

## **28% GST on Metal Nuts as it is a part of Motor Vehicle: AAAR**

### **Fact of the Case**

- The applicant, A Raymond Fasteners India Pvt. Ltd. has its production plant in Pune (Chakan) and is engaged in the manufacture of, amongst others, industrial clip fasteners and prototyping assembly systems, which are primarily used in automobiles. The procurement structure followed by the Applicant chiefly involves importation of various products (inputs and packaging materials) from various sources/nations, which are then used in the manufacture and subsequent sale of final products.

*The applicant sought an advance ruling in respect of the classification of Metal Nuts with metrical threading, Metal Nuts without metrical threading, and Metal Spring Nuts. The AAR did not answer the question on the classification of imported goods since the same is out of the purview of Section 95 of CGST Act.*

### **Decision of the Case**

- The AAR said that in this case, the jurisdictional office has raised the issue of classification of imported goods not being covered for the purposes of the ruling by this authority, the applicant has further, in their additional submissions contended that the same products are also supplied locally, out of manufacturing, by them. However, they have not supported their new contentions with any material evidence on record.
- However, the AAAR while allowing the department's appeal held that the impugned goods, i.e. Metal Nuts with metrical threading, Metal Nuts without metrical threading, and Metal Spring Nuts will be considered as parts of motor vehicles falling under Chapter Heading from 87.01 to 87.05, and accordingly will merit classification under the Tariff Item 8708 99 00, as purposed by the Appellant.

*The Maharashtra Appellate Authority of Advance Ruling ( AAAR ) while quashing the AAR's ruling held that 28% GST on metal nuts as it is a part of motor vehicles.*