

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

Authority for Advance Ruling — Uttarakhand

Ruling No. 13/2018-19 dated 18.12.2018

Q Questions Before the Authority

- Classification and applicability of GST rate on 'Rejected Wheat Seed' and 'Rejected Paddy Seed'.

F Facts

The applicant is engaged in the distribution of electricity and sought an advance ruling regarding the GST classification and tax rate applicable to 'Rejected Wheat Seed' and 'Rejected Paddy Seed'. The applicant contends that these items are no longer fit for sowing as seeds and require chemical treatment, thus losing their original character. The authority examined whether these goods fall under the category of seeds or general goods under the GST tariff.

H Ruling

Rejected Wheat Seed and Rejected Paddy Seed

Divergent views

Matter referred to the Appellate Authority for Advance Ruling under Section 98(5)

The two members of the Authority for Advance Ruling held divergent views on the classification and taxability of the goods. Consequently, the authority could not reach a consensus and decided to refer the matter to the Appellate Authority for Advance Ruling for a final decision. No final tax rate was determined by this bench.

R Reasoning

Member Vipin Chandra opined that since the seeds are rejected and unfit for sowing, they should be taxed at 5% as 'all other goods other than seed quality'. Conversely, Member Amit Gupta argued that the goods remain classified under HS Code 1001 and 1006 regardless of their 'rejected' status, and since those codes attract a 'Nil' rate, the supply should be exempt. The disagreement necessitated a reference to the Appellate Authority as per Section 98(5) of the CGST/SGST Act, 2017.

P Provisions Relied On

Section 97(2)(a) of the CGST/SGST Act, 2017

Section 98(5) of the CGST/SGST Act, 2017

Section 100(1) of the CGST/SGST Act, 2017

HS Code 1001

HS Code 1006



For the Practitioner

This ruling is **not a final determination** of the tax rate for rejected seeds, as the members reached a deadlock. Practitioners should note that the authority is split on whether 'rejected' status removes goods from the specific seed classification. It serves as a procedural example of how the authority handles **conflicting member opinions** by escalating the issue to the Appellate Authority.

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 -> [utrakhand 12-2018-19 sam overseas.pdf](#)

Prepared 20-10-2026.

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

Delhi

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

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

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

Gurugram

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

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