

	KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	
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BEFORE THE AUTHORITY OF: *Shri. Sivaprasad .S, IRS &*

: Shri.B.S. Thyagarajababu, B.Sc, LL.M

Legal Name of the applicant	M/s. Pala Marketing Co-operative Society Ltd.
GSTIN	32AACAP1017D1ZD
Address	307, Pala Erattupetta Road, Lalam, Pala, Kottayam - 686575.
Advance Ruling sought for	Classification and rate of tax of agricultural implements namely latex collection cup, made of plastic, used exclusively for collection of rubber latex, an agricultural activity.
Date of Personal Hearing	10-01-2020
Authorized Representative	Mr. Roys Joseph, Unit Manager, India Polymers.

ADVANCE RULING No. KER/81/2019 Dated 20-05-2020

The process of collection of rubber latex through rubber tapping is an agricultural activity. Plastic cups are used to collect latex from rubber trees. The plastic cups are placed below the spouts using cup hangers. The applicant is engaged in the manufacture and supply of plastic cups, which is used by rubber farmers for agricultural operations including tapping, collection etc. In the pre-GST scenario plastic cup or rubber bowl, spout and cup holder for latex collection were exempted from tax being agricultural implements.

Applicant requested advance ruling on the following:

Classification and rate of tax of agricultural implements namely latex collection cup, made of plastic, used exclusively for collection of rubber latex, an agricultural activity.

The Unit Manager of the Society was heard. The Society is engaged in the manufacture and supply of plastic cups which are exclusively used for collection of rubber latex. These cups are attached to the bark of rubber tree with the help of cup holders just a few inches below the front end of the tapping cut to collect the latex. The latex collection cups are manufactured from reprocessed plastic lumps. The Rubber Board has certified that

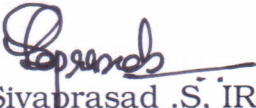
the latex collection cups manufactured by the applicant are used for collection of rubber latex which is an agricultural activity.

The matter was examined in detail. This authority has already issued ruling on the issue vide Ruling No.KER/54/2019 dated 21.06.2019, that latex collection cup is exclusively used as an agricultural implement for rubber tapping. The Rubber Board has accepted that plastic latex collection cups are agricultural implements widely being used in rubber plantations for collection of latex directly from the rubber trees. Therefore, it can be safely classified as agricultural implements manually operated used in the rubber plantations for harvesting the rubber latex. It is not specifically classified in Chapter 82 of Customs Tariff. However, these items comes under the description covered under HSN 8201 90 00 "other hand tools of the kind used in agriculture, horticulture or forest" as it is essentially used for collection of rubber latex by rubber cultivators.

In view of the observations stated above, the following rulings are issued:

Classification and rate of tax of agricultural implements namely latex collection cup, made of plastic, used exclusively for collection of rubber latex, an agricultural activity.

Plastic latex collection cup is an agricultural implement exclusively used for rubber tapping and comes under the classification HSN 8201 90 00 "other hand tools of the kind used in agriculture, horticulture or forest". As such it is exempted from GST as per Sl No. 137 of Notification No. 02/2017 Central Tax (Rate) dated 28.06.2017.


Sivaprasad S. IRS
Joint Commissioner of Central Tax
Member


B.S. Thyagarajababu, B.Sc, LL.M.
Additional Commissioner of State Tax
Member

To

M/s. Pala Marketing Co-operative Society,
Lalam, Pala, Kottayam, 686575.