

GUJARAT AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX A/5, RAJYA KAR BHAVAN, ASHRAM ROAD, AHMEDABAD – 380 009.	
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ADVANCE RULING NO. GUJ/GAAR/R/2018/13
(IN APPLICATION NO. Advance Ruling/SGST&CGST/2017-18/AR/25)

Date : 30.7.2018

Name and address of the applicant	:	M/s. Meera Metals Vavdi, Survey No. 20, Plot No. 10, Near Satyanarayan Weighbridge, Everest Industrial Area, Gondal Road, Rajkot – 360 004.
GSTIN of the applicant	:	24AAZFM4253G1ZY
Date of application	:	01.12.2017
Clause(s) of Section 97(2) of CGST / GGST Act, 2017, under which the question(s) raised.	:	(a) classification of any goods or services or both
Date of Personal Hearing	:	04.01.2018
Present for the applicant	:	Shri Rushi Upadhyay, CA

The applicant, M/s. Meera Metals is engaged in manufacture and supply of Stainless Steel Chilly Cutter. It is submitted by the applicant that the said item is for the purpose of use in the kitchen and for household purpose only and therefore the applicant is considering the same as kitchenware item and classifying under Heading 7323. It is also submitted that the said product may also be classifiable under Heading 8210 as ‘Hand Operated Mechanical Appliances, weighing 10 kg or less, used in preparation, conditioning or serving of food or drink’.

2. The applicant has raised the following question for advance ruling –

“Product Chilly Cutter made of Stainless Steel, whether classifiable under HSN 7323 or otherwise ?”

3.1 The applicant submitted the details of the product S.S. Chilly Cutter as follow :-

- (i) Chilly Cutter is made of Stainless Steel (major part) and plastic (very small part). The applicant has provided the image of S.S. Chilly Cutter.
- (ii) Requirement of Raw Material for manufacturing one unit (total weight of one unit is 210 gram)

(a) Stainless Stell Patta	138 gram
(b) P.P. (Plastic)	50 gram
(c) Mild Steel	18 gram
(d) Brass Nut	1gram
(e) Plastic Bag	3gram
TOTAL	210 gram

(iii) Manufacturing Process :

- Chilly Cutter has two bowl parts, which are separated from the middle. First bowl part is upside open whereas second bowl part is under the first part.
- Two bowl parts are manufactured first by cutting the Stainless Steel in the power press machine. After cutting the same, it will be polished and then embossed in the power press machine in emboss die. Further both bowl parts are moulded with plastic for support.
- To cut the chilly, cutter is used and to support the cutter, S.S. Net is required and same will be cut through power press machine and then to match the size of both bowl parts, all ends are folded so that 1st part can be easily put on second part.
- Then to prepare the cutting blade, S.S. will be cut in die and then blades will be put in a round shaped straw like pipe, and to separate the blades, plastic visor are required and these visors will be prepared by moulding die in moulding machine.
- After preparation of two parts bowl, cutting blade, pipe and net, next to prepare is handle which is used to rotate the cutter and to cut the chilly. Handle is made of Mild Steel and as per size requirement, it will be cut and fitted with pipe.
- After finishing all the required parts, all parts will be put together to finish the product.

(iv) From the total raw material required, it can be seen that major part is stainless steel and therefore the product is commercially known as S.S. Chilly Cutter.

(v) Use of the product is purely by housewives in the kitchen and therefore industry wise this product is known as kitchenware item.

3.2 The applicant referred to Heading 7323, 8210, relevant explanatory notes of HSN and submitted that the product S.S. Chilly Cutter is classifiable under heading 7323 and not under 8210.

4. The Central Goods and Services Tax Commissionerate, Rajkot *inter-alia* informed that seeing the image of the goods given in the application and the description given in Chapter Headings 7323 and 8210 and Rule 3(A) of General Rules for the interpretation of the Harmonised System, it appears that though the goods in question is a household article of iron and steel, the description under heading 8210 i.e. "Hand operated mechanical appliances, weighing 10 kg or less, used in the preparation, conditioning or serving of food or drink" is more specific to this item, hence the Commissionerate is of the opinion that the subject goods may be classified under Chapter 8210.

5. We have considered the submissions made by the applicant in their application for advance ruling as well as at the time of personal hearing and views of Central Goods and Services Tax Commissionerate, Rajkot.

6. The issue involved in this case is regarding classification of the product 'Chilly Cutter' being supplied by the applicant.

7.1 The Explanation (iii) and (iv) of the Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017 provides as follows :-

"Explanation. - For the purposes of this notification, -

(i)

(ii)

(iii) *"Tariff item", "sub-heading" "heading" and "Chapter" shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).*

(iv) *The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification."*

7.2 Further, Hon'ble Supreme Court in the case of L.M.L. Ltd. Vs. Commissioner of Customs [Civil Appeal No. 3764 of 2003, decided on 21.09.2010 reported at 2010 (258) ELT 321 (S.C.)] has held as follows :-

"12. In Collector of Central Excise, Shillong v. Wood Crafts Products Ltd. reported in (1995) 3 SCC 454, it was held by this Court that as expressly stated in the statements of objects and reasons of the Central Excise Tariff Act, 1985, the Central Excise Tariffs are based on the Harmonious System of Nomenclature (HSN) and the internationally accepted nomenclature was taken into account to reduce disputes on account of tariff classification. Accordingly, for resolving any dispute relating to tariff classification, a safe guide is the internationally accepted nomenclature emerging from the Harmonious System of Nomenclature (HSN). Although, the decision in the case of Woodcraft Products (supra) dealt with the interpretation of the provisions of the Central Excise Tariff there can be no doubt that the HSN Explanatory Notes are a dependable guide even while interpreting the Customs Tariff."

8.1 Tariff Item 8210 00 00 covers 'Hand-operated mechanical appliances, weighing 10 kg. or less, used in the preparation, conditioning or serving of food or drink'.

8.2 The Explanatory Notes for Heading 82.10 of Harmonised System of Nomenclature are as follows -

"This heading covers non-electric mechanical appliances, generally hand-operated, not exceeding 10 kg in weight, used in the preparation, serving or conditioning of food or drink. For the purposes of this heading an appliance is regarded as mechanical if it has such mechanisms as crank-handles, gearing, Archimedean screw-actions, pumps, etc.; a simple lever or plunger action is not

in itself, however, regarded as a mechanical feature involving classification in this heading unless the appliance is designed for fixing to a wall or other surface, or is fitted with base plates, etc., for standing on a table, on the floor, etc.

The heading thus comprises appliances which would fall either in heading 82.05 or in Chapter 84 but for the fact that they fulfil the following conditions :

(1) They weigh 10 kg or less.

(2) They have the mechanical features described.

The following are examples of goods falling in the heading, provided they conform to the conditions set out above :

*Coffee or spice mills; vegetable mincers and mashers; meat mincers and sheers; meat pressers; graters for cheese, etc.; **vegetable or fruit slicers, cutters and peelers, including potato chippers**; bread slicers; macaroni or spaghetti cutters; appliances for stoning fruit (other than spring-types held independently in the hand); bottle openers and corks; mechanical can openers (other than the simple can openers of heading 82.05); can sealers; butter chums; ice cream freezers and portion servers; egg, cream or mayonnaise beaters and mixers; fruit or meat juice extractors; ice crushers.”*

8.3 The product Chilly Cutter of the applicant weighs 210 grams i.e. less than 10 kgs. It consists of crank handle to rotate the cutter (cutting blade of Stainless Steel). Thus, the product Chilly Cutter of the applicant is mechanical appliance, having mechanical features described in the Explanatory Notes. The product Chilly Cutter of the applicant is hand operated, non-electric mechanical appliance. As per the Explanatory Notes, ‘Vegetable or fruit slicers, cutters and peelers, including potato chippers’ are specifically covered under Heading 82.10.

8.4 Therefore, the product S.S. Chilly Cutter supplied by the applicant is classifiable under Heading 8210 00 00.

9. Section Note 2 of Section XV (Base Metals and Articles of Base Metal) of Customs Tariff Act, 1975 *inter-alia* provides as follows –

“2.

Subject to the preceding paragraph and to Note 1 to Chapter 83, the articles of Chapter 82 or 83 are excluded from Chapters 72 to 76 and 78 to 81.”

10.1 Heading 7323 covers ‘Table, Kitchen or other household articles and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel’.

10.2 The Explanatory Notes for ‘Table, Kitchen or other Household Articles and parts thereof’ under Heading 73.23 of Harmonised System of Nomenclature provides that ‘*this group comprises a wide range of iron or steel articles, **not more specifically covered by other headings of the Nomenclature**, used for table, kitchen or other household purposes*’.

10.3 The Explanatory Notes for Heading 73.23 of Harmonised System of Nomenclature further provides that ‘this heading excludes, *inter-alia*, Household articles having the character of tools, e.g., shovels of all kinds; corkscrews; cheese craters, etc.; larding needles; can openers; nut-crackers; bottle openers; curling irons, pressing irons;

fire-tongs; egg whisks; waffling irons; coffee-mills, pepper-mills; mincers; juice extractors, vegetable pressers, vegetable mashers (Chapter 82)'.

10.4 As the product Chilly Cutter supplied by the applicant is found to be specifically covered under Heading 82.10, the same is not classifiable under Heading 73.23 in view of Explanatory Notes for heading 73.23 as well as Section Note 2 of Section XV of the Customs Tariff Act, 1975.

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

RULING

The product Chilly Cutter made of Stainless Steel, supplied by M/s. Meera Metals (GSTIN 24AAZFM4253G1ZY) is classifiable under Heading 8210 00 00 and not under Heading 7323.

(R.B. Mankodi)
Member

(G.C. Jain)
Member

Place : Ahmedabad
Date : 30.7.2018.