M/s El-Chico Clutch Pvt. Ltd., Plot No. 252, Sector-24, Faridabad, Haryana (GSTIN 06AABCE4079P1Z7 as printed)

Authority for Advance Ruling — Haryana

Advance Ruling No. HAR/HAAR/R/2019-20/12 (In Application No. 12/2019… Dated **18.10.2019**

Q Questions Before the Authority

- Whether the parts Starter Ring Gear Flywheel Assembly, Starter Ring Gear and Universal Joint Cross (U.J. Cross), supplied for use in motor vehicles, are classifiable under HSN 8708 or HSN 8483.
- What is the applicable rate of GST, 28% or 18%, on the parts Starter Ring Gear Flywheel Assembly, Starter Ring Gear and Universal Joint Cross (U.J. Cross) used in motor vehicles.

F Facts

The applicant manufactures and supplies automotive parts, including Starter Ring Gear Flywheel Assembly, Starter Ring Gear and Universal Joint Cross (U.J. Cross), said to be used in tractors and four-wheelers. The applicant contended that the items fall under HSN 8708 at 28%, while the dispute arose because flywheels, gears and universal joints also appear in heading 8483, which attracted 18% after Notification No. 24/2018-Central Tax (Rate). The applicant sought a ruling on which heading and rate apply.

H Ruling

Q1: Classification of Starter Ring Gear and U.J. Cross (for use in motor vehicles)	**HSN 8708 (tariff item 8708 99 00, other)**	Parts of motor vehicles under heading 8708. The Authority relied on the WCO Explanatory Notes to 87.08, which include universal joints and gears within 8708.
Q1: Classification of Starter Ring Gear Flywheel Assembly	**HSN 8483**	The WCO Explanatory Notes exclude crank shafts, cam shafts and flywheels of heading 84.83 from 87.08, so this assembly is taken out of 8708.
Q2: Rate for Starter Ring Gear and U.J. Cross	**28% (CGST 14% and HGST 14%)**	Applied as Schedule IV rate under Notification No. 1/2017-Central Tax (Rate), as amended.
Q2: Rate for Starter Ring Gear Flywheel Assembly	**18% (CGST 9% and HGST 9%)**	Applied as heading 8483 rate under Notification No. 1/2017-Central Tax (Rate), as amended by Notification No. 24/2018-Central Tax (Rate).

Starter Ring Gear and U.J. Cross fall under heading 8708 (tariff item 8708 99 00) and attract 28% GST. The **Starter Ring Gear Flywheel Assembly falls under heading 8483 and attracts 18% GST.** The ruling splits the three products between the two headings rather than classifying all of them together.

R Reasoning

The Authority compared headings 8708 and 8483 and found that both cover transmission-related goods, so the

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goods met both descriptions on a bare reading. It applied Explanation IV to Notification No. 1/2017-Central Tax (Rate), which directs that the Customs Tariff Act First Schedule rules and Section and Chapter Notes govern classification disputes. It then applied the Section XVII explanatory note conditions for vehicle parts, including the requirement that the parts not be more specifically included elsewhere. Relying on the WCO Explanatory Notes to heading 87.08, it held that the heading includes gears and universal joints but excludes flywheels, crank shafts and cam shafts of heading 84.83, which led to the split outcome.

P Provisions Relied On

- Section 97(2)(a) of the CGST/HGST Act, 2017 (classification of goods)
- Notification No. 1/2017-Central Tax (Rate), dated 28.06.2017, Schedules III and IV, and its Explanation IV
- Notification No. 24/2018-Central Tax (Rate), dated 31.12.2018 (reduced the rate for heading 8483 items from 28% to 18%)
- First Schedule to the Customs Tariff Act, 1975 (General Rules of Interpretation, Section and Chapter Notes)
- HSN Explanatory Notes to Section XVII (conditions for parts and accessories of vehicles, including Note 2 to Section XVII)
- WCO Explanatory Notes, Volume 5, Explanation to heading 87.08, item (F)

! For the Practitioner

This ruling is useful for manufacturers of driveline and starter parts who face the 8708 versus 8483 rate split. It gives a reasoned answer that gears and universal joints go to 8708 at 28%, while flywheel-based assemblies go to 8483 at 18%. It does not decide classification of other components, and the scan does not show whether the ruling extends beyond the applicant. Practitioners should check the full order for the detailed product descriptions relied on.

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 -> har_aar_12_2019-20_18.10.2019_eccpl.pdf

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