

**THE AUTHORITY FOR ADVANCE RULING
IN KARNATAKA
GOODS AND SERVICES TAX
VANIJYA THERIGE KARYALAYA, KALIDASA ROAD
GANDHINAGAR, BENGALURU - 560 009**

Advance Ruling No. KAR ADRG 24/2025

Date : 28-07-2025

Present:

1. Sri. Prathap Kumar S

Additional Commissioner of Commercial Taxes

... Member (State)

2. Sri. Kalyanam Rajesh Rama Rao

Additional Commissioner of Customs & Indirect Taxes

... Member (Central)

1.	Name and address of the applicant	Sri. GUBBI RAJASHEKARAPPA MAHESH, Prop. M/s. Macho Engineering Industries, # 52, NH48 Highway, Jakkasandra Village, Bengaluru Rural, Karnataka-562 123.
2.	GSTIN or User ID	29AFSPM0607E1ZE
3.	Date of filing of Form GST ARA-01	20-01-2025
4.	Represented by	Sri. H N Srinivasa Rao, Advocate & Authorised Representative
5.	Jurisdictional Authority - Centre	The Commissioner of Central Tax, Bengaluru North West Commissionerate, Bengaluru. (Range-BNWD3)
6.	Jurisdictional Authority - State	ACCT, LGSTO-65 A, Bengaluru.
7.	Whether the payment of fees discharged and if yes, the amount and CIN	Yes, discharged fee of Rs.5,000/- under CGST Act & Rs.5,000/- under KGST Act through debit from Electronic Cash Ledger vide reference No. DC2911240324032 dated 21.11.2024.

**ORDER UNDER SECTION 98(4) OF THE CGST ACT, 2017
& UNDER SECTION 98(4) OF THE KGST ACT, 2017**

Sri. Gubbi Rajashekarappa Mahesh, Prop. M/s. Fine Tools (India) Pvt. Ltd., (herein after referred to as 'Applicant'), Prop. M/s. Macho Engineering Industries, # 52, NH48 Highway, Jakkasandra Village, Bengaluru Rural, Karnataka-562 123, having GSTIN 29AFSPM0607E1ZE, have filed an application for Advance Ruling under Section 97 of CGST Act, 2017 read with Rule 104 of CGST Rules, 2017 and Section 97 of KGST Act, 2017 read with Rule 104 of KGST Rules, 2017, in form GST ARA-01 discharging the fee of Rs.5,000/- each under the CGST Act, KGST Act.



Gubbi R Mahesh

2. The applicant submitted that they manufacture & supply the goods i.e. parts of seats of a kind used for motor vehicles (motor cars) and thus has sought advance ruling in respect of the classification of the commodity "parts of seats of a kind used for Motor Vehicles" and the rate of GST applicable thereon.

3. **Admissibility of the Application :** The applicant claimed that the questions on which advance rulings have been sought are with regard to "Classification of the commodity/goods manufactured and supplied by the applicant and the tax applicable thereon" which is covered under Section 97(2)(a) of the CGST Act 2017. Thus the question is covered under Sections 97(2)(a) of the CGST Act 2017 and hence the instant application is admissible.

4. **BRIEF FACTS OF THE CASE:** The applicant furnished the following facts relevant to the issue:

4.1 The goods manufactured & supplied by the applicant are "parts of seats of a kind used for motor vehicles (motor cars)" in the physical form of sub-assemblies namely compression springs, tension springs, polyester strap assemble parts, spring subassembly, nylon fasteners, metal stampings, seat spring assemble & sub-assembly and wire sub-assemblies, sheet metal sub-assembly parts, polypropylene sheet assembly, as per the requirement of the customer/recipient, such as design, technical specification, product configuration, use/utility and material composition etc.

4.2 The goods are manufactured to suit specific use of a customer/recipient and capable of being used exclusively in seats of a kind used for motor vehicles i.e. the goods are tailor made and not fit for any alternate use other than specific use; the goods can't be identified as distinct products in trade or common parlance as they are in the primary form of sub-assemblies.

5. **Applicant's Interpretation of Law:** The applicant furnishes their interpretation of law on the issues on which advance ruling is sought, inter alia stating as under:

5.1 The "Component parts of **seats** of a kind used for motor vehicles" had been classified under tariff heading 9401 by us and accordingly the said parts are taxable @18% GST, in terms of entry number 435A of schedule III to the Notification 1/2017-Central Tax (Rate) dated 28-06-2017, as amended by Notification No.41/2017, Central Tax (Rate) dated 14 -11- 2017, which is as under:

435A	9401 [other than 9401 10 00]	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof [other than seats of a kind used for aircraft]
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5.2 The above entry number 435A of Schedule III to the Notification No. 1/2017-Central Tax (Rate) dated 28-06-2017 has been amended further vide Notification No. 05/2024-Central Tax (Rate), dated 08-10-2024 and the same is as under:



435A	9401 [other than 9401 10 00 or 9401 20 00]	Seats (other than those of heading 9402), whether or not convertible into beds and parts thereof other than seats of a kind used in aircraft or seats of a kind used for motor vehicles
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Also a new entry number 210A has been inserted to schedule IV with effect from 10-10-2024 consequent upon amendment of entry number 435A of schedule III, vide Notification No. 05/2024-Central Tax (Rate), dated 08-10-2024, which is as under:

210A	9401 20 00	Seats of a kind used for motor vehicles
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5.3 The applicant is having bona-fide understanding that pursuant to explicit exclusion of only "seats of kind used for motor vehicles" from the amended serial number and entries in 435A, the parts of such seats deemed to have been retained under the threshold/ambit of the said amended serial number & entries and thus parts of seats of kind used for motor vehicles are taxable at 18% in terms of the said entry number 435A of Schedule III to the notification supra.

5.4 Circular No.235/29/2024-GST dated 11.10.2024, at para 3, clarifies the GST rate applicable on car and motor cycle seats and specifies that car seats are classifiable under tariff heading 9401 & attract 28% GST prospectively with effect from 10.10.2024 in terms of Notification No. 05/2024-Central Tax (Rate), dated 08-10-2024 and seats meant for two wheelers are classifiable under tariff heading 8714 and attract a GST rate of 28%.

5.5 In view of the above clarification issued by CBIC, it is obviously clear that only **car seats** (seats of a kind used for motor vehicles) have been brought under the ambit of new serial number and entry 210A in Schedule IV which attracted GST at the rate of 28% with effect from 10-10-2024. Pursuant to clarification issued as above by CBIC, **parts of car seats** remained intact under the purview/ambit of new (substituted) serial number and entry 435A, of Schedule III and would attract GST at the rate of 18%.

PERSONAL HEARING PROCEEDINGS HELD ON 05.06.2025

6. Sri. H N Srinivasa Rao, Advocate & Authorised Representative of the applicant appeared for personal hearing proceedings and reiterated the facts narrated in their application.

FINDINGS & DISCUSSION

7. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and the KGST Act, 2017 are in pari-materia and have the same provisions in like matters and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the KGST Act.



8. We have considered the submissions made by the applicant in their application for advance ruling. We also considered the issues involved on which advance ruling is sought by the applicant and relevant facts along with the arguments made by the applicant & the submissions made by their learned representative during the time of hearing.

9. The applicant is involved in manufacture & supply the goods i.e. parts of seats of a kind used for motor vehicles (motor cars) and thus has sought advance ruling in respect of the classification of the commodity "parts of seats of a kind used for Motor Vehicles" and the rate of GST applicable thereon. We proceed to consider the classification of **"parts of seats of a kind used for Motor Vehicles"**. In this regard we invite reference to Explanations (iii) and (iv) appended to the Notification No. 01/2017- Central Tax (Rate), dated 28.06.2017, which are relevant to determination of Classification of a product & are as under:

(iii) *"Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*

(iv) *The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.*

Accordingly we make a reference to the Section Notes and Chapter Notes of the relevant Chapters of the Customs Tariff and also the corresponding Harmonised Commodity Description and Coding System Explanatory Notes of World Customs Organisation (WCO).

10. Section XX of the First Schedule to the Customs Tariff Act, 1975 covers *Miscellaneous Manufactured Articles*; Chapter 94 covers *Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; luminaires and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name- plates and the like; prefabricated building*; Tariff heading 9401 covers *Seats (Other than those of Heading 9402), whether or not convertible into Beds, and parts thereof* and Tariff heading 9401 20 00 covers *Seats of a kind used for motor vehicles*. The parts of seats of wood are covered under Tariff heading 9401 91 00 and all other parts of seats are covered under Tariff heading 9401 90 00. Thus the **seats of a kind used for motor vehicles** and Parts thereof are covered under Tariff heading 9401 (up to 4 digit heading). Further the Circular No.235/29/2024-GST dated 11.10.2024, at para 3.3 also clarifies and confirms that Tariff heading 9401 20 00 specifically covers seats of a kind used for motor vehicle.

11. Now we proceed to discuss and determine the rate of GST applicable on **parts of seats of a kind used for Motor Vehicles**. The rate of GST on any goods is arrived at in terms of the respective schedule of the Notification 1/2017-Central Tax (Rate) dated 28.06.2017, as amended from time to time.



The Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 as amended, notifies the rate of the central tax in respect of goods specified in respective Schedule appended to this notification (hereinafter referred to as the said Schedules), that shall be levied on intra-State supplies of goods, the description of which is specified in the corresponding entry in column (3) of the said Schedules, falling under the tariff item, sub heading, heading or Chapter, as the case may be, as specified in the corresponding entry in column (2) of the said Schedules. The rates of GST notified under relevant schedules, relevant entries and relevant descriptions in respect of the goods **Seats of a kind used for Motor Vehicles and parts thereof** in the order of time are as under:

(i)

01-07-2017 to 14-11-2017

Schedule IV – 14%

SL.No.	Chapter / Heading / Sub heading / Tariff item	Description of Goods
(1)	(2)	(3)
211	9401	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof

(ii) Sl. No. 435A was inserted under schedule III of Notification 1/2017-Central Tax(Rate) dated 28-06-2017, with effect from 15-11-2017, vide Notification No. 41/2017-Central Tax (Rate), dated 14-11-2017, which is as under:

15-11-2017 to 09-10-2024

Schedule III – 9%

(1)	(2)	(3)
435A	9401 [other than 9401 10 00]	Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof [other than seats of a kind used for aircraft]

(iii) Sl. No. 435A and the entries relating thereto of Schedule-III were substituted with effect from 10-10-2024 vide Notification No. 05/2024-Central Tax (Rate), dated 08-10-2024 and the Present Position is as under:

10-10-2024 onwards

Schedule III – 9%

(1)	(2)	(3)
435A	9401 [other than 9401 10 00 or 9401 20 00]	Seats (other than those of heading 9402), whether or not convertible into beds and parts thereof other than seats of a kind used in aircraft or seats of a kind used for motor vehicles

A new entry at entry number 210A of schedule IV has been inserted with effect from 10-10-2024 consequent upon amendment of entry number 435A of schedule III, vide Notification No. 05/2024-Central Tax (Rate), dated 08-10-2024, which is as under:



10-10-2024 onwards

Schedule IV – 14%

(1)	(2)	(3)
210A	9401 20 00	Seats of a kind used for motor vehicles

12. It could be seen from the above that a new entry 210A, under Schedule IV has been carved out of earlier entry No.435A of Schedule III in terms of the goods having description "**Seats of a kind used for motor vehicles**" and the said description does not cover the word "**parts thereof**"; whereas the amended entry 435A contains the word "**Parts thereof**". In view of the above the applicant contended that the **Seats of a kind used for motor vehicles** are covered under entry No.210A of Schedule IV to the Notification 1/2017-Central Tax(Rate) dated 28.06.2017, as amended & attract GST @ 28% and the **parts thereof** are still covered under Entry No.435A of Schedule III & attract GST rate of 18%.

13. We, on observation of relevant entries, relevant schedules and relevant descriptions, agree with the applicant and hold that the **Seats of a kind used for motor vehicles** are covered under entry No.210A of Schedule IV to the Notification 1/2017-Central Tax(Rate) dated 28.06.2017, as amended & attract GST @ 28% and the **parts thereof** are still covered under Entry No.435A of Schedule III & attract GST rate of 18%.

14. In view of the foregoing, we pass the following

RULING


The parts of **Seats of a kind used for motor vehicles** are classifiable under Tariff heading 9401 (Specifically under Tariff Heading 9401 90 00) and attract GST rate of 18%, in terms of entry number 435A of Schedule III to the Notification No.1/2017-Central Tax (Rate) dated 28.06.2017, as amended.


(Prathap Kumar S)

Member

Place : Bengaluru,

Date : 28-07-2025


(Kalyanam Rajesh Rama Rao)

Member

MEMBER

Karnataka Advance Ruling Authority
Bengaluru - 560 009

To,

The Applicant

Copy to:

1. The Principal Chief Commissioner of Central Tax, Bangalore Zone, Karnataka.
2. The Commissioner of Commercial Taxes, Karnataka, Bengaluru.
3. The Commissioner of Central Tax, Bengaluru North West Commissionerate, Bengaluru.
4. The Assistant Commissioner of Commercial Taxes, LGSTO-65A, Bengaluru.
5. Office Folder.

Quota R Mahesh

