

M/s Kanam Industries, NNIE-II, Mahuakhera Gunj, Kashipur

Authority for Advance Ruling — Uttarakhand

Ruling No. 01/2017-18 dated 14th March, 2018

Dated **14.03.2018**

Q Questions Before the Authority

- What is the interpretation of the term three wheeled powered cycle rickshaw as provided under Sl. No. 190 of the Schedule 1 to Tariff Notification.
- Is there any difference between an electric rickshaw operated by chargeable batteries (E-Rickshaw) and three wheeled powered cycle rickshaw provided under Tariff Notification.
- Whether inner tubes of butyl rubber used in e-rickshaw would fall within the meaning of term three wheeled powered cycle rickshaw and classification thereof.

F Facts

The applicant is a manufacturer seeking clarification on the classification of inner tubes of butyl rubber used in E-Rickshaws. They requested an advance ruling to determine if these tubes qualify as those used in three-wheeled powered cycle rickshaws, which would attract a lower GST rate. The jurisdictional officer reported that E-Rickshaws and powered cycle rickshaws are distinct products.

H Ruling

Classification of inner tubes for E-Rickshaw	HSN 4013	Attracts 28% GST
Status of E-Rickshaw vs Powered Cycle Rickshaw	Distinct items	E-Rickshaw is a motor vehicle

The authority held that E-Rickshaws are distinct from powered cycle rickshaws because they are motor vehicles under the Motor Vehicle Act and lack pedals. Consequently, the inner tubes used in E-Rickshaws do not qualify for the concessional rate applicable to cycle rickshaws. These tubes are classified under HSN 4013 and attract a 28% GST rate.

R Reasoning

The authority relied on the definition of powered cycle rickshaw from erstwhile Central Excise notifications, which requires the vehicle to be capable of being pedalled. Since E-Rickshaws are powered solely by electric motors and must be registered as motor vehicles, they do not meet this criteria. The ruling also referenced Supreme Court and Tribunal precedents distinguishing motor-fitted vehicles from cycle rickshaws. Therefore, the goods fall under the general category for inner tubes of rubber rather than the specific entry for cycle rickshaws.

P Provisions Relied On

Section 97(1) of the CGST/SGST Act, 2017

Section 97(2)(a) and (e) of the CGST/SGST Act, 2017

Notification No. 1/2017-Central Tax (Rate) dated 28th June, 2017

SSI exemption notification no. 8/2003-Central Excise

Notification no. 102/76 dated 16-3-1976

! For the Practitioner

This ruling clarifies that **E-Rickshaws are not powered cycle rickshaws** for GST classification purposes. Practitioners should advise clients that parts for E-Rickshaws do not qualify for the concessional 5% GST rate reserved for cycle rickshaw components. It settles the tax treatment for inner tubes, confirming they are subject to the **standard 28% GST rate**.

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 -> 01-2017-18 dtd 14-03-18 uttrakhand.pdf

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Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com