

18% GST applicable on Poultry Crates, can be Treated as Article for Conveyance or Packing of Goods, of Plastics: The AAR, Maharashtra

Fact of the Case

The applicant, M/s Nilkamal Ltd. is engaged in manufacturing a wide range of products used in storage, handling, and transportation of goods, including products like plastic carts, poultry crates, plastic pallets, insulated iceboxes and fish tubs, waste management tools, road safety products, hospitality solutions, aquaculture fish cage, manhole chambers, ripening solutions, material handling equipment, metal shelving and racking systems.

The applicant approached the AAR bench in respect of the classification of the product "poultry crates" which is used for safe and convenient transportation of live birds. The primary contention of the applicant is that the impugned product falls under chapter 8436 as poultry-keeping machinery because the impugned poultry crates are manufactured especially for the purpose of use in carrying and transporting live birds from farm to plants; that they are different from ordinary crates/containers and further these poultry crates are manufactured keeping into consideration the safety, hygiene and reduce mental stress to live birds. But the applicant has not brought out anything on record to even remotely suggest that the impugned goods can be considered as machinery.

Decision of the Case

The bench of State Tax held that "the impugned product i.e. the poultry crates is an article of plastic. It is used for the conveyance of poultry and from a reading Chapter 39, it is clear that the said product is clearly covered under sub-section 392310 of the Tariff.

However, it is seen that the subject product does not fall under 39231010; 39231020; and 39231040. Thus, the impugned product will be covered under the residual i.e. 39231090 of the Tariff and hence attract GST of 9%".

The Maharashtra bench of the Authority for Advance Rulings (AAR) has held that 18% GST on Poultry Crates can be treated as articles for conveyance or packing of goods, or plastics.