Lear India Engineering LLP

Authority for Advance Ruling — Maharashtra

NO.GST-ARA-25/2019-20/B-19, Mumbai Dated **25.02.2020**

Q Questions Before the Authority

- Whether the design and development services provided by Lear India to Lear entities situated abroad would amount to export of service.
- Whether the design and development services provided by Lear India to Lear entities situated abroad would fall under the category of OIDAR services.

F Facts

The applicant provides research and development and engineering services for automotive seating systems and electronic control units to overseas Lear group companies under a technical assistance agreement. It charges on the basis of hours spent plus agreed reimbursements, and the resulting intangibles are owned by the service recipient. Its seating division creates 3-D designs tested in a virtual environment, while its E-systems division develops function-specific ECU software uploaded to a common Lear server.

H Ruling

Whether design and development services to overseas Lear entities amount to export of service	**Withdrawn by the applicant; withdrawal allowed**	Allowed without going into the merits or facts, as the applicant's letter of 23.01.2020 sought voluntary withdrawal
Whether design and development services to overseas Lear entities fall under OIDAR services	**Not admitted**	**Proviso to Section 98(2)** bars admission where the question is already pending in proceedings; the show cause notice dated 27.08.2018 proposed classification as online database access services

The applicant voluntarily withdrew the first question, and the authority allowed the withdrawal without examining its merits. The second question, on OIDAR classification, was not admitted under **Section 98(2)** because the same question was already pending before the department through a show cause notice dated 27.08.2018.

R Reasoning

The authority accepted that the second question is prima facie a classification question covered by Section 97(2)(a) of the CGST Act. It then noted that the department had already issued a show cause notice dated 27.08.2018 proposing to classify the same services as online database access services, which alleges the bundled service has the essential character of OIDAR. Under the proviso to Section 98(2), the authority cannot admit an application where the question raised is already pending in proceedings under the Act. It therefore held that it could not admit the question, and it treated the first question as validly withdrawn.

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

P Provisions Relied On

Section 97(2)(a) of the CGST Act, 2017 (classification question, as referred to in the order)

Section 98(1) of the CGST Act, 2017 (forwarding of application to the concerned officer)

Section 98(2) of the CGST Act, 2017 and its proviso (admission bar where the question is already pending)

Corresponding provisions of the MGST Act, 2017, which the order treats as identical in substance

! For the Practitioner

The order is useful for a practitioner facing a pending show cause notice on the same classification question, since the Authority will decline to admit a parallel advance ruling application under the Section 98(2) proviso. It does not decide whether the services are OIDAR services or export of services, and it contains no merits findings on either point. The jurisdictional officer's submissions under Section 13 of the IGST Act on place of supply are recorded but not ruled upon.

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 -> mah_aar_25_2019-20_b-19_25.02.2020_lie_llp.pdf

Prepared 19-11-2026.

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