



**RAJASTHAN AUTHORITY FOR ADVANCE RULING
GOODS AND SERVICES TAX, KAR BHAWAN,
AMBEDKAR CIRCLE, NEAR RAJASTHAN
HIGH COURT, JAIPUR – 302005 (RAJASTHAN)**



ADVANCE RULING NO. RAJ/AAR/2024-25/22

Mahipal Singh Additional Commissioner	:	Member (Central Tax)
Mahesh Kumar Gowla Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s FOREFRONT BHARAT PRIVATE LIMITED, Shop No 1, Bankora, Dungarpur- 314023, Rajasthan
GSTIN of the applicant	:	08AAFCF7321P1Z7
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(c) Determination of time and value of supply of goods or services or both (e) Determination of the liability to pay tax on any goods or services or both.
Date of Personal Hearing	:	30.08.2024
Present for the applicant	:	Mr. Ajit Gupta C.A.
Date of Ruling	:	02.12.2024

Note 1: Under Section 100 of the CGST/SGST Act, 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling, constituted under Section 99 of CGST/SGST Act, 2017, within a period of 30 days from the date of service of this order.

Note 2: At the outset, we would like to make it clear that the provisions of both the CGST Act and the SGST 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 provision under the SGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / SGST Act would be mentioned as being under the "GST Act".

The issue raised by M/s FOREFRONT BHARAT PRIVATE LIMITED, Shop No 1, Bankora, Dungarpur- 314023, Rajasthan (hereinafter "*the applicant*") is fit to pronounce advance ruling as they have deposited prescribed Fee under CGST Act and it falls under the ambit of the Section 97(2)(a) given as under:

- (c) Determination of time and value of supply of goods or services or both
- (e) Determination of the liability to pay tax on any goods or services or both.

A. SUBMISSION OF THE APPLICANT (in brief):-

Brief facts of the case:

- The Applicant is engaged in the business of manufacture and development of sustainable Energy Storage Application System that provides multiple

experiences such as multitasking tool, energy storage indicator and energy storage facility and such products is not available in present market.

- Their product is currently not available in the HSN codes list, they requested to provide 5% rate considering the following explanation and evidences.
- A rate of 5% will enable them to provide a competitive pricing for the purpose of export thereby increasing foreign exchange reserves without comprising on country's vital natural resources. Further, their business has the potential of massive employment generation.

B. INTERPRETATION AND UNDERSTANDING OF APPLICANT ON QUESTION RAISED (IN BRIEF)

Title of The Invention

A HAND-HELD MULTITOOL TO REPLACE BATTERY IN TWO-WHEELER VEHICLES .

Field and Background of the Invention

This invention relates to a hand-held multitool to replace battery in two-wheeler vehicles.

The patent US8490523B2 describes a locking, folding tool featured with a housing two spaced sidewalls and a transverse support connecting them. This design allows for several work tools to be pivotally mounted on the tool, with the support defining a pivot axis for these tools. Each work tool includes a locking mechanism. The folding tool is equipped with a movable lock member that can shift between two positions.

When the lock member is in the first position, it engages the locking parts, preventing the work tools from pivoting around the support. In contrast, when the lock member is in the second position, it disengages the locking mechanism, allowing the work tools to pivot freely.

In terms of innovation, they have developed a compact device that combines a screwdriver, hex key, and spanner, specifically designed for battery replacement in two-wheelers. This handheld tool is lightweight and portable, addressing a need that previous references have not covered.

Additionally, US9770820B1 outlines a folding multitool with a pliers head assembly and at least two pivotal tool arms that can be stored in a compact position or extended into five different operating positions. These tool arms include at least one wrench head with two gripping surfaces to accommodate various sizes of rotary fasteners. Each tool arm can serve as either a handle or an operational arm, depending on the configuration and the user's grip on the multitool.

SUMMARY OF THE DRAWINGS

The examples illustrated will be understood by examining the drawings, where similar components are consistently labeled with the same numbers. The following description serves as an example, showcasing specific selected embodiments of devices, systems, and methods that align with the claimed subject matter.

Fig 1a: Front View of the Tool

Fig 1b: Isometric View of the Tool

Fig 2a: Adjustable Spanner (17mm)

Fig 2b: Adjustable Spanner (6mm)

Fig 2c: Separate Detachable Adjustable Spanner

Fig 3: Removable Screwdriver

The illustrations present variations of the subject matter solely for demonstration purposes. A person skilled in the field will recognize from the subsequent description that different variations of the depicted structures and methods may be utilized without straying from the fundamental principles of the disclosure.

DETAILED DESCRIPTION OF THE INVENTION

A comprehensive description of various exemplary embodiments of the invention in relation to the accompanying drawings. It is important to note that while the embodiments are described in detail for clarity, this level of detail is not meant to limit the variations that can be considered. The aim is to encompass all modifications, equivalents, and alternatives within the scope defined by the claims.

Additionally, various configurations can be designed to embody the principles of the invention, even if they are not explicitly detailed or illustrated here. Statements regarding the principles, aspects, and embodiments of the invention are intended to include their equivalents.

The terminology used in this document is intended to describe specific embodiments and should not be viewed as limiting. Terms like "a," "an," and "the" are meant to include plural forms unless the context indicates otherwise. Terms such as "comprises," "comprising," "includes," and "including" indicate the presence of stated features but do not exclude additional features.

It is noteworthy that in alternative implementations, specific functions may occur in the order presented in the figures. For instance, two consecutive figures might be performed simultaneously or in reverse order, depending on the involved functions.

The terms "first," "second," "third," etc., are used descriptively and do not imply relative importance or a specific number of technical features. Features labeled as "first" or "second" may include at least one of those features, either explicitly or implicitly. Unless defined otherwise, all terms (including technical and scientific terms) have meanings understood by those skilled in the relevant field. Terms defined in common dictionaries should be interpreted in a way consistent with the context of the technical field, without exaggeration.

Unless explicitly defined, no formal meanings are implied. The advantages of the present subject matter will be elaborated upon in relation to the following drawings. This description is merely illustrative of the principles involved, and those skilled in the art will recognize that various schemes can be devised that embody these principles, even if not explicitly described here.

In today's world, batteries power many devices—from smartphones and laptops to remote controls and toys. While they provide convenience, they can also pose risks if mishandled or left in devices for extended periods. This invention addresses this issue with a portable multi-function tool designed for replacing or removing batteries in inverters, UPS, or other solar devices.

The innovative multi-tools are specifically crafted for safely and efficiently removing batteries. This invention examines the potential impacts of multi-tools on safety, benefits, industrial use, and daily life.

Objective:

The portable multitool for battery replacement in UPS/Inverters is a groundbreaking tool that transforms how we handle battery removal in devices.

By emphasizing safety, ease of use, and device protection, it offers various benefits and has the potential to enhance our daily experiences. By focusing on user convenience and minimizing battery-related risks, these hand-held tools aim to make battery management safer.

This invention represents a step towards improved safety and efficient battery management, ultimately enhancing the experience with portable electronic devices globally.

Claims:

1. A hand-held multitool for replacing high-capacity batteries includes:
 - T9 (10), T10 (20), T12 (30), T13 (40), and T14 (50) spanners;
 - A battery indicator (60);
 - A screwdriver (120);
 - An adjustable spanner (80) and a screw gear (70).
2. The hand-held multitool as claimed in claim 1, where the spanners can be rotated clockwise.
3. The hand-held multitool as claimed in claim 1, where the screwdriver (120) is detachable.
4. The hand-held multitool as claimed in claim 1, where the adjustable spanner (80) can be adjusted using the screw gear (70) from 6 to 17mm.
5. The hand-held multitool as claimed in claim 1, where the adjustable spanner (90) is detachable.

Additionally, the applicant stated that their product is not listed under the HSN codes and requested a 5% rate based on the provided explanation and evidence.

C. QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT:

Question 1-Whether GST under the hand held multi tool covers under chapter 8204 with applicable GST rate of 18% and this product includes energy storage indicator which covers under chapter of 8517 under electrical equipment?

Question 2- Whether GST under the final products shall be a machinery tools which covers under the chapter Industry Machinery Tools and applicable GST rate of 18%?

Question 3- Whether GST under ascertain the nature of the products Classification Multi-tool under of Hand Held respective HSN Code with applicable tax rates on the products comes?

D. PERSONAL HEARING

In the matter, personal hearing was granted to the applicant on 30.08.2024. Mr. Ajit Gupta, C.A. Authorized Representative appeared for personal hearing. He reiterated the submission already made by them. Further the A.R. requested to grant 7 days for submission of additional documents. In spite of lapses of 30 days any additional documents were not submitted/e-mailed by 30.09.2024.

E. COMMENTS OF THE JURISDICTIONAL OFFICER: -

Comments received from the Assistant Commissioner CGST Division-C, Udaipur, Rajasthan vide letter NO. GEXCOM/TECH/MISC/2651/2024-CGST-RANGE-10-DIV-C-UDZ-COMMRTE-UDAIPUR/240 dated 03.07.2024 are as under: -

The applicant vide the above said application has sought clarification regarding applicable rate of GST for their products for which it has been stated that the products are invented by M/s Forefront Bharat Private Limited (GSTIN-08AAFCF7321P1Z7) and are not available in the present market.

Details of the 1st Product mentioned in the application-Handheld multi tool for replacing high capacity batteries: The applicant submitted that this invention relates to Handheld multi tool for replacing high capacity batteries such as inverter batteries, solar batteries etc. The invention consists of a device for replacing batteries in two-wheeler vehicles. This specification explores the features and benefits of multi tool which encompasses essential tool hex key, flat screwdriver, tip screwdriver and two spanners (8mm and 10 mm).

Details of the 2nd product mentioned in the application-Handheld multi tool for replacing automotive batteries: The applicant submitted that a handheld multi tool for replacing automotive batteries is a device that combines various functionalities into a single tool, providing convenience and efficiency for automotive battery maintenance. The multi tool comprises T8, T10, T12 and T13 spanners for different nut sizes, a battery remover, a battery indicator, a detachable screwdriver, an adjustable spanner, and a screw gear for adjusting spanner.

Classification details:

Chapter 8204 of the Harmonized System of Nomenclature (HSN) applies to hand- operated spanners and wrenches under the Goods and Services Tax (GST) regime in India.

Products covered under Chapter 8204:

- Hand-operated spanners and wrenches (including torque meter wrenches)
- This typically excludes: -Socket wrenches (these might fall under a different HSN code) -Tap wrenches (which might be categorized as machine tools)

GST Rate under Chapter 8204:

- In India, most hand tools falls under Chapter 82, including spanners and likely multi- tools (assuming their primary function is hand tools), attract a GST rate of 18%.

Key Points:

- The classification of a multi-tool depends on its primary function. If the primary purpose is hand tools, it would likely fall under Chapter 8204 with an 18% GST rate.

Further, Chapter 85 of the Harmonized System of Nomenclature (HSN) covers a broad category of products under the Goods and Services Tax (GST) regime in India. This chapter specifically deals with:

- **Electrical machinery and equipment:** This includes a wide range of products like motors, generators, transformers, switchgear, and electrical control equipment.
- **Sound recorders and reproducers:** This covers equipment for recording and playing back sound, including phonographs, tape recorders and CD players.
- **Television image and sound recorders and reproducers:** This includes televisions, camcorders, and other video recording and playback devices.
- **Parts and accessories of such articles:** This includes spare parts and accessories for the equipment mentioned above.

GST Rates under Chapter 85:

The GST rates for products under Chapter 85 can vary depending on the specific HSN code assigned to the product. These codes further categorize products within Chapter 85. Here's a general breakdown:

12%: This rate applies to some specific items like mobile phones (both new and old).

18%: This rate applies to certain electrical machinery and equipment like transmission and distribution products.

28%: This is the highest rate under this chapter and applies to many electrical appliances and electronic items.

Observations: Further, ongoing through the details of the inventions with regard to the applicability of the GST point wise observation are as under:

Hand-held multi-tool: This typically falls under Chapter 82 of the Harmonized System of Nomenclature (HSN), which covers tools and implements, cutlery, spoons and forks, of base metal. Within Chapter 82,

spanners fall under 8204, so a multi-tool with primarily hand tools would likely be categorized there.

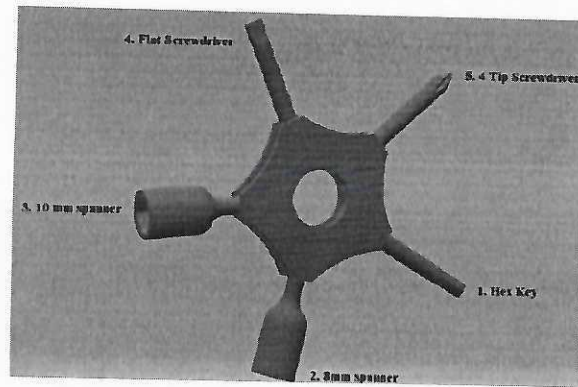
Energy storage indicator: Ideally, the indicator is a minor component that simply displays remaining power. In such a case, it wouldn't change the overall classification.

GST rate of 18% : This applies to most hand tools in Chapter 82, including multi-tools (assuming the primary function is hand tools).

Conclusive Comments: On perusal of the notes of the aforementioned Chapter headings and also from the submission of the applicant it appears that both the products are similar in nature and are handheld tools. The only minor difference in both the products are that the second product includes a battery indicator and remaining features are quite similar to the first product. If a multi-tool has a complex electronic component crucial to its functionality (beyond a simple energy storage indicator), it might be classified differently, potentially impacting the GST rate. The primary functioning of both the products is a hand tool, which attracts 18% of GST. The second product may not be classified on the merely difference of a battery indicator.

F. FINDINGS, ANALYSIS & CONCLUSION:

- 1) We have carefully examined the statement of facts, supporting documents filed by the applicant along with the application, oral and written submissions made at the time of hearing and the comments of the Central Tax Authority. We have also considered the issues involved, on which advance ruling is sought by the applicant, and relevant facts.
- 2) The applicant, M/s Forefront Bharat Private Limited, Shop No 1, Bankora, Dungarpur- 314023, Rajasthan, is registered with the GST department having GSTIN 08AAFCF7321P1Z7. The Applicant is engaged in manufacturing and development of sustainable Energy Storage Application System that provides multiple experiences such as Multitasking tools, energy storage indicator and energy storage facility.
- 3) In the present application, the first and second questions raised before us require classification and applicable GST rates in respect of their manufactured three products.
 - i. A hand-held multitool to replace battery in two-wheeler vehicles. It is a multi-tool consisting of essential tool hex key, flat screwdriver, 4 tip screwdriver and two spanners (8mm and 10 mm).



- ii. A hand-held multitool for replacing automotive batteries. It consists of (a) a battery cap screw remover, (b) 4 spanners (T8, T10, T12, T13), (c) a battery Indicator, (d) a rotary gear, (e) a screwdriver, (f) an adjustable spanner and (g) a screw gear.

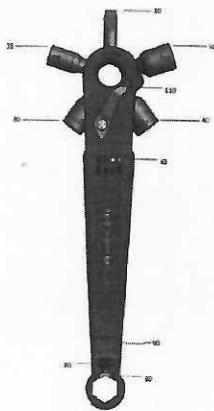


Fig 1a - Front View of the Tool

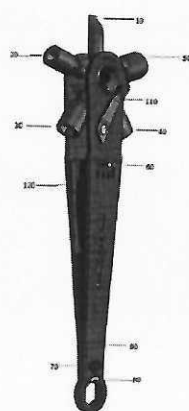


Fig 1b - Isometric view of the tool

- iii. A hand-held multitool for replacing high-capacity batteries. It consists of (a) 5 spanners (T9, T10, T12, T13& T14), (b) a battery Indicator, (c) a screwdriver, (d) an adjustable spanner and (e) a screw gear.

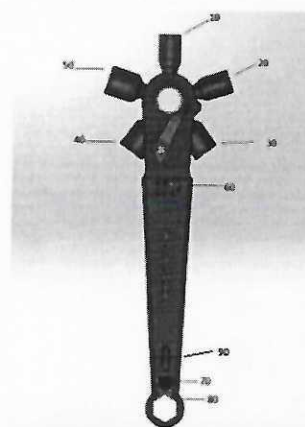


Fig 1a - Front View of the Tool

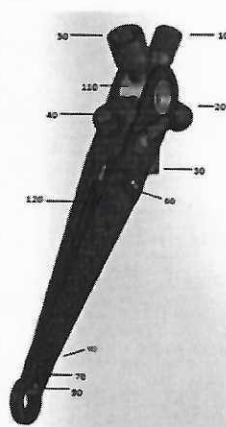


Fig 1b - Isometric view of the tool

- 4) We find that the above tools are multi-tools in which major component is spanner of different sizes integrated with some other tools viz. screwdriver, hex key etc. Further, 2 tools also have battery indicator (battery voltage level indicator) which provides real-time information

about the condition and performance of batteries. As evident from the images of the tools submitted by the applicant, there are four light indicators on the tools indicating battery percentages viz. 25%, 50%, 75% & 100%.

- 5) We find that hand-operated spanners are classified under chapter heading 8204. Further, screw drivers are classified under chapter heading 8205 and battery indicator (battery voltage level indicator), being an electrical equipment is classified under chapter heading 85.
- 6) We find that the above tools are hand-operated multi-tools intended to be used for replacing two-wheeler, automotive and high capacity batteries having spanners as the major component integrated with battery indicator, screwdrivers, hex key to provide additional benefits viz. convenience, time and effort savings to their users. The integration of battery indicator in these tools provides an additional feature only and does not alter the key functionality of the tools. Accordingly, we find that the above tools are classifiable under chapter heading 8204 and attract GST @ 18%.
- 7) We find that the applicant has submitted that GST rate of 5% will enable them to provide a competitive pricing for the purpose of export thereby increasing foreign exchange reserves without comprising on country's vital natural resources. We find that above ingredients do not play any role in ascertaining the HSN classification of a product. The HSN code - section or chapter to which a particular product belongs is determined by its industrial and technical sophistication.
- 8) The third question raised before us by the applicant " Whether GST under ascertain the nature of the products Classification Multi-tool under of Hand Held respective HSN Code with applicable tax rates on the products comes?" is not clear and beyond the scope of sub-section (2) of the section 97 of the CGST Act, 2017, hence not answered.
- 9) In view of the above discussion, we rule as under:-

RULING

Question 1-Whether GST under the hand held multi tool covers under chapter 8204 with applicable GST rate of 18% and this products includes energy storage indicator which covers under chapter of 8517 under electrical equipment?


Ans-The tools in question are classified under chapter heading 8204 and attract GST @ 18%.

Question 2- Whether GST under the final products shall be a machinery tools which covers under the chapter Industry Machinery Tools and applicable GST rate of 18%?


Ans- As answered in Question No. 1.

Question 3- Whether GST under ascertain the nature of the products Classification Multi-tool under of Hand Held respective HSN Code with applicable tax rates on the products comes?

Ans- Not answered.


(Mahipal Singh)
MEMBER
CENTRAL TAX




(Mahesh Kumar Gowla)
MEMBER
STATE TAX

F. No. AAR/SF/2024-25/188-193

Date:- 02/12/2024

SPEED POST

M/s FOREFRONT BHARAT PRIVATE LIMITED,
Shop No 1, Bankora,
Dungarpur- 314023, Rajasthan

Copy to: -

1. The Chief Commissioner, CGST and Central Excise (Jaipur Zone), NCRB, Statue Circle, Jaipur, Rajasthan-302005
2. The Chief Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road, Ambedkar Circle, C-Scheme, Jaipur-302005.
3. The Pr.Commissioner, CGST and Central Excise Commissionerate, Udaipur, Rajasthan.
4. The Assistant Commissioner CGST Division -C, Udaipur, 142-B, Sector-11, Hiran Magri, Udaipur - 313001
5. The Deputy/Assistant Commissioner, State Tax Department, Circle - Dungarpur, Zone- Udaipur Divisional Kar Bhawan, Rajasthan.

