M/s Sam Overseas, 32, VIM Square, Rudrapur

Appellate Authority for Advance Ruling — Uttarakhand

Order No. 08 | 18-19 | 30.03.19 (handwritten on the cover page), Appeal N… Dated **30.03.2019**

Q Questions Before the Authority

- What is the classification under the GST Tariff of 'Rejected Wheat Seed' supplied by the applicant?
- What is the classification under the GST Tariff of 'Rejected Paddy Seed' supplied by the applicant?
- What is the applicable CGST and SGST rate on the supply of rejected wheat seed and rejected paddy seed?

F Facts

The applicant, M/s Sam Overseas, supplies wheat and paddy seed that has been rejected for failing seed quality parameters. It applied for an advance ruling on the classification and GST rate applicable to these 'Rejected Wheat Seed' and 'Rejected Paddy Seed' supplies. The Authority for Advance Ruling (Ruling No. 13/2018-19 dated 18.12.2018) was divided, so the matter was referred to this Appellate Authority under Section 98(5). The applicant did not appear at either personal hearing and the appeal was decided ex parte.

H Ruling

Classification of rejected wheat seed	****1001 11 00 (Durum) and 1001 91 00 (Others)** of the GST Tariff 2017**	Classified under Chapter 10 (cereals), not under the Chapter 12 residual entry at Sl. No. 63.
Classification of rejected paddy seed	****1006 10 10** of the GST Tariff 2017**	Paddy (rice) of seed quality, under Chapter 10.
Applicable CGST and SGST rate on both goods	****NIL****	Where the rejected seed is put up in a unit container bearing a registered brand name, or a brand name on which an actionable claim or enforceable right has been voluntarily foregone, the effective CGST and SGST rate is 2.5% each. On the scan, a line appears to run through the NIL sentence at the top of page 5, but the same NIL and 2.5% position is stated in the discussion on page 4.

The Appellate Authority held that rejected wheat and paddy seed remain seed and are not covered by the Chapter 12 entry at Sl. No. 63 of Schedule I (the 'all goods other than seed quality' residual description). It classified rejected wheat seed under sub-headings 1001 11 00 (Durum) and 1001 91 00 (Others), and rejected paddy seed under 1006 10 10. The applicable CGST and SGST rate is NIL, but where the seed is put up in unit containers under a registered brand name, or a brand name on which an enforceable right has been voluntarily foregone, the effective rate is 2.5% CGST and 2.5% SGST.

Prepared as a reading aid. Where this summary and the original order differ, the order governs.

R Reasoning

The Authority rejected the view that a seed ceases to be seed once rejected, holding that failing quality parameters changes only its fitness for sowing, not its character as a grain of seed quality. It held that the Chapter 12 residual description cannot apply because Chapter 10 specifically covers wheat and rice, and the tariff's use of the term 'seed quality' confirms the goods are distinct from ordinary grain. It adopted the Customs Tariff HS descriptions (1001 and 1006) as the basis for the sub-headings, following the section and chapter notes that the GST Tariff incorporates. The rate analysis rests on the NIL entry for these goods, with the 2.5% effective rate applying to branded unit-container supplies. The ruling was made under Section 97(2)(a) and (e) for admission and Section 98(5) for the referral, and was issued under Section 101.

P Provisions Relied On

- Section 97(2)(a) and (e) of the CGST/SGST Act, 2017 (admission of the application)
- Section 98(5) of the CGST/SGST Act, 2017 (reference to the Appellate Authority)
- Section 101 of the CGST/SGST Act, 2017 (appellate order)
- GST Tariff Chapter 10 (cereals), including sub-headings 1001 11 00, 1001 91 00 and 1006 10 10
- GST Tariff Chapter 12 heading and Sl. No. 63 of Schedule I (considered and rejected as the classification)
- Customs Tariff HS 1001 and 1006 (descriptive classification adopted)

! For the Practitioner

Dealers in rejected wheat and paddy seed can use this order to classify such goods under Chapter 10 rather than the Chapter 12 residual entry, and to apply a NIL rate, or 2.5% effective rate for branded unit-container supplies. The order does not define what counts as a 'registered brand name' or an 'actionable claim' that has been voluntarily foregone, and it does not address rejected seed of other crops. It is also an ex parte order, so the applicant's arguments were not tested at hearing.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> uk_aaar_08_2018-19_30.03.2019_so.pdf

Prepared 01-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com

Patron Accounting LLP