

M/S PRAG POLYMERS

Appellate Authority for Advance Ruling — Uttar Pradesh

Appeal Order No. 16/AAAR/28/06/2021 dated 28.06.2021

Q Questions Before the Authority

- What will be the classification of coach work like switch board cabinet for railway coaches and locomotives.

F Facts

The appellant is a partnership firm engaged in the manufacture and supply of locomotive and coach parts, specifically Switch Board Cabinets for LHB Type AC EOG Coaches. These products are manufactured strictly according to designs and specifications provided by the Research Designs and Standards Organisation (RDSO) of the Indian Railways. The appellant sought an advance ruling on the correct HSN classification for these cabinets, which the initial authority had classified under HSN 8537.

H Ruling

Classification of Switch Board Cabinet

Chapter Heading 8607

Applicable to products manufactured as per specific design and layout provided by the Railways and supplied exclusively to them.

The Appellate Authority for Advance Ruling set aside the initial ruling and held that the Switch Board Cabinet, being specifically designed for and supplied exclusively to the Indian Railways, is correctly classifiable under Chapter Heading 8607. The authority emphasized that the product is an integral part of the coach and not a general-purpose electrical item.

R Reasoning

The authority relied on the principle that parts designed solely or principally for use with articles in Chapter 86 must be classified under that chapter. It cited Chapter Note 3 of Chapter 86, which mandates that parts not suitable for use elsewhere should be classified under the heading corresponding to their principal use. The ruling also drew upon judicial precedents, including the Supreme Court judgment in Westinghouse Saxby Farmer Ltd, to establish that the 'suitability for use test' confirms the classification under 8607 rather than 8537.

P Provisions Relied On

Chapter 86 of the Customs Tariff Act, 1975

Chapter Note 2 of Chapter 86

Chapter Note 3 of Chapter 86

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



For the Practitioner

This ruling is highly beneficial for manufacturers of **specialized railway components** who are currently facing classification disputes where authorities attempt to categorize their products as general electrical or mechanical goods. It reinforces the **precedence of Chapter 86** for parts manufactured exclusively per railway specifications. Practitioners should note that this decision relies heavily on the 'sole or principal use' test for railway-specific equipment.

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_16_2021-22_28.06.2021_pp_0.pdf

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