# M/s Autometers Alliance Pvt. Ltd., C-60, 61, 62, 63, Sector 57, Noida, Uttar Pradesh (GSTN 09AAACA7870P1Z1)

Authority for Advance Ruling — Uttar Pradesh

**Order No. 24(ii) dated 11.02.2019 (order number handwritten on the scan…** Dated **11.02.2019**

## Q Questions Before the Authority

- What is the classification of the Vigilance Control Device (VCD), Diagnostic Terminal (DT) and Master Controller System (MCS) supplied by the applicant? The applicant's position was that they fall under heading 8607 of the Customs Tariff Act, 1975 as parts of railway or tramway locomotives or rolling stock.

## F Facts

The applicant manufactures and supplies products designed to Indian Railways specifications for railway applications. The three products in question are the VCD, which is installed in the rails to monitor driver alertness and applies emergency braking if unacknowledged; the DT, a display and switch panel in the engine carriage that communicates with the Vehicle Control Unit; and the MCS, a manually operated drive, brake and traction controller at the driver's desk. The applicant sought a ruling that these products fall under heading 8607, which attracts 5% GST.

## H Ruling

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| **Classification of the VCD, DT and MCS supplied by the applicant** | **Code 8530 10 10 of the Customs Tariff Act, 1975** | Applicant had claimed heading 8607 (5% GST). Paragraph 11 of the order states the GST rate for sub-heading 8530 is 18%. Railway end use is not a ground for classification, so the products do not take the Chapter 86 rate merely because they are supplied to railways. |

The Authority unanimously ruled that the VCD, DT and MCS all fall under **Code 8530 10 10 of the Customs Tariff Act, 1975** , not under heading 8607. The railway end use of the products does not determine their classification. The order also notes that under CBIC circular 30/4/2018-GST only goods classified under Chapter 86 attract the 5% rate when supplied to railways, while goods under other chapters attract the general rate.

## R Reasoning

The Authority examined the technical description of each product and the applicant's submissions. It held that heading 8607 covers railway items such as axles, wheels, frames, bogies, buffers, coupling gear and coachwork, but contains no signalling equipment. Note 1 to Chapter 86 expressly excludes electrical signalling, safety or traffic control equipment of heading 8530, which led to the products being classified under 8530 under General Rule 1 of the Interpretation of the Harmonized System. The Authority also noted that the applicant had not classified these products under Chapter 86 in its earlier Central Excise returns (ER-1). It relied on the CBIC circular on railway supplies to confirm that end use does not decide the rate.


Prepared as a reading aid. Where this summary and the original order differ, the order governs.

## P Provisions Relied On

- Customs Tariff Act, 1975: Chapter 86 (Section XVII), Note 1 and Note 2
- Customs Tariff Act, 1975: heading 8607 and heading 8530 (sub-heading 8530 10 10)
- General Rule 1 for the Interpretation of the Harmonized System
- Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017, Sr. No. 241 of Schedule I (2.5%), and explanations (iii) and (iv)
- Notification No. 5/2017-Central Tax (Rate) dated 28.06.2017 (referred to in the order)
- Uttar Pradesh notification KA.N1.-2-836/XI-9(47)/17-U.P. Act-1-2017-Order-(06)-2017 dated 30.06.2017
- CBIC circular No. 30/4/2018-GST dated 25.01.2018 on supplies to Indian Railways

## ! For the Practitioner

This ruling is useful for suppliers of railway signalling, safety and driver-control equipment who may be tempted to claim the 5% rate under heading 8607 because the goods are used only on railways. It settles that such equipment falls under 8530 10 10 and that railway end use does not alter that classification. It does not address other railway components or products that may fall within Chapter 86, and it is not a general statement on the GST rate for all railway supplies. Practitioners should also check the products' technical specifications against the order's description before relying on it.

### 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_aar_24_11.02.2019_aapl.pdf

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