


GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX A/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	
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ADVANCE RULING NO. GUJ/GAAR/R/2020/17

(IN APPLICATION NO. Advance Ruling/SGST&CGST/2018/AR/45)

Date: 19.05.2020

Name and address of the applicant	:	M/s. Shree Mohit Rameshpal Gupta (Ramesh Corporation), 61/B, Bileshwar Ind.Estate, Part-2, Opp. GVMM, Nr.Sardar Patel Ring Road, Odhav, Ahmedabad-380015.
GSTIN of the applicant	:	24AIDPG5043J1ZJ
Date of application	:	14.08.2018
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(a)Classification of any goods or services or both.
Date of Personal Hearing	:	19.03.2020
Present for the applicant	:	Shri Vatsal Sharma C.A

BRIEF FACTS

The applicant vide their application for Advance Ruling has submitted that they are engaged in the business of manufacturing different types of model fuel conversion electronic parts mainly used for converting vehicle from petrol to gas (CNG/LPG) and vice-versa. They have submitted the details of the parts manufactured by them along with their use as under:

- (1) **Change over switch:** Change over switch is mounted on the dashboard and is used to change the fuel from petrol to CNG/LPG and vice-versa. This switch also has the facility to start the vehicle.
- (2) **Emulator:** The emulator stops or cuts off the flow of petrol, when vehicle is running on gas. Emulator is preventing the check engine light.
- (3) **Timing Advance Processor:** Timing Advance Processors are electronic control units for compromising the differences of petrol and CNG or LPG combustion to improve the stability of engine when it is running on CNG or LPG. It increases the output work during acceleration and reduces.
- (4) **Pressure Guage:** It indicates the pressure of gas (CNG/LPG) in the tank and also helps change over switch by indicating gas level.

The applicant has further submitted that this item-pressure guage comes under HSN code : 9026 (Tax rate – 18%) (Instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases), but the said item is installed in the CNG car and hence it is an automobile product. Also 50% of the product is based on mechanical workmanship and 50% is based on electronics workmanship. The materials required for manufacturing of above products consists of PCB, cable, heatshrinkable sleeve, socket, resistors, diode, IC, connector, preset, SMD, LED, transformer, buck strip, capacitor, transistor, dip switch, SMD switch, plastic box etc. The applicant wants to know the HSN code of these products with tax rate.

2. The applicant have asked the following question on which Advance Ruling is required:

(1) What is tax rate of SGST and CGST under Goods and Service Tax Act?

(2) And which HSN code will apply?

DISCUSSION & FINDINGS

3. We have considered the submissions made by the applicant in their application for advance ruling as well as the arguments/discussions made by their representative during the course of personal hearing held on 19.03.2020. As per their submission, the applicant are engaged in the business of manufacturing different types of model fuel conversion electronic parts mainly used for converting vehicle from petrol to gas (CNG/LPG) and vice-versa. They have submitted the details of the parts manufactured by them along with their use i.e. Change over switch, emulator, timing advance processor and pressure guage. The applicant has also given the details of the materials used in the manufacture of the above products and wants to know the HSN code of the aforementioned products/goods with tax rates.

4. The applicant has submitted the details of the aforementioned products and the uses thereof i.e. (i) **Change over switch**: is used to change the fuel from petrol to CNG/LPG and vice-versa. (ii) **Emulator**: stops or cuts off the flow of petrol, when vehicle is running on gas and prevents the check engine light. (iii) **Timing Advance Processor is used** for compromising the differences of petrol and CNG or LPG combustion to improve the stability of engine when it is running on CNG or LPG. (iv) **Pressure Guage**: indicates the pressure of gas (CNG/LPG) in the tank and also helps change over switch by indicating gas level. On reading the same, it can be seen that such products can only form parts of such vehicles which can run alternatively both on petrol and CNG and these parts help the engine to switch over/change the fuel from petrol to CNG/LPG and vice-versa. Examples of such vehicles would be motor cars, vans, buses etc. which would fall under the Chapter Sub-headings 8702 to 8704 of the First Schedule to the Customs Tariff Act, 1975 as listed below:

8702: Motor vehicles for the transport of ten or more persons, including the driver.

8703: Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 8702) including station wagons and racing cars.

8704: Motor vehicles for the transport of goods.

Further, parts and accessories of the motor vehicles of headings 8701 to 8705 (as per the First Schedule to the Customs Tariff Act, 1975) are listed under 8708 as detailed below:

8708 PARTS AND ACCESSORIES OF THE MOTOR VEHICLES OF HEADINGS 8701 TO 8705

8708 10 - Bumpers and parts thereof :

8708 10 10 --- For tractors
8708 10 90 --- Other
-- Other parts and accessories of bodies
(including cabs) :
8708 21 00 -- Safety seat belts
8708 29 00 -- Other
8708 30 00 - Brakes and servo-brakes; parts thereof
8708 40 00 - Gear boxes and parts thereof
8708 50 00 - Drive-axles with differential, whether or not provided with other transmission
components, non-driving axles; parts thereof
8708 70 00 - Road wheels and parts and accessories thereof - Suspension systems and parts
thereof (including shock absorbers)
- Other parts and accessories:
8708 91 00 -- Radiators and parts thereof
8708 92 00 -- Silencers (mufflers) and exhaust pipes; parts thereof
8708 93 00 -- Clutches and parts thereof
8708 94 00 -- Steering wheels, steering columns and steering boxes; parts thereof
8708 95 00 -- Safety airbags with inflater system; parts thereof
8708 99 00 -- Other

On going through the above list, and looking to the use of the parts of vehicles manufactured by the applicant, it can be concluded that the same fall under HSN code: 87089900 only. The same also appears at Sr.No.170 of Schedule-IV of Notification No:1/2017-Central Tax (Rate) dated 28.06.2017 as detailed below on which GST applicable is 28% (14% SGST + 14% CGST).

Schedule IV – 14%

Sr.No.	Chapter /Heading/ Subheading/Tariff item	Description of goods
(1)	(2)	(3)
170.	8708	Parts and accessories of the motor vehicles of headings 8701 to 8705 [other than specified parts of tractors]

5. In view of the discussions as detailed above, we rule as under –

RULING

(1) The tax rate of SGST and CGST on the products/goods manufactured by the applicant would be 28% (14% SGST + 14% CGST) under Goods and Service Tax Act.

(2) The HSN applicable on these products would be 87089900.

(SANJAY SAXENA)

(MOHIT AGRAWAL)

MEMBER

MEMBER

Place: Ahmedabad

Date: 19.05.2020.