

**AUTHORITY FOR ADVANCE RULING, TAMILNADU**  
**INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, DOOR NO.32,**  
**5<sup>TH</sup> FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,**  
**CHENNAI - 600 003.**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE**  
**GOODS AND SERVICES TAX ACT, 2017.**

**Members present are:**

1. Shri T.G. Venkatesh, I.R.S Member/ Additional Commissioner,  
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34
2. Tmt. K. Latha, M.Sc., (Agri.), Member/ Joint Commissioner (ST)/  
Authority for Advance Ruling, Tamil Nadu, Chennai-600 003.

**ORDER No.15/AAR/2022 DATED: 31.03.2022**

GSTIN Number, if any / User id		33AADFF3185G1ZN
Legal Name of Applicant		Freeze Tech Innovations
Registered Address/Address provided while obtaining user id		3 E A, Ramakrishna Puram, Coimbatore, 641 001.
Details of Application		GST ARA- 01 Application Sl.No.37/2021 ARA dated: 02.11.2021
Concerned Officer		State: Assistant Commissioner(ST) Perur Assessment Circle, Centre: Coimbatore-I, Division Coimbatore.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		Factory / Manufacturing
A	Category	Factory / Manufacturing
B	Description (in Brief)	We are manufacturing PSA Medical Oxygen generation plant. We are going to deal this product to our customers. So we need to know the tax percentage with HSN Code for this particular product from your letter notification to show to our customer to raise the invoice accordingly.

Issue/s on which advance ruling required	<ol style="list-style-type: none"> <li>1. Classification of any goods or services or both</li> <li>2. Applicability of a notification issued under the provisions of this Act</li> <li>3. Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both, within the meaning of that term.</li> </ol>
Question(s) on which advance ruling is required	<ol style="list-style-type: none"> <li>1. We need to know the Tax percentage of PSA Medical Oxygen generation plant.</li> <li>2. We need to know the HSN Code of PSA Medical Oxygen plant to generate the invoice accordingly.</li> <li>3. We need to know the tax benefit for the hospital for installing PSA Medical Oxygen plant.</li> </ol>

**Note:** Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. Freeze Tech Innovations 3 E A, Ramakrishna Puram, Coimbatore, 641 001. (hereinafter called the Applicant) is registered under the GST Vide GSTIN 33AADFF3185G1ZN. They have sought Advance Ruling on the following question:

1. We need to know the Tax percentage of PSA Medical Oxygen generation plant.
2. We need to know the HSN Code of PSA Medical Oxygen plant to generate the invoice accordingly.

3. We need to know the tax benefit for the hospital for installing PSA Medical Oxygen plant.

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2. The applicant has stated that they are manufacturing PSA Medical Oxygen generation plant. They are going to deal this product to their customers and they need to know the tax percentage with HSN code for this particular product. They have stated that they need the confirmation for GST percentage for their Medical Oxygen PSA Plant. They are having some confusions of GST percentage for the same. Because, as per the GST notification they came to know the GST portion for PSA Medical Oxygen is 5% & 6% & 18% respectively. But still they are not able to find the finalized percentage which will be applicable for this product.

3.1 Due to the prevailing PANDEMIC situation and in order not to delay the proceedings, the willingness of the applicant to participate in a virtual Personal Hearing in Digital media was confirmed and hearing was held on 19.01.2022. The Authorised representative, Shri. R.Ramachandran, Managing Partner appeared for the hearing virtually and stated that they have been selling oxygen Generation Plant at 12% GST. The State Member requested the applicant to provide details mentioned at Sl. No. 15 of their Advance Ruling Application regarding statement of facts. The CGST member requested them to furnish the following documents:

- i. Technical write up on the product PSA Medical Oxygen Generation Plant.
- ii. This activity being proposed, the details of infrastructure available for manufacture of the plant with photographic evidences, work order and the current stage of the proposal.
- iii. Modus of supply of the proposed plant, whether intended to manufacture in-house and sell or procure and supply with installation. In both the cases documents establishing the proposed work.

3.2 The applicant submitted the following additional documents on 28.01.2022 in pursuance of Virtual Personal Hearing held on 19.01.2022.:

- Oxygen PSA Plant Manufacturing Process with 'Items bought out' and Flowchart;

- PO raised on them by ABC Techno Labs vide Lr.No. ABC/PSA-MO Plant/2021-22/2119 dated 20.08.2021
  - Copy of Tax Invoice, Bill No. 51 dated 27.11.2021 raised by them on ABC Techno Labs India Pvt Ltd
- 3.3 The applicant was further required by this authority vide Letter Rc.No.675/2021, dated 02.03.2022 to furnish the following details:
1. Details of infrastructure available in their premises.
  2. The copies of invoices for the bought out items (inputs for PSA)
  3. The various entries corresponds to the tax rates @5%, 6% and 18% stated in the application.

In response to the above letter, the applicants have submitted the following documents for verification of this authority:

1. Descriptions of machinery available in their premises. The machinery available are Lethe, Bending Press Grilling Machine and Welding Machine 3 nos. (Tis.Arc and Mig)
2. Purchase Invoices for the components;
3. Sale Invoice issued by the Applicant for the supply of PSA Oxygen Plant- 600 LPM for the value of Rs.45,86,400/- to their customer, namely, M/s ABC Techno Labs India Pvt. Ltd.,

4.1 The State Jurisdictional Authority, Assistant Commissioner (ST), Perur Assessment Circle, who has the administrative Jurisdiction over the applicant vide letter RC. No. 931/2021/A2 dated 18.11.2021 has stated that there are no proceedings pending with respect to Perur circle and has offered the following comments in respect of the questions raised by the applicant:

1. On verification of schedules in order to find the rate of tax for PSA Medical Oxygen generation plant, it has been noted that there was no specific commodity code classification with the rate of tax explicitly available for PSA Medical Oxygen generation plant. However, while going through the notification no. 28/2021, dated: 24.04.2021, it is revealed that in item no.3 PSA Medical Oxygen Plant is mentioned with commodity code 8421 39.
2. When the commodity code 8421 39 was verified it consists of the following commodities with the corresponding rate of tax;

Tariff Item	Description of Goods	CGST	SGST	IGST
84213910	Air separators to be employed in the processing smelting or refining of minerals ores or metals air strippers.	9%	9%	18%
84213920	Air purifiers or cleaners	9%	9%	18%
84213990	Other	9%	9%	18%

3. No such information related to tax benefits for hospitals for installing PSA Medical Oxygen plant could be identified from this end.

4.2 The State Jurisdiction Officer, Perur Assessment Circle was required by this authority vide this office letter in Rc.No.675/2021/A1, dated 11.02.2022 to verify and report whether all the components are assembled in house and installed in their premises. The said authority undertook Physical verification of business premises and furnished the report vide Ref. No. 931/2021/A2 dated 22.02.2022, as detailed below:

**Details of Machinery:**

1. Lathe
2. Bending Press
3. Grilling Machines – 2 Nos.
4. Grinding Machine
5. Welding Machines-3 nos (Tis, Arc and Mig)

The parts of the machine are manufactured 60% in house and 40% of the parts are given to work by small industries for job work. Therefore, the total machine is fabricated in House only.

5. The Center Jurisdiction Authority has reported that there are no proceedings/investigation initiated against the said applicant as per their records.

6.1 We have gone through the contents in the application, additional submissions made in pursuance of the virtual personal hearing and the remarks and verification report of the Jurisdiction Officers. We find that the applicant have stated that they



are manufacturing PSA Medical Oxygen generation plant. They have sought ruling on the following questions:

1. We need to know the Tax percentage of PSA Medical Oxygen generation plant.
2. We need to know the HSN Code of PSA Medical Oxygen plant to generate the invoice accordingly.
3. We need to know the tax benefit for the hospital for installing PSA Medical Oxygen plant.

6.2 Question No. 1 & 2 above requires ruling on the rate of tax to be applied and the classification of PSA Medical Oxygen generation Plant being supplied by them. These two question being related to seeking applicable rate of tax and classification of the product to be supplied are admissible before this authority, as per Section 95/98(2) of the CGST/TNGST Act 2017.

6.3 Q.No. 3 seeks the tax benefit for the recipient. Section 95(a) of the Act, defines 'Advance Ruling' as under:

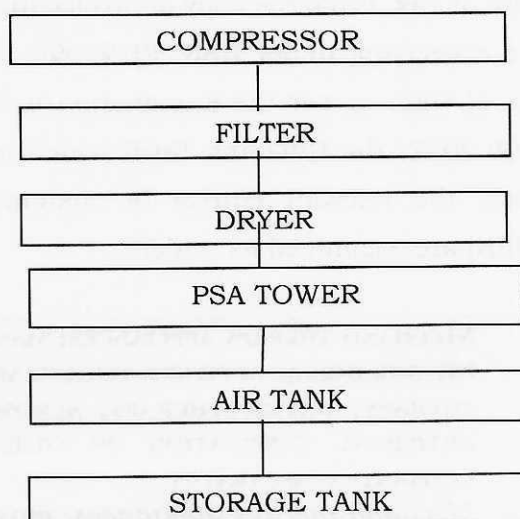
*(a) "advance ruling" means a decision provided by the Authority or the Appellate Authority to an applicant on matters or on questions specified in sub-section (2) of section 97 or sub-section (1) of section 100, in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant;*

Section 97(2) of the CGST Act / TNGST Act gives the scope of Advance Ruling Authority, i.e., the question on which the Advance Ruling can be sought. Thus, it is evident that 'advance ruling' are decisions on questions specified in sub-section 97(2) of the Act in relation to the **supply** of goods or services undertaken or proposed to be **undertaken by the applicant** seeking the same. Hence, supplies undertaken or proposed to be undertaken by the applicant alone are covered under the advance ruling as per Section 95(a) of the Act. The Act limits the Advance Ruling Authority to decide the issues earmarked for it under Section 97(2) and no other issue can be decided by the Advance Ruling Authority. Further, Section 103 of the Act, provides that the ruling pronounced by this authority is binding only on the person who sought the ruling and their jurisdictional authorities. Therefore, the Q.No. 3 which seeks about the tax benefit of the recipient is not admissible before this authority for decision.

7.1 The applicant has stated that they are manufacturing PSA Medical Oxygen generation Plant. On the PSA Plant Manufacturing Process, the applicant has stated that the following items are bought out:

Items Bought Out	HSN Code
Compressor	84148090
Drier	84219900
Filters	84213990
Fabricated Storage Tank and PSA Tank	7309
Valves	84818030
O2 Sensor	90273090
Zeolite Molecular	38249022
Activated Alumina	68041000
Panel Board	8538

The applicant has furnished the following Flow Chart



On the process of manufacture of the PSA plant, they have stated that the plant is manufactured and assembled In-house and is installed at the customer place. On the Assembling, they have stated that PSA Tank is filled with zeolite molecular sieve and activated alumina mounted in a SKID. Valves are connected and the pipelines are checked with leak detectors. Pipeline is also checked for 12 bar Hydro pressure test for safety purpose. The Jurisdictional State Officer has verified the premises and stated that the premises has the following machinery, namely:

1. Lathe ;
2. Bending Press;
3. Grilling Machines – 2 Nos.;

4. Grinding Machine;

5. Welding Machines-3 nos (Tis, Arc and Mig)

It is further reported that the parts of the machine are manufactured 60% in house and 40% of the parts are given to work by small industries for job work. Therefore, the total machine is fabricated in House only. On perusal of the purchase invoices submitted by the applicant it is seen that they have purchased Air Dryer, Pre Filter, Filter, Micro Filter, Carbon Filter from M/s Win Equipments. The applicant has furnished copy of Invoice No.51 dated 27-11-2021 for the supply of PSA Oxygen Plant (with HSN code 90192090) to M/s ABC Techno Labs India Pvt Ltd., Ambattur, Chennai 600 098 and have charged 12% GST.

7.2 The issue before us for determination is the classification of the PSA Plant and the applicable rate of Tax. From the copy of invoice furnished by the applicant it is seen that they are classifying under HSN 90192090. It is pertinent to mention that for the purposes of GST, as per the Explanation to Notification No. 01/2017-C.T.(Rate) dated 28.06.2017, the Customs Tariff which is based on HSN is made applicable. Therefore, the relevant entries in customs Tariff and the related Explanatory notes (HSN) are examined as under:

<b>9019</b>	<b>MECHANO-THERAPY APPLIANCES; MASSAGE APPARATUS; PSYCHOLOGICAL APTITUDE-TESTING APPARATUS; OZONE THERAPY, OXYGEN THERAPY, AEROSOL THERAPY, ARTIFICIAL RESPIRATION OR OTHER THERAPEUTIC RESPIRATION APPARATUS</b>
9019 10	- <i>Mechano-therapy appliances; massage apparatus; psychological aptitude-testing apparatus :</i>
9019 10 10	--- Mechano-therapy appliances
9019 10 20	--- Massage apparatus
9019 10 90	--- Other
9019 20	- <i>Ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus :</i>
9019 20 10	--- Oxygen therapy apparatus
9019 20 90	--- Other

The relevant Explanatory Notes are as under:



#### (IV) OZONE THERAPY APPARATUS

This apparatus provides for the treatment of diseases of the respiratory organs by using the therapeutic properties of ozone (chemical formula  $O_3$ ), e.g., by inhaling.

#### (V) OXYGEN THERAPY, ARTIFICIAL RESPIRATION OR OTHER THERAPEUTIC RESPIRATION APPARATUS

These are used in cases of drowning, electrocution, acute poisoning (e.g., carbon monoxide), for weak newly-born babies, post-operative shock, infantile paralysis (poliomyelitis), acute asthma, insufficient lung development, etc.

These appliances include :

- (A) **Appliances used instead of manual methods of artificial respiration**, e.g., mechanical devices operating by bringing pressure to bear on the patient's chest, by a rocking movement, by forced inhalation, etc.
- (B) **Oxygen therapy appliances proper**. These operate either by inhalation of oxygen or of a mixture of oxygen and carbon dioxide through a mask, or by feeding oxygen into a respiratory chamber consisting of a tent of transparent plastics fitted to the patient's bed.
- (C) **Appliances known as "iron lungs" and the like**. These consist essentially of :
  - (1) A chamber, made of metal, wood or glass fibre, to accommodate the patient's body (the head remaining outside), or a smaller chamber of transparent plastics covering only the chest.
  - (2) An independent unit comprising an air suction system and an emergency blower which may be power- or hand-operated.
  - (3) A thick air-tight tube connecting the blower system to the chamber.

Certain oxygen therapy appliances described above (in particular oxygen tents) may also be used for administration of aerosols, the patient receiving simultaneously an inhalation of oxygen and a medicament dispersed as a micro-spray (see Part (VI) below).

The heading **does not include** hyperbaric or decompression chambers (**heading 90.18**).

From the above it is noticed that the CTH 901920 relates to "ozone therapy, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic respiration apparatus" and as per the Explanatory notes above, the appliances used for artificial respiration, Oxygen therapy appliances proper, etc are covered under this CTH. In the case at hand, the applicant supplies PSA O2 Manufacturing Plant which is not in the genre of the appliances said to include in the CTH 901920. Therefore, the entry relied on by the applicant is not correct.

8.1 The product '**PSA Medical Oxygen Generator**' is supplied by the Applicant to their customer. The function of the product is Generation of Oxygen Gas. PSA Oxygen Generator works on the principle of Pressure Swing Adsorption, which is being used to separate Oxygen from the Compressed air. The major components of Medical Oxygen Generator are a pair of Adsorbent vessels, Surge tank, Switching valves, Intelligent PLC, Oxygen analyzer, and instruments. The adsorbent vessels of

8.2 **‘Air Separators’** are classified in “CTH **84213920**”. The relevant entry of Customs Tariff and the related Explanatory Notes (HSN) are examined as under:

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- The relevant Explanatory Notes are as under:

**(II) FILTERING OR PURIFYING MACHINERY AND APPARATUS,  
FOR LIQUIDS OR GASES**

Much of the filtration or purification plant of this heading is purely static equipment with no moving parts. The heading covers filters and purifiers of all types (physical or mechanical, chemical, magnetic, electro-magnetic, electrostatic, etc.). The heading covers not only large industrial plant, but also filters for internal combustion engines and small domestic appliances. The heading **does not**, however, **include** filter funnels, milk strainers, vessels, tanks, etc., simply equipped with metallic gauze or other straining material, nor general purpose vessels, tanks, etc., even if intended for use as filters after insertion of a layer of gravel, sand, charcoal, etc.

From the above, it is evident that the air Separators are classifiable under CTH 8421. In the case at hand, the product, PSA Oxygen Generation Plant manufactured and supplied by the applicant is an Air Separator as has been brought out in para 8.1 above, therefore, the Product is classifiable under CTH 8421. In view of the above, we hold that the product "PSA Medical Oxygen Generation Plant" is classifiable under CTH 8421 39 and more specifically under CTH 8421 39 90

9.1 The next question is the applicable rate of tax. It is seen that the rate specified is as under Sl.No. 322 of Schedule-III of Notification No. 01/2017-C.T.(Rate) dated 28.06.2017 as under:

S. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
322.	8421	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases


From the above, it is seen that the PSA Oxygen generator is liable to CGST @ 9% under the above Sl.No. of Notification No. 01/2017-C.T.(Rate) dated 28.06.2017 and SGST at 9% under Sl.No. 322 of Schedule-III of Notification G.O (Ms) No.62 (No.II(2)/CTR/532(d-4)/2017, TNGST (rate) dated 29-6-2017.


10. In view of the foregoing, we rule as under:

### RULING

**Qn.1 & 2** The product "PSA Medical Oxygen Generation Plant" is Classifiable under CTH 8421 (more specifically under CTH 8421 39 90) and the applicable CGST is 9% as per Sl.No.322 of Schedule III of Notification No.01/2017-Central Tax (Rate) dated 28.06.2017 and the applicable SGST is 9% as per Sl.No.322 of Schedule III of Notification G.O.(Ms) No.62 (No.II(2)/CTR/532(d-4)/2017, TNGST (rate) dated 29-6-2017.

**Qn.3.** As the matter raised in the question falls outside Section 97(2), this question is not admitted and therefore rejected.

  
Smt. K. LATHA  
Member (SGST)

  
Shri T.G. VENKATESH  
Member (CGST)



To  
M/s. Freeze Tech Innovations,  
3 E A, Ramakrishna Puram,  
Coimbatore, 641 001.

**/BY SPEED POST WITH ACK.DUE//**

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,  
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Additional Chief Secretary/Commissioner of Commercial Taxes,  
IInd Floor, Ezhilagam, Chempauk, Chennai - 600 005.

Copy to:

3. The Commissioner of GST & Central Excise, Coimbatore Commissionerate  
6/7, A.T.D. Street, Race Course, Coimbatore- 641018.
4. Assistant Commissioner (ST) Perur Assessment Circle,  
Commercial Taxes Buildings, 1<sup>st</sup> Floor, Dr. Balasundaram Road,  
Coimbatore. 641 018.
5. Master File/ Spare - 2.