

|   |   |
|---|---|
| <b>GUJARAT AUTHORITY FOR ADVANCE RULING</b><br><b>GOODS AND SERVICES TAX</b><br><b>D/5, RAJYA KAR BHAVAN, ASHRAM ROAD,</b><br><b>AHMEDABAD – 380 009.</b> |  |
|---|---|

ADVANCE RULING NO. GUJ/GAAR/R/25/2021  
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2021/AR/11)

Date: 09.07.2021

|  |   |   |
|--|---|---|
| Name and address of the applicant  | : | M/s. Adarsh Plant Protected Ltd.,<br>Plot No. 604, Phase IV, GIDC Estate ,<br>Vithal Udyognagar, Anand-388121   |
| GSTIN/ User Id of the applicant  | : | 24AABCA6650Q1ZE   |
| Date of application  | : | 09.04.2021  |
| Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised. | : | <i>a) Classification of any goods or service or both</i><br><i>b) Applicability of notification issued under the provisions of this Act</i><br><i>e) Determination of the liability to pay tax on any goods or services or both</i> |
| Date of Personal Hearing   | : | 30.06.2021  |
| Present for the applicant  | : | Shri Ketan Maheshwari, CFO and Shri Atish Patel, MD   |

### **BRIEF FACTS**

The applicant, M/s. Adarsh Plant Protected Ltd., has applied for Advance Ruling for determining the HSN and applicable tax on ‘Agricultural manually hand operated Seed dressing , Coating and Treating drum’, submitting that these machine are used by the farmer and is manually operated. It is submitted that subject machine is used in agriculture to cover, coat and treating chemicals on seeds before sowing and it falls under HSN 8201 and attract Nil rate of GST. It was submitted that other manufacturers of this kind of machines of power operated are charging 5% GST under HS code 84371000.

### **Personal Hearing**

2. Shri Ketan Maheshwari, CFO and Shri Atish Patel, MD appeared for on 30-6-21 and reiterated the contents of the application.

### **FINDINGS**

3. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and GGST Act, 2017 are in pari materia and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the GGST Act.

4. We have carefully considered all the submissions made by the applicant. In GST, Goods are classified based on HSN. Classification is based on the Tariff entry.
5. We refer to Tariff entry at HSN 8201, as cited by the applicant, which is reproduced as follows:

|      |  |
|------|--|
| 8201 | <b>HAND TOOLS</b> , THE FOLLOWING: SPADES, SHOVELS, MATTOCKS, PICKS, HOES, FORKS AND RAKES; AXES, BILL HOOKS AND SIMILAR HEWING TOOLS; SECATEURS AND PRUNERS OF ANY KIND; SCYTHES, SICKLES, HAY KNIVES, HEDGE SHEARS, TIMBER WEDGES AND OTHER TOOLS OF A KIND USED IN AGRICULTURE, HORTICULTURE OR FORESTRY. |
|------|--|

- 5.1 Chapter 82 01 to 8205 includes tools which, apart from certain specified exceptions ( eg blades for machine saw), are used in the hand. As per HSN they are hand tools which can be used independently in hand ( page XV-82-2). As per HSN notes, these tools almost always have a spring which forces the shafts apart from cutting, and a hook or other fastening so that they can be easily opened or closed with one hand. In cutting they are manipulated with one hand, and they have a very powerful action. The applicant product is not hand tool rather it is machine used for seed dressing, coating and treating the seed with chemicals. We find no merit to classify subject goods at HSN 8201.
6. We refer to HSN 8436, reproduced as follows:

**8436 OTHER AGRICULTURAL, HORTICULTURAL, FORESTRY, POULTRY-KEEPING OR BEE-KEEPING MACHINERY, INCLUDING GERMINATION PLANT FITTED WITH MECHANICAL OR THERMAL EQUIPMENT; POULTRY INCUBATORS AND BROODERS**

8436 10 00 - Machinery for preparing animal feeding stuffs  
Poultry-keeping machinery; poultry incubators and brooders :

8436 21 00 -- Poultry incubators and brooders  
8436 29 00 – Other

**8436 80 - Other machinery:**  
8436 80 10 --- Germination plant fitted with mechanical and thermal equipment  
**8436 80 90 --- Other**

- 6.1 **As per HSN Notes [ PageNo. XVI-8436-1], the other agricultural machinery includes seed dusting machines usually consisting of one or more hoppers feeding a revolving drum in which the seeds are coated with insecticidal or fungicidal powders.**
- We find that this Chapter Heading is more appropriate for classifying the subject goods as the **function of subject goods is also similar wherein the said agricultural machinery has a drum in which seeds are coated and treated with chemicals before sowing.** The said Chapter heading makes no different treatment between manual and power driven machines. On examination of HSN 8436, the subheading 843680 covers: ‘other machinery’ and tariff item 84368090 covers ‘other’. We hold that the description of subject goods fit into this Chapter Heading 8436, precisely subheading 843680 and further precisely at Tariff item 84368090.

- 6.2 After reading the cited HSN notes as detailed at para 6.1, we find no reason to

examine HSN 8437 which covers MACHINES FOR CLEANING, SORTING OR GRADING SEED, GRAIN OR DRIED LEGUMINOUS VEGETABLES; MACHINERY USED IN THE MILLING INDUSTRY OR FOR THE WORKING OF CEREALS OR DRIED LEGUMINOUS VEGETABLES, OTHER THAN FARM-TYPE MACHINERY. We dismiss this HSN for subject goods.

6.4 We find the HSN notes are a guide and a persuasive tool to assist us in our Classification and we have satisfied ourselves that the correct classification in subject matter is HSN 8436.

7. We note the subject HSN is reflected at entry 199 to Schedule II to the Notification No. 01/2017-CT [R] dated 28-6-17.

8. We issue the Ruling:

**R U L I N G**

“Seed dressing, coating and treating drum” machine is classified at HSN 84368090 tariff item and liable to GST at 12% [6% CGST+6% SGST].

**(SANJAY SAXENA)**

**(ARUN RICHARD)**

**MEMBER (S)**

**(MEMBER (C)**