The alternative classification sought by the department under sub-heading 8485.90 (machinery parts not elsewhere specified not containing electrical connections) was not raised in the notice to show cause and cannot be added at this stage. Apart from it even on merits we fail to see why these goods should not be classified as bearings.

Their primary function as we have seen is that of bearings. The definition of the word 'bearing' in the McGraw-Hill Dictionary of Scientific and Technical Terms is "a machine part that supports another part which rotates, or oscillates in or on it." It is no doubt true that the shaft in these bearings transmits load. For example when fitted in the internal combustion engine for example the motion is transmitted from the fan belt mounted on the crankshaft to the pulley mounted on the one end of the shaft to drive the water pump and mounted further down. However, none of these can be done without the balls and the other elements of a bearing which reduce the friction and also giving rotary support. We are therefore satisfied that the predominant function of these goods is bearing. The example given by the departmental representative approbate a transmission shaft mounted on a plain shaft bearing would be classifiable not as a bearing, but with regard to the primary function as transmission.