KERALA AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX DEPARTMENT TAX TOWER, THIRUVANANTHAPURAM	KERALA GST State Goods & Services Tax

BEFORE THE AUTHORITY OF: Shri. Jomy Jacob IRS &
: Shri. Mansur M.I.

Legal Name of the applicant	M/s.ORUMA PLASTICS PVT LIMITED
GSTIN	32AACCO4900G1ZY
ARN	AD320824006354E
Address	14/420F, Kinfra F block, Chapparapadavu, Kannur, Kerala-670581.
Advance Ruling sought for	Classification and rate of agricultural implements namely Rooter Trainer Cup, made of plastic, used exclusively for propagation of plants, an agricultural activity?
Date of Personal Hearing	16.04.2025.
Authorized Representative	Shri. Jobin, Accountant

ADVANCE RULING No.KER/10/2025 Dated 16.04.2025

1. M/s. Oruma Plastics Pvt Ltd, Kinfra F Block, Chapparapadavu, Kannur is a tax payer registered under CGST/ KSGST Act, engaged in the manufacturing of "rooter trainer cup" used for the propagation of rubber plants.

2. At the outset, it is clarified that, a reference hereinafter to the provisions of the CGST Act, Rules and the Notifications issued thereunder shall include a reference to the corresponding provisions of the KSGST Act, Rules and the Notifications issued thereunder.

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3. The details of the questions on which advance ruling is sought are given above and are not being reproduced.

4.The contentions of the applicant:

4.1. The applicant submits that they are engaged in the manufacture of an agricultural implement made of plastic, namely the Rooter Trainer Cup, which is used for the propagation of rubber plants. The process of plant propagation is considered an agricultural activity. The applicant is in the process of preparing for the manufacture and supply of the said product.

4.2. The applicant submits that the product is supplied to agricultural nurseries or directly to farmers for the propagation of rubber plants. A certificate has been obtained by the applicant from the Rubber Research Institute of India, Rubber Board, to support the claim that the product is exclusively used for agricultural activities.

4.3. The Rubber Board developed and recommended the Rooter Trainer (RT) planting technique for rubber plants in 2009. For the successful establishment of any clonal material under field conditions, the quality of the planting material is of utmost importance—this being the first and foremost step in setting up a rubber plantation. After the rooter trainer cup technology proved successful, it was officially recommended for use by nurseries and planters. These cups are made of reusable plastic and are available in sizes of 600cc and 800cc. They are filled with treated coir pith, into which either seeds are sown and later bud-grafted with the desired clone, or budded stumps of a specific clone are directly planted to raise one or two plants, depending on the planter's requirements. The Rubber Board specifically recommends RT cups of 600cc and 800cc size for the cultivation of rubber. With suitable modifications, these cups can also be used to propagate other species, including horticultural and agro-forestry crops.

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4.4. The applicant further submits that the rubber rooter trainer cups manufactured by them are supplied directly to farmers. The applicant has declared that they are currently manufacturing RT cups of 600cc capacity only. In support of their claim, the applicant places reliance on an Advance Ruling pronounced by the Kerala Authority for Advance Ruling in Order No. KER/85/2019 dated 20.05.2020, which involved a similar issue. In that case, it was clarified that plastic cups used exclusively for the collection of rubber latex qualify as agricultural implements and are covered under agricultural activity. The applicant submits that the matter addressed in the above ruling is similar in nature to the present case, and therefore requests that a ruling be issued in line with the submissions made herein.

5. Comments of the Jurisdictional Officer:

The application was forwarded to the jurisdictional officer in accordance with the provisions of Section 98(1) of the CGST Act. The jurisdictional officer, Superintendent of Central Tax and Central Excise, Thaliparamba Range, has reported that the issue raised in the present application is neither pending nor decided in any proceedings under any provision of the Act.

6. Personal Hearing:

The applicant was granted an opportunity for a personal hearing on 16.04.2025. Shri Jobin, Accountant of the business concern, appeared for the hearing and reiterated the contentions made in the application. He requested that a ruling be issued based on the submissions made therein, which were also presented during the hearing.

7. Discussion and Findings:

7.1. We have carefully examined the advance ruling application, the statement of facts, and the oral submissions made during the personal hearing. The question on which the advance ruling is sought falls within the purview of clause (a) of sub-section (2) of Section 97 of the CGST Act—

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namely, "classification of any goods or services or both"—and hence, the application is admitted on merits.

7.2 The applicant is the manufacturer of a specially designed product, namely the "Rooter Trainer Cup," made from reusable plastic, and currently manufactures RT cups of 600cc capacity. The applicant submits that the product is used exclusively for the propagation of rubber plants, which is purely an agricultural activity. Based on the applicant's request, the Rubber Research Institute of India issued a certificate detailing the application and specifications of the product. As per the certificate, the Rooter Trainer Cups are made of reusable plastic in sizes of 600cc and 800cc and are filled with treated coir pith in which rubber seeds are sown and later either bud-grafted with the required clone or planted with budded stumps of a specific clone. The Rubber Board further certifies that RT cups of 600cc and 800cc are recommended exclusively for the cultivation of rubber. In view of the above, the Rooter Trainer Cup manufactured and supplied by the applicant, being manually operated and used exclusively by farmers for agricultural purposes, can be appropriately classified as an agricultural implement.

7.3. The applicant wants Ruling on the Classification and rate of agricultural implements namely Rooter Trainer Cup, made of plastic, used exclusively for propagation of plants, which an agricultural activity. They have also pointed to a previous ruling which suggests that the item falls under HSN 8201 90 00 which covers "other hand tools of a kind used in agriculture, horticulture or forestry.

7.4 Let us first examine whether the HSN code suggested by the applicant, viz. 8201 90 00, is appropriate for the product in question. As per Notification No. 1/2017-Central Tax (Rate) dated 28-06-2017, the terms "tariff item," "sub-heading," "heading," and "chapter" shall have the meanings respectively assigned to them in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975). Furthermore, the rules for

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interpretation of the First Schedule, including the Section and Chapter Notes and the General Explanatory Notes, shall, as far as applicable, apply to the interpretation of this notification.

7.5 Chapter 82 of the Customs Tariff falls under Section XV, which covers "Base Metals and Articles of Base Metal." Specifically, Chapter 82 pertains to "Tools, Implements, Cutlery, Spoons and Forks, of Base Metal; Parts Thereof of Base Metal." Since the item under consideration is made of plastic, it does not fall within the scope of Chapter 82, which is limited to articles of base metal. Therefore, the applicant's suggestion that the item should be classified under heading 8201 90 00 cannot be accepted, as this heading pertains to implements made of base metal, whereas the product in question is made entirely of plastic.

7.6 As discussed above, the item in question is made of plastic, and "Plastics and Articles thereof" fall under Chapter 39 of the Customs Tariff. The Chapter Notes to Chapter 39 do not exclude the subject product or any goods related to agricultural activity from its scope. Chapters 3901 to 3914 cover various types of plastics in primary forms, while Chapter 3915 pertains to waste, parings, and scraps of plastics. Chapter 3916 covers monofilaments. Chapters 3916 to 3925 describe various plastic products with specific classifications, none of which include the item under discussion, viz., rooter trainer cups or similar agriculture-related plastic products. Tariff heading 3926, which is the last 4-digit heading under Chapter 39, covers "Other Articles of Plastics." Since the product in question does not fall under any of the preceding specific headings, it is appropriately classified under this residual heading. Upon verification of the 6-digit classifications under heading 3926, it is found that there is no specific entry covering the subject product, and therefore it falls under the residual sub-heading 3926 90 and further under the residual entry 3926 90 99.

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7.7 We also note that the same classification has been upheld by the Authority for Advance Rulings (AAR), Tamil Nadu, in Order No. 16/AAR/2018 dated 27.09.2018, wherein it was held that *"Agricultural Seedling Trays made of Plastic manufactured by the applicant are classifiable under CTH 3926 90 99, and the applicable tax rate is 9% CGST as per Sl. No. 111 of Schedule III of Notification No. 01/2017–C.T. (Rate) dated 28.06.2017, as amended."* A similar view was taken in Order No. 10/AAR/2019 dated 27.02.2019 of AAR, Tamil Nadu. Both rulings were subsequently upheld by the Appellate Authority for Advance Ruling (AAAR), Tamil Nadu.

7.8. Based on the facts presented and the precedents set by earlier rulings, we are of the considered opinion that the product in question, namely the "Rooter Trainer Cup" made of plastic, is appropriately classifiable under Customs Tariff Heading (CTH) 3926 90 99, which shall be the applicable classification for the purposes of levy of GST, as detailed above.

7.9 The next question to be addressed is the applicable rate of tax on the item. As discussed earlier, the item appears to fall under Sl. No. 45 of Schedule IV of Notification No. 1/2017–Central Tax (Rate) dated 28.06.2017, which reads as: 'Other articles of plastics and articles of other materials of headings 3901 to 3914 [other than bangles of plastic, PVC belt conveyor, plastic beads and plastic tarpaulins]'. This entry attracts Central GST at the rate of 14%, and an equal rate is applicable under the corresponding State GST notification. Further, Sl. No. 137 of Notification No. 2/2017–Central Tax (Rate) dated 28.06.2017 provides exemption to agricultural implements that are manually operated or animal-driven, falling under Chapter 8201. Since the item in question neither qualifies under Chapter 8201 nor satisfies the condition of being a manually operated or animal-driven implement, the exemption is not applicable in this case. Notification No.41/2017-C.T.(Rate) (14-11-2017) **omitted** S. No.45 from Schedule IV w.e.f. 15.11.2017. Also, in S. No. 111, for the entry in column (3), the entry "Other articles of plastics and articles of other materials of headings 3901 to 3914 [other than bangles

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of plastic, plastic beads and feeding bottles]" was substituted. In practice, Schedule III, Sl.111 of Notification No. 1/2017–Central Tax (Rate) now covers 3926 at CGST 9% and SGST 9%.

In the light of the facts and legal position as stated above, he following ruling is issued.

Ruling

Question:1. Classification and rate of agricultural implements namely Rooter Trainer Cup, made of plastic, used exclusively for propagation of plants, an agricultural activity.

Ruling: Rooter Trainer Cups with size of 600cc and 800cc manufacturing from plastic, used for the propagation of rubber plants, is classified under HSN 3926 90 99 with product description "other articles of plastic". The product is classifiable under HSN 3926 90 99 with the description "Other articles of plastic" and is taxable at 9% under Sl. No. 111 of Schedule III of Notification No. 1/2017–Central Tax (Rate) dated 28.06.2017 (as amended), and at 9% under the corresponding SGST notification, making the effective GST rate 18%.

OFFICE OF THE COMMISSIONER STATE G.S.T.D KERALA ★ THIRUVANANTHAPURAM ★

Jomy Jacob IRS
Additional Commissioner of Central Tax
Member

Mansur. M.I.
Joint Commissioner of State Tax
Member

To

M/s.ORUMA PLASTICS PRIVATE LIMITED,
14/420F, Kinfra F block,
Chapparapadavu,
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Kerala-670581.

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Copy submitted to:-

1. The Chief Commissioner of Central Tax and Central Excise, Thiruvananthapuram Zone, C.R.Building, I.S.Press Road, Cochin-682018. [E-mail ID: cccochin@nic.in; ccu-cexcok@nic.in]
2. The Commissioner of State Goods and Services Tax Department, Tax Towers, Karamana, Thiruvananthapuram – 695002.
3. The Commissioner of Central Tax and Central Excise, Calicut Commissionerate.

Copy to:-

1. The Additional Commissioner, TPS, HQ, Thiruvananthapuram.
2. The Deputy Commissioner, ITMD, Thiruvananthapuram.
3. The Superintendent, Central Tax, Thaliparambu Range, Kannur Division.
4. The Assistant Commissioner/State Tax Officer, Tax payer services Circle, Thaliparambu

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