

M/s.Saddles International Automotive & Aviation Interiors Private Limited

Authority for Advance Ruling — Andhra Pradesh

AAR No.13/AP/GST/2023 dated 15.12.2023

Q Questions Before the Authority

- Whether original car seat covers which are manufactured and designed to permanently fit over the raw foam seat of the vehicles by the OEMs as well as the seat manufacturers who further sell to OEMs and are sold with the vehicle as an essential and integral part of seat is classifiable under HSN 9401 as Seats (other than those of heading 9402) whether or not convertible into beds, and parts thereof (other than seats of a kind used for aircraft) and is liable to GST @ 18% vide Sl. No. 435A under Schedule III of Notification No. 1/2017 Central tax (rate) dt. 28.06.2017 as amended by Notification no. 41/2017 Central Tax (rate) dt. 14.11.2017.

F Facts

The applicant manufactures original car seat covers designed to be permanently affixed over raw foam seats by OEMs. These covers are considered an integral part of the seat assembly, without which the vehicle is incomplete and cannot be sold. The applicant sought a ruling on the classification of these specific seat covers.

H Ruling

Classification and GST rate for original car seat covers

Classifiable under HSN 8708, liable to GST @ 28% (14% CGST + 14% SGST)

The ruling rejects the applicant's contention for HSN 9401 and 18% GST

The Authority ruled that the seat covers are not classifiable under HSN 9401. Instead, they are classified under HSN 8708 as parts and accessories of motor vehicles. Consequently, they are liable to GST at the rate of 28% (14% CGST + 14% SGST).

R Reasoning

The Authority observed that the issue was previously covered by an earlier ruling for the same applicant, which held that such seat covers fall under HSN 8708. It noted that the applicant's attempt to distinguish the current case as involving a 'seat shell' did not change the fundamental nature of the product as an accessory. The Authority relied on Section 103(2) of the CGST Act, stating that the previous ruling remains binding unless there is a substantial change in facts. It concluded that the goods are parts and accessories of motor vehicles under HSN 8708.

P Provisions Relied On

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

Section 98 of CGST/APGST Act, 2017

Section 103(2) of CGST Act

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

! For the Practitioner

This ruling serves as a **negative precedent** for manufacturers seeking to classify permanent car seat covers under HSN 9401 to avail a lower 18% GST rate. It reinforces the **binding nature of previous advance rulings** on the same applicant regarding the same product. Practitioners should note that the Authority maintains the classification of these items under HSN 8708, attracting the higher 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 -> 13 saddles international automotive aviation interiors pvt ltd.pdf

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