

M/s CONCORD CONTROL SYSTEMS PRIVATE LIMITED

Appellate Authority for Advance Ruling — Uttar Pradesh

Appeal Order No. 15/AAAR/2021 dated 20.06.2021

Q Questions Before the Authority

- What will be the HSN Code and GST Rate on supply of Bellow Duct to RDSO, Ministry of Railways for use in Indian Railways Coaches?
- Whether the supply of Bellow Duct to RDSO, Ministry of Railways for use in Indian Railway Coaches will fall under the HSN Code 8607 having GST rate of 12% or will it fall under HSN 8424 having GST rate of 18%?

F Facts

The appellant is a limited company engaged in the supply of Bellow Ducts made of Meta Aramid/Para Aramid Fabric with Silicon Rubber Coating. These goods are manufactured according to specific designs and specifications issued by the RDSO, Ministry of Railways, and are used exclusively in the AC coaches of Indian Railways.

H Ruling

Classification and GST rate of Bellow Duct

Classifiable under Chapter Heading 8607

The ruling specifically identifies the product as parts of railway rolling stock

The Appellate Authority for Advance Ruling set aside the original order and ruled that the Bellow Ducts are correctly classifiable under Chapter Heading 8607. The authority concluded that because the products are specifically designed for and used solely by the Indian Railways, they qualify as parts of railway rolling stock.

R Reasoning

The authority relied on the principle of the **suitability for use test** as affirmed by the Supreme Court in Westinghouse Saxby Farmer Ltd. It observed that since the Bellow Ducts are manufactured to specific designs for the Indian Railways and cannot be used in any other industry, they are not general-purpose mechanical appliances under Chapter 8424. The authority applied Chapter Note 3 of Chapter 86, which dictates that parts suitable for use solely or principally with railway articles must be classified under Chapter 86.

P Provisions Relied On

Section 100 of the Central Goods and Service Tax Act, 2017

Chapter Heading 8607 of the Customs Tariff Act, 1975

Chapter Note 3 of Chapter 86

! For the Practitioner

This ruling is highly beneficial for manufacturers of **custom-built railway components** who face classification disputes between general industrial headings and specific railway headings. It reinforces the **sole or principal use test** for classifying parts under Chapter 86, even if the product might technically fit a description in another chapter. Practitioners should note that this decision emphasizes the importance of design specifications and exclusive supply arrangements in determining HSN classification.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> up_aaar 15 2021-22 20.06.2021 ccspl.pdf

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