

## ***28% GST applicable on 'Track Assembly', an accessory to Motor Vehicle: The Tamil Nadu Authority of Advance Ruling (AAR)***

### **Fact of the Case**

The applicant, Daebu Automotive Seat India Private Limited is a manufacturer of Seat Components and Accessories, which is added to the manufacturing of Full Seat of four-wheelers. The parent company which is situated in Korea is called DAS Corporation and they are engaged in the manufacture of automobile seats.

The applicant has submitted for clarity that they have requested for determination of the classification of only the finished goods viz., Track assembly meant for front Left/right. seat. The various sub-assemblies (which are also named in their typed set to their application) that go into making their product viz., Track assembly are essentially parts of the track assembly.

The applicant has sought the Advance Ruling in respect of the correct classification of goods manufactured by the applicant viz. "Automotive Seating System" and Will the goods manufactured fall under CH 87089900 attracting GST 28% or under CH 940199990 attracting GST 18%.

### **Decision of the Case**

The Coram observed that the product 'Track Assembly' manufactured and supplied by M/s. Daebu Automotive India Private Limited is classifiable under CTH 8708 of the First Schedule to the Customs Tariff Act, 1975 as applicable to GST as per Explanation (iii) to Notification 1/2017-Central Tax (Rate) dt 28.06.2017 and G.O. Ms No. 59, Commercial Taxes and Registration (B1) dt 29th June 2017.

The AAR ruled that The applicable rate of tax is 14% CGST as per entry Sl.No.170 of Schedule -IV of the Notification 1/2017-Central Tax (Rate) dt 28.06.2017 as amended and 14% SGST as per entry sl. No. 170 of Schedule-IV of Notification No. II(2)/CTR/532(d-4)/2017 vide G.O. (Ms) No. 62 dated 29.06.2017 as amended..

***The Tamil Nadu Authority of Advance Ruling (AAR) ruled that 28% GST applicable on 'Track assembly', which is an accessory to Motor vehicles.***