

M/s. Nagarjuna Agro Chemicals Private Limited

Authority for Advance Ruling — Telangana

TSAAR Order No. 3/2018 dt. 30-05-2018

Dated **30.05.2018**

Q Questions Before the Authority

- What is the classification and rate of tax on Agricultural Soil testing Minilab and its Reagent Refills?

F Facts

The applicant sought an advance ruling on the classification and applicable GST rate for 'Agricultural Soil testing Minilab and its Reagent Refills'. The product, named 'Mridaparikshak', is a digital mobile quantitative minilab developed by ICAR for soil parameter analysis at farmers' doorsteps. The applicant contended that the item constitutes an agricultural implement falling under Tariff Heading 8201, which attracts a Nil rate of tax under Notification No. 2/2017-Central Tax (Rate).

H Ruling

Agricultural Soil testing Minilab and its Reagent Refills

**Classifiable under
Tariff heading 9027; tax
rate applicable is 9%
CGST + 9% SGST**

The Authority held that the **Agricultural Soil testing Minilab and its Reagent Refills** are classifiable under **Tariff Heading 9027** of the GST Tariff. Consequently, the applicable GST rate is **9% CGST + 9% SGST** (18% total GST).

R Reasoning

Chapter Heading 8201 covers hand tools and manually operated or animal-driven agricultural implements with working edges of base metal. In contrast, the 'Soil testing minilab' performs physical and chemical analysis of soil parameters such as pH, organic carbon, and nutrients. Applying the General Rules for Interpretation of the Customs Tariff, instruments for chemical or physical analysis are specifically covered under **HSN Heading 9027**. Furthermore, as reagent refills are parts and accessories solely or principally used with such instruments, they are also **classifiable under Heading 9027**.

P Provisions Relied On

Section 97(1) of TGST Act, 2017

Rule 103 of CGST/TGST Rules, 2017

Tariff Heading 8201

Tariff Heading 9027

Notification No. 1/2017-Central Tax (Rate) dt. 28-06-2017

Notification No. 2/2017-Central Tax (Rate) dt. 28-06-2017

G.O.Ms No. 110, Revenue (CT-II) Department dt. 29-06-2017

! For the Practitioner

This ruling establishes that electronic testing devices used in agricultural applications do not qualify as traditional hand tools or agricultural implements under HSN 8201. Practitioners should note that **soil analysis kits and associated chemical reagents are classified under HSN 9027** as instruments for physical or chemical analysis, taxable at 18% GST.

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 -> [tsaar_03-2018_telangana.pdf](#)

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