


<p align="center"><b>GUJARAT AUTHORITY FOR ADVANCE RULING,</b>  <b>GOODS AND SERVICES TAX,</b>  A/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD  – 380 009.</p>	
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ADVANCE RULING NO. GUJ/GAAR/R/39/2020  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2018/AR/52)

**Date: 03.07.2020**

Name and address of the applicant	:	<b>Shri Bhaveen Ramesh Shah, Proprietor of M/s The Roll Company, Shed No. A-1/310, Road No.-03, GIDC, Sarigam, Valsad, Gujarat-396155.</b>
GSTIN of the applicant	:	24AAEPS5243H1ZQ
Date of application	:	16.03.2018
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(b) applicability of a notification issued under the provisions of the Act.  (e) determination of liability to pay tax on any goods or services or both.
Date of Personal Hearing	:	18.06.2020 (through Video Conferencing)
Present for the applicant	:	Shri Bhaveen Shah

### **BRIEF FACTS**

The applicant stated that their unit namely **M/s The Roll Company, Shed No. A-1/310, Road No.-03, GIDC, Sarigam, Valsad, Gujarat-396155**, having GSTIN 24AAEPS5243H1ZQ, is engaged in the manufacture of Slide Fasteners and its Parts falling under HSN 9607. After 27.07.2018, there is no uniformity in the classification and the rates of duty in respect of the products, **Slide Fasteners** and **its Parts** in the units manufacturing identical products and as such Advance Ruling is sought.

2. The products, Slide Fasteners and its parts manufactured by them, after introduction of GST regime from 01.07.2017 to 26.07.2018 were classified as under:

CGST Rate of goods in terms of Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, as amended from time to time till 26.07.2018, was as under:

<b>Sr. No.446</b>	<b>9607</b>	<b>Slide Fasteners and parts thereof</b>	<b>9%</b>
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2.1 However, w.e.f. 27.07.2018 in terms of amending Notification No.18/2018-Central Tax (Rate) dated 26.07.2018, the rate of tax of their products was changes as under:

**(B) in Schedule II- 6%,-**

(vii) after S. No. 231A and the entries relating thereto, the following serial number and the entries shall be inserted, namely:-

<b>231 B</b>	<b>9607</b>	<b>Slide Fasteners</b>
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**(C) in Schedule III- 9%,-**

(xvi) in S. No. 446, for entries in column (2) and (3), the following entries shall be substituted, namely:-

<b>9607 20 00</b>	<b>Parts of slide fasteners</b>
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2.2 Thus, prior to 27.07.2018, Slide Fasteners and its Parts were levied single rate of 18%. However, from 27.07.2018, Slide Fasteners are levied to total tax (CGST +SGST) @ 12% and Parts of Slide Fasteners are levied to total tax (CGST +SGST) @ 18%.

3. In view of above backdrops, the applicant sought Advance Ruling on:

**Classification as per HSN and rate of tax in terms of the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 as amended by the Notification No.18/2018-Central Tax (Rate) dated 26.07.2018 in respect of their products, (i) The Zip Roll (i.e. Slide Fasteners), (ii) Finished Zippers and (iii) Sliders.**

The products (scan copies) are shown in Annexure A attached and samples are enclosed.

4. Statement containing the applicant's interpretation of law and/or facts, as the case may be, in respect of aforesaid question(s):

4.1 The applicant submitted that HSN (*Harmonised System of Nomenclature*) Code shall be used for classifying the goods under the GST regime. In view of the above clarification, Slide Fasteners and its parts shall be classified as per the definition of HSN.

4.2 The Description and Classification of Slide Fasteners and its Parts thereof in HSN are as under:

**As per HSN:**

**9607 SLIDE FASTENERS AND ITS PARTS THEREOF**

**- SLIDE FASTENERS**

*9607.11- Fitted with chain scoops of base metal*

*9607.19- Others*

*9607.20- Parts*

*This heading covers:*

*(1) Slide Fasteners of any size and for any purpose (for clothing, footwear, travel goods etc.). Most Slide Fasteners consist of two narrow strips of textile material. One edge of each strip being fitted scoops of base metal (of metal, plastics etc.) which can be to interlock by means of slider or runner.*

*(2) Parts of slide fasteners e.g. chain scoop, sliders, or runners, end pieces and narrow strips of any length mounted with chain scoops.*

4.3 The applicant has submitted their point of view in respect of each product manufactured by them in Annexure-A attached and marked as 'X', 'Y' & 'Z', as produced below:

**'X'- Zip Rolls (i.e. Slide Fasteners).** This product is supplied in continuous length as per customer order or of normal length as per industrial specification. In terms of the definition in HSN above, the said products shall be classified as **"Slide Fastener"** under heading 9607 and rate of tax applicable is 12% in terms of S. No. 231B of Notification No.01/2017- Central Tax (Rate) dated 28.06.2017 as amended by Notification No.18/2018- Central Tax (Rate) dated 26.07.2018.

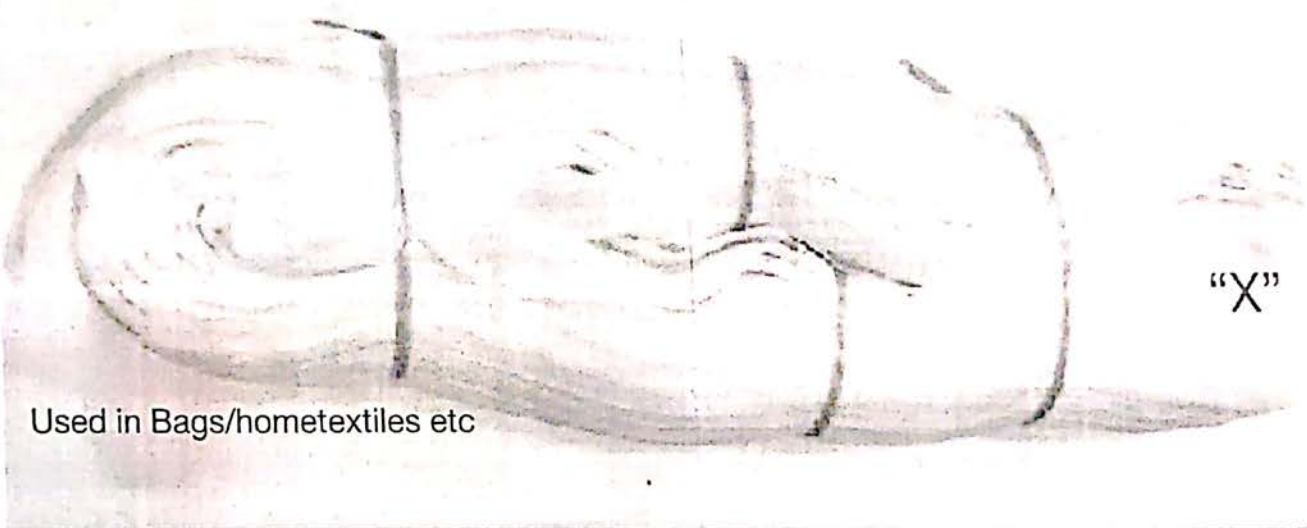
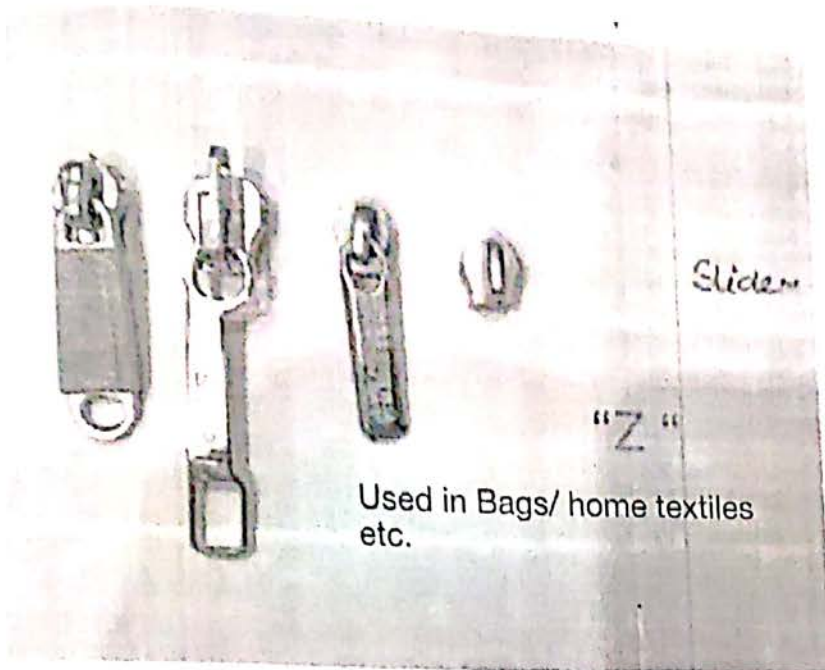
**"Y"- Finished Zipper-** This product is supplied in cut length with

sliders attached. In terms of definition in HSN above, the said products shall be classified as **“Slide Fastener”** under heading 9607 and rate of tax applicable is 12% in terms of S. No. 231B of Notification No.01/2017- Central Tax (Rate) dated 28.06.2017 as amended by Notification No.18/2018- Central Tax (Rate) dated 26.07.2018.

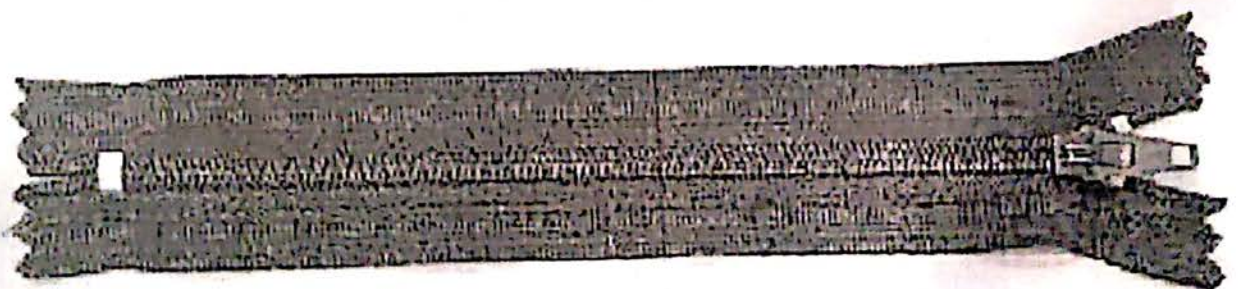
**‘Z’- Sliders:** The said products shall be shall be classified as **PARTS of Slide Fastener** under heading 96072000 and rate of tax applicable is 18% in terms of S. No. 446 of Notification No.01/2017- Central Tax (Rate) dated 28.06.2017 as amended by Notification No.18/2018- Central Tax (Rate) dated 26.07.2018.

**Scan images of said products as shown in annexure-A by the applicant are reproduced herein below:**

ANNEXURE "A"



"Y"



Finished Zipper

Mainly used in garments/  
upholstery/ Tents.

4.4 The above said information has been brought to the notice of the authority, in view of the changes made applicable in the rate of duty by Notification No.18/2018- Central Tax (Rate) dated 26.07.2018 to Slide Fasteners and its Parts under two different rates of 12% and 18% w.e.f. 27.07.2018.

5. At the time of personal hearing held through Video Conferencing on 18.06.2020, the Authorised Representative of the applicant, Shri Bhaveen Shah reiterated the facts as stated in the Application.

#### **DISCUSSION & FINDINGS:**

6. We have considered the submissions made by the applicant in their application for advance ruling as well as at the time of personal hearing. We also considered the question/issue on which advance rulings have been sought for by the applicant, relevant facts having bearing on the questions/ issues raised and the applicant's understanding/interpretation of law in respect of the issue. We also considered the issue involved, on which advance ruling is sought by the applicant, relevant facts & the applicant's interpretation of law. At the outset, we would like to state that the provisions of both the CGST Act and the GGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provisions under the GGST Act.

7. The applicant stated that they are engaged in the manufacture of Slide Fasteners and its Parts falling under HSN 9607. Details of products manufactured by the applicant are as below:

***Classification as per HSN and rate of tax in terms of the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 as amended by the Notification No.18/2018-Central Tax (Rate) dated 26.07.2018 in respect of their products, (i) The Zip Roll (i.e. Slide Fasteners), (ii) Finished Zippers and (iii) Sliders.***

8. In this case, the moot point is to be decided regarding classification and rate of tax in terms of the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017, as amended by the Notification No.18/2018-Central Tax (Rate) dated 26.07.2018, in respect of their following products:

- (i) Zip Roll;
- (ii) Finished Zippers; and
- (iii) Sliders.

9. We note that the classification of goods under GST regime has to be done in accordance with the Customs Tariff Act, 1975, which is in turn based on Harmonised System of Nomenclature popularly known as 'HSN'. The rules of interpretation, section notes and chapter notes as specified under the Customs Tariff Act, 1975 are also applicable for classification of Goods under GST regime. However, once an item is classified in accordance with the Customs Tariff Act, 1975, the rate of tax applicable would be arrived at on the basis of notifications issued under GST by respective governments.

10. In the instant case, products in question are *Zip Roll*, *Sliders* and *Finished Zipper*. The Customs Tariff classifies the products, Slide Fasteners and Parts of Slide Fasteners under two different sub-headings, viz. Slide Fasteners under chapter sub-heading 9607.11/9607.19 and Parts thereof under chapter sub-heading 9607.20. Further under GST, the rate of tax is also separately prescribed for Slide Fasteners and Parts thereof. Hence, it is necessary to decide first whether these products are 'Slide Fasteners' or 'Parts of slide fasteners'.

10.1 For the ease of reference, relevant entries of HSN are reproduced herein below:

***As per HSN:***

***9607 SLIDE FASTENERS AND ITS PARTS THEREOF***

***- SLIDE FASTENERS***

*9607.11- Fitted with chain scoops of base metal*

*9607.19-Others*

*9607.20- Parts*

*This heading covers:*

*(1) Slide Fasteners of any size and for any purpose (for clothing, footwear, travel goods etc.). Most Slide Fasteners consist of two narrow strips of textile material. One edge of each strip being fitted scoops of base metal (of metal, plastics etc.) which can be made to interlock by means of slider or runner. Another type of Slide Fasteners consists of two strips of plastics, each with a specially edge designed to interlock one with other under the action of a Slider.*

***(2) Parts of slide fasteners e.g. chain scoop, sliders, or runners, end pieces and narrow strips of any length mounted with chain scoops.***

10.2 On perusal of the scan images of the products and Explanatory Notes to the HSN, we find that the product, 'Finished Zipper' is supplied in cut length with sliders attached. The product "Finished Zipper" consists of two narrow strips of textile material. One edge of each strip is fitted with scoops of base metal (of metal, plastics etc.), which can be made to interlock by means of slider or runner. Thus, this a complete product, which can be construed as 'Slide Fasteners'.

10.3 We further note that the product 'Zip Roll' is supplied in continues length as per customer order or of normal length as per industrial specification. "Zip Rolls" are narrow strips of any length mounted with chain scoops and same are supplied without sliders/runners attached. Hence, this product falls under '**Parts of slide fasteners**' and cannot be classified as "Slide Fasteners", as claimed by the applicant.

10.4 As regard the product, 'Slider', we agree with the applicant view of point that this product shall be classified as '**Parts of slide fasteners**' under Chapter heading 9607.20.

10.5 In view of the above, we conclude that the product, 'Finished Zipper' is to be classified as "Slide Fasteners" under Chapter heading 9607.11 and other products, viz. 'Zip Roll' and "Slider" are to be classified as '*Parts of slide fasteners*' under chapter heading No. 9607.20.

11. After deciding classification of their products, now, we discuss about the rate of GST leviable on "*Slide Fasteners*" and "*Parts of slide fasteners*" prevailing at different times, which would be arrived at on the basis of notifications issued under GST by respective governments. Rates of CGST provided for said products prevailing at different times, are as below:

**I. During the period from 01.07.2017 to 26.07.2018:**

11.1 Notification No.1/2017-Central Tax (Rate) dated 28<sup>th</sup> June 2017, as amended has notified the CGST rates of intra-state supply of goods. During the period from 01.07.2017 to 26.07.2018, the Notification No.1/2017-Central Tax (Rate) dated 28<sup>th</sup> June 2017, as amended from time to time till 26.07.2018, provided single rate of CGST both for 'Slide Fasteners' and 'Parts of Slide Fasteners', vide Entry/S. No. of 446 of Schedule III of said Notification, as reproduced herein below:



### SCHEDULE III

Sl. No.	Chapter/Heading/Sub-heading/Tariff heading	Description of services	Applicable tax rate of CGST
446	9607	Slide Fasteners and parts thereof	9%

Thus, till 26.07.2018, Slide Fasteners and its Parts were levied GST at single rate of 18%.

#### II. During the period from 27.07.2018 to 30.09.2019:

11.2 Further, vide Notification No.18/2018-Central Tax (Rate) dated 26.07.2018, the following amendments were made in the Notification No.1/2017-Central Tax dated 28.06.2017:

##### (B) in Schedule II- 6%,-

(vii) after S. No. 231A and the entries relating thereto, the following serial number and the entries shall be inserted, namely:-

<b>231 B</b>	<b>9607</b>	<b>Slide Fasteners</b>
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##### (C) in Schedule III- 9%,-

(xvi) in S. No. 446, for entries in column (2) and (3), the following entries shall be substituted, namely:-

<b>9607 20 00</b>	<b>Parts of slide fasteners</b>
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From the above, it appears that w.e.f. 27.07.2018, Slide Fasteners and Parts of slide fasteners were levied GST at two different rates viz. 'Slide Fasteners' are levied GST @ 12% (CGST +SGST) and whereas 'Parts of slide fasteners' are levied GST @ 18% (CGST +SGST).

#### III. From 01.10.2019 to till date:

11.3 Further, vide Notification No.14/2019-Central Tax (Rate) dated 30.09.2019, the following amendments were made in Notification No.1/2017-Central Tax dated 28.06.2017:

##### (B) in Schedule II- 6%,-

“(iv) against S. No. 231 B, in column (3) after the words “Slide Fasteners”, the words “**and parts thereof**” shall be inserted.”

(C) **In Schedule III-9%,-**

*“(iv) Serial number 446 and entries thereto shall be omitted.”*

Thus, w.e.f. 01.10.2019, “Slide Fasteners” and “Parts of slide fasteners” will again attract single rate of GST i.e. 12% (CGST+SGST).

12. In view of the above, we hold that the product, ‘Finished Zipper’ shall be classified as “Slide Fasteners” under Chapter heading 9607.11 and Other products, viz. ‘Zip Roll’ and “Slider” merit classification as ‘Parts of slide fasteners’ under chapter heading No. 9607.20. Accordingly, the product, ‘Finished Zipper’ is liable to GST @ 18% till 26.07.2018, @ 12% from 27.07.2018 to 30.09.2018 and @ 12% from 01.10.2019 onwards. Whereas, the other products, viz. ‘Zip Roll’ and “Slider” are liable to GST @ 18% till 30.09.2018 and @ 12% from 01.10.2019 onwards.

13. In light of the foregoing, we rule as under –

### **R U L I N G**

**Question:** *What is the **Classification as per HSN and rate of tax in terms of the Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 as amended by the Notification No.18/2018-Central Tax (Rate) dated 26.07.2018 in respect of their products, (i) The Zip Roll (i.e. Slide Fasteners), (ii) Finished Zippers and (iii) Sliders.?***

**Answer:** The product, ‘Finished Zipper’ shall be classified as “Slide Fasteners” under Chapter heading 9607.11 and Other products, viz. ‘Zip Roll’ and “Slider” merit classification as ‘Parts of slide fasteners’ under chapter heading No. 9607.20. Accordingly, the product, ‘Finished Zipper’ is liable to GST @ 18% till 26.07.2018, @ 12% from 27.07.2018 to 30.09.2018 and @ 12% from 01.10.2019 onwards. Whereas, the other products, viz. ‘Zip Roll’ and “Slider” are liable to GST @ 18% till 30.09.2018 and @ 12% from 01.10.2019 onwards.

**(SANJAY SAXENA)**

**MEMBER**

**(MOHIT AGRAWAL)**

**MEMBER**

Place: Ahmedabad

Date: 03.07.2020.