Circular No. 45/2001-CUSTOMS

7th August, 2001.

F.No.528/4/2001-CUS (TU)

Government of India

Ministry of Finance

Department of Revenue

Central Board of Excise & Customs

Subject: Classification of pedestrian controlled tractors/power tillers as rotary tillers under heading 84.32. - Reg.

I am directed to refer to the subject mentioned above and to say that a representation has been received in Board"s office stating that pedestrian controlled tractors/power tillers classifiable under CTH 87.01 are being cleared as rotary tillers under CTH 84.32 and that the incorrect classification has adversely affected the interests of the domestic industry.

2. The matter has been examined. In this connection, comments on classification and assessment practice followed were called for. The Custom Houses were also requested to forward copies of brochure/technical literature of the equipment in question. From the reports received, it appears that the Custom Houses are following the decision of the Conference of Commissioners of Customs on Tariff and Allied Matters held at Cochin (Oct.`95) wherein it had been decided that few models of power tillers would merit classification under CTH 84.32 as agricultural machinery for soil preparation or soil cultivation.

3. HS Explanatory Notes to heading 87.01 state that the heading covers tractors of various types. Such tractors may also be equipped with a tool box, with a provision for raising and lowering agricultural implements, with coupling devices for trailers or semi trailers or with a power take off for driving machines such as threshers and circular saws. It is further stated that this heading also covers `pedestrian controlled tractors" or `walking tractors". These tractors are small agricultural tractors equipped with a single driving axle carried on one or two wheels, and like normal tractors, they are designed for use with interchangeable implements which they may operate by means of a general purpose power take off. Such tractors are not usually fitted with a seat and the steering is effected by means of two handles.

4. Rotary tillers/cultivators are reported to be an implement/attachment with blades or tines mounted on a power driven shaft. These equipment classifiable under CTH 84.32 are fitted as an attachment to tractor. Power tillers are, on the other hand, prime movers in which the direction of travel and control for field operations is performed by the operator walking behind it. Hence, it is clear that power tillers/pedestrian controlled tractors/walking tractors are different from rotary tillers.

5. The Explanatory Notes make it clear that `pedestrian tractors" are to be classified under CTH 87.01 as tractors and not as `rotary tillers" under heading 84.32. The Custom Houses may, therefore, kindly ensure that `pedestrian controlled tractors" or walking tractors are not cleared in the guise of rotary tillers. Difficulties, if any, faced in the implementation of above instructions may be brought to the notice of the Board.

Please acknowledge receipt of this circular.

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