

From	Karvy Data Management Services Ltd.
Date	May 02, 2019
Subject	Clarification on applicability of GST on Seed Certification Tags.
Category	Circular
Reference	Circular No. 100/19/2019 – GST dated 30.04.2019
Series	Karvy/GST/113

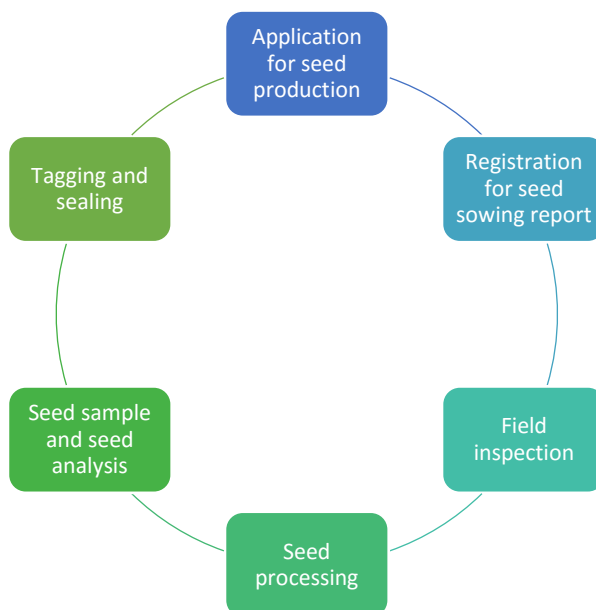
Representations were made to the Government regarding applicability of GST on supply of Seed Certification Tags. In this relevance, examination is carried out by Government on the process of seed certification followed in the state of Tamil Nadu and Uttarakhand as prescribed under Seeds Act 1966.

On examination of Seed certification process under Seeds Act 1966, a circular is issued clarifying applicability of GST on Seed certification tags.

We have summarised the content of circular in following three stages -

- ❖ Process of seed testing and certification followed in the state of Tamil Nadu prescribed under Seeds Act 1966.
- ❖ Process of seed testing and certification followed in the state of Uttarakhand prescribed under Seeds Act 1966.
- ❖ Applicability of GST on seed certification tags.

Process of seed testing and certification followed in the state of Tamil Nadu prescribed under Seeds Act 1966.



Application for seed production

- ✓ Sowing report is to be submitted in triplicate to the Assistant Director of Seed Certification to register crop and season with registration fees of ₹ 25/- and prescribed certification charges.
- ✓ Fees paid is for single crop variety for an area up to 25 acres and for a single season.

Registration of sowing report

- ✓ On receipt of application of sowing report, Assistant Director of Seed Certification scrutinizes and register the seed farm.
- ✓ After scrutiny of application, seed certification number is assigned for each sowing report.

Field inspection

- ✓ Field inspection is carried out by Seed Certification officer (SCO) to check the factors that may affect the genetic purity and physical health of seeds.
- ✓ Field inspection is carried out during various growth stages of crop such as Pre-flowering, flowering, post flowering and pre-harvesting and harvest time.

Seed processing

- ✓ After harvesting seed following required seeds standards it is taken to the approved seeds processing units.
- ✓ Each seed lot should accompany the processing report basis which lot is verified.
- ✓ Processing includes cleaning, drying, grading, treating and other operations to improve the seed quality.
- ✓ Seed Certification Officer inspects the processing plant to check the possibility of mechanical mixtures.

Seed sampling and analysis

- ✓ Seed sample should be sent to the seed testing laboratory for analysis through the Assistant Director of Seed Certification.
- ✓ Fee of ₹ 30 is to be paid for registration of seed farm. Fee of ₹ 200 is to be paid to analyse the genetic purity of the seed sample.
- ✓ Seed lot which meets prescribed seed standards are allotted certification label.
- ✓ White colour label for foundation seeds and blue colour label for certified seeds should be bought from the Assistant Director of Seed Certification by paying ₹ 3/- and ₹ 2/- respectively.

Tagging and sealing

- ✓ Approved seed lots should be tagged with certification tag within prescribed time frame.
- ✓ Seed Certification Officer shall verify seed tags on receipt of the same.
- ✓ All tagging operations should be done in presence of Seed Certification Officer.

Process of seed testing and certification followed in the state of Uttarakhand prescribed under Seeds Act 1966.

- ✓ Seed producing company/organization which wants to produce certified seeds applies to the Seed Certification Agency (SCA) of the State Government for certification of the seeds produced by it in collaboration Circular No. 100/19/2019-GST 3 with seed farmers as certified seeds.
- ✓ SCA carried out field inspection at various stages to see that seed is produced as per prescribed standards.
- ✓ Based on the number of packets into which the seed shall be packed for marketing, the (SCA) issues to the seed company signed seed certificates/tags to be attached to each packet of certified seed.
- ✓ Fees is charged at three stages by SCA for testing and certification of seed.

Applicability of GST on supply of Seed Certification Tags.

Seed testing and certification is a multi-stage process, charges for which are collected from seed producers at various stages.
Supply of seed tag to seed producer is an element of the one integrated supply of seed testing and certification.
All the charges collected by Seed Certification Agency (SCA) including those for issue of seed certificates/tags form part of composite supply of seed testing and certification, which is exempt under notification no. 12/2017 - CT rate .
This clarification would apply to supply of seed tag by SCA of other states as well which are following similar testing and certification process.
Printed seed certification tags supplied by other departments/manufacturers to State Government/SCA is liable to GST.

Press release states that suitable trade notices may be issued to publicize the contents of this circular.

The Press release can be accessed on <http://www.cbic.gov.in/resources//htdocs-cbec/gst/circular-cgst-100.pdf>

About KARVY DATA MANAGEMENT SERVICES LTD.

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi, Chennai, Pune and Kolkata. For more information about KDMSL service offerings, visit www.karvygst.com

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