

M/s. Dyna Automation Private Limited

Authority for Advance Ruling — Gujarat

GUJ/GAAR/R/2017-18/5

Dated **17.01.2018**

Q Questions Before the Authority

- What is the classification and rate of Goods and Services Tax for Hydraulic Gear Pump and Piston Pump which are parts suitable for use principally with Earth Boring, Earth Moving & Material Handling Equipment or parts suitable for use principally with the machinery of headings 8425 to 8430?
- What is the classification and rate of Goods and Services Tax for Hydraulic Gear Pump and Piston Pump which are used as parts for agricultural machinery?
- What is the classification and rate of Goods and Services Tax for Hydraulic Gear Pump and Piston Pump which are used as parts of machine tools?
- What is the classification and rate of Goods and Services Tax for Steering unit which is a kind of hydraulic valve and used as intermediate parts of hydraulic systems in agricultural harvesting machine?
- What is the classification and rate of Goods and Services Tax for Servo Drive (Electric Inverter or Resolver Inverter)?
- What is the classification and rate of Goods and Services Tax for Hydraulic Gear Flow Divider?

F Facts

The applicant imported a product described as a Steering Unit (Hydraulic Orbital Valve) for use in agricultural harvesting machinery. They initially paid 28% IGST but sought a ruling on the correct classification, suggesting it should fall under Tariff Heading 8481. The applicant also requested a ruling on several other items but later restricted their application to the Steering Unit only.

H Ruling

Steering Unit (Hydraulic Orbital Valve)

Tariff Heading 8481

Excluded from Section XVII and thus not classifiable as a vehicle part under 8708

The Authority ruled that the Steering Unit (Hydraulic Orbital Valve) is correctly classifiable under Tariff Heading 8481. Consequently, the GST rate applicable to Tariff Heading 8481 applies to the product. The Authority did not provide rulings on the other five questions as the applicant withdrew them.

R Reasoning

The Authority determined that the product is a valve and falls under Heading 8481. It relied on Note 2(a) of Section XVI of the Customs Tariff Act, 1975, which prioritizes classification in the respective heading for goods included in Chapter 84. Furthermore, it noted that Note 2(e) of Section XVII excludes articles of heading 8481 from being considered parts of vehicles, thereby rejecting classification under 8708. The ruling also referenced HSN Explanatory Notes as a dependable guide for tariff interpretation.

P Provisions Relied On

Section 97(2) of CGST/GGST Act, 2017

Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017

Customs Tariff Act, 1975 (Section XVI Note 2, Section XVII Note 2(e))

Tariff Heading 8481

Tariff Heading 8431

Tariff Heading 8708

! For the Practitioner

This ruling confirms that **Hydraulic Orbital Valves** are classifiable under **Tariff Heading 8481** rather than as vehicle parts under 8708 or machinery parts under 8431. It is useful for practitioners dealing with the classification of hydraulic components that function as valves. It does not decide the classification of the other items listed in the original application as those were withdrawn.

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 -> guj-2017-18-5 dt 17-01-18 dyna automation.pdf

Prepared 13-10-2026.

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