

**BEFORE THE AUTHORITY FOR ADVANCE
RULINGS FOR THE STATE OF UTTARAKHAND**

(Goods and Services Tax)

समक्ष अग्रिम विनिर्णय प्राधिकारी उत्तराखण्ड (माल और सेवा कर)

Present:

Shri Vipin Chandra (Member)

श्री विपिन चन्द्र (सदस्य)

Shri Amit Gupta (Member)

श्री अमित गुप्ता (सदस्य)

The 6th day of February, 2019

Ruling No- 18/2018-19

अग्रिम विनिर्णय संख्या.

In

Application No: 15 /2018-19

आवेदन संख्या- 15 /2018-19

1	Applicant आवेदक	✓ M/s Elefo Biotech Pvt. Ltd., Plot No. 135, Khasra No. 92 Jhabreda Road, Narsan Kalan Haridwar, Uttarakhand – 247670.
2	Jurisdictional Officer अधिकारिता अधिकारी	Deputy Commissioner, Sector-2 Roorkee.
3	Present for the Applicant आवेदक की ओर से उपस्थित	Shri Saurabh Garg, CA and Shri S.P. Batla, Advocate
4	Concerned Officer	
5	Present for the Jurisdictional Officer अधिकारिता अधिकारी की ओर से उपस्थित	
6	Date of receipt of application आवेदन प्राप्ति की तिथि	28-11-2018
7	Date of Personal Hearing सुनवाई की तिथि	11-01-2019

Note : Under Section. 100(1) of the Uttarakhand Goods and Services Tax Act, 2017, an appeal against this ruling lies before the appellate authority for advance ruling constituted under section- 99 of the Uttarakhand Goods and Services Tax Act, 2017, within a period of 30 days from the date of service of this order.

नोट : इस अग्रिम विनिर्णय की प्राप्ति के 30 दिन के अन्दर उत्तराखण्ड माल और सेवा कर अधिनियम 2017 की धारा- 99 के अन्तर्गत गठित अग्रिम विनिर्णय अपील प्राधिकारी के समक्ष धारा- 100(1) के अन्तर्गत अपील दायर की जा सकती है।

**AUTHORITY FOR ADVANCE RULINGS FOR THE
STATE OF UTTARAKHAND
(Goods and Services Tax)**

1. This is an application under Sub-Section (1) of Section 97 of the CGST /SGST Act, 2017 (herein after to be referred as "Act") and the rules made thereunder filed by M/s Elefo Biotech Pvt. Ltd., Plot No. 135, Khasra No. 92, Jhabreda Road, Narsan Kalan, Haridwar, Uttarakhand – 247670, seeking an advance ruling on the following :

"Recommendation on the HSN Code and applicable tax rate to be used under GST for the AMI (Anaerobic Microbial Inoculums)."

2. Advance Ruling under GST means a decision provided by the authority or the appellate authority to an applicant on matters or on questions specified in sub section (2) of section 97 or sub section (1) of section 100 in relation to the supply of goods or services or both being undertaken or proposed to be undertaken by the applicant.
3. As per the said subsection (2) of Section 97 of the Act ibid advance ruling can be sought by an applicant in respect of :
- (a) Classification of any goods or services or both
 - (b) Applicability of a notification issued under the provisions of this Act,
 - (c) Determination of time and value of supply of goods or services or both,
 - (d) Admissibility of input tax credit of tax paid or deemed to have been paid
 - (e) Determination of the liability to pay tax on any goods or services or both
 - (f) Whether the applicant is required to be registered
 - (g) Whether any particular thing done by the applicant with respect to any goods or services or both amounts to or results in a supply of goods or services or both within the meaning of that term

In the present case, applicant has sought advance ruling in respect of levability of GST, if any, for the following –

"Recommendation on the HSN Code and applicable tax rate to be used under GST for the AMI (Anaerobic Microbial Inoculums)."

Therefore, with the instant application seeking classification of goods and rate of GST leviable thereon, in terms of Section 97(2)(a) & 97(2)(e) of CGST/SGST Act, 2017, the present application is hereby admitted.

4. Accordingly opportunity of personal hearing was granted to the applicant on 11.01.2019. Shri Saurabh Garg, Chartered Accountant and Shri S.P. Batla, Advocate, on behalf of the applicant, appeared for personal hearing on the said date. They submitted that the said product i.e. 'Anaerobic Microbial Inoculums (AMI)' is used in Bio-toilets in Railway coaches, and its alternative use is as organic manure. They also submitted documents which were taken on records.

5.1. In the present application, applicant has sought advance ruling for the classification and rate of GST applicable on supply of the products i.e. 'Anaerobic Microbial Inoculums (AMI)' manufactured by them.

5.2. Before going into the details of the instant question on which the ruling has been sought by the applicant, it is important to illustrate the exact nature and usage of the said products i.e. 'Anaerobic Microbial Inoculums (AMI)'.

About AMI : Anaerobic Microbial Inoculums (AMI) /DRDO Bacteria inoculums are colony of micro-organisms that can live and grow in an environment devoid of oxygen i.e. anaerobic environment. Raw material required for producing AMI is cattle dung in which micro-organisms multiplies over a period of time.

AMI is used in Bio-toilet technology developed by DRDO : In Bio-technology, human waste is treated in a much effective way in an anaerobian environment. IT avoids use of chemicals. IT decomposes biological waste generated by humans into useable water and gases in an eco-friendly manner. It is a simple process wherein AMI bacteria feeds on human waste inside the tank and completely breaks down the fecal matter. Entire system relies on the creation and preservation of a natural purification ecosystem of biodegradation by micro-organisms in different stages. This process also acts as a preventer of water borne diseases. These bacteria inoculums or AMI are specially developed in a monitored and controlled environment.

AMI generation process : This process starts with mixing of cattle dung and seed AMI obtained from DRDO, Gwalior in a sealed tank where temperature and pH are controlled. Temperature of the tank is maintained between 18-22°C and pH is also maintained between 6.8 – 7.4. Cattle dung is thus allowed to remain in this sealed tank for around 100 days under these controlled anaerobian environment. This process multiplies seed AMI provided by DRDO, Gwalior and hence gives us large quantities of AMI to be fed in Bio-toilets.

Indian Railways is one of the biggest users of AMI or DRDO inoculums bacteria as it is known in railways.

Alternate Use : Alternate use of AMI is as 'organic manure'.

Thus, we find that the product – 'Anaerobic Microbial Inoculums (AMI) i.e. Animal Dung' is nothing but an 'organic manure i.e. organic fertiliser' which is generally used in Bio-toilets set up in Railways coaches, known as "DRDO inoculums bacteria".

5.2. In this context, as per the nature and usage, we find that the products i.e. 'Anaerobic Microbial Inoculums (AMI)' manufactured by the applicant will be classified under HSN code 3101 of the GST Tariff Act and accordingly, to determine the rate of GST leviable on supply of the said products, the relevant portion of the HSN code 3101 of the GST Tariff Act is reproduced as under –

Chapter/ Heading/ Sub-	Description of goods	Unit	GST Rates Rate of tax			
			Central	State/	Inter-	Compe

heading/ Tariff Item			CGST	UT/ SGST/ UTGST	State IGST	nsatio n Cess
(1)	(2)	(3)	(4)	(5)	(6)	(7)
3101	All goods i.e. animal or vegetable fertilisers or organic fertilisers put up in unit containers and bearing a brand name					
3101 00	- Animal or vegetable fertilizers, whether or not mixed together or chemically treated; fertilizers produced by the mixing or chemical treatment of animal or vegetable products :					
3101 00 10	--- Guano.....	Kg.	2.5%	2.5%	5%	Nil
	--- Other :		2.5%	2.5%	5%	Nil
3101 00 91	---- Animal dung.....	Kg.	2.5%	2.5%	5%	Nil
3101 00 92	---- Animal excreta.....	Kg.	2.5%	2.5%	5%	Nil
3101 00 99	---- Other.....	Kg.	2.5%	2.5%	5%	Nil

On going through the HSN code 3101 of the GST Tariff, we find that the products i.e. 'Anaerobic Microbial Inoculums (AMI)' manufactured by the applicant will be classified under sub-heading 31010099 and accordingly, the GST will be leviable @ 5% on supply of these products as on date.

RULING

In view of the above, we hold that the products i.e. Anaerobic Microbial Inoculums (AMI) will be classified under chapter sub-heading 31010099 of the heading 3101 of the GST Tariff and accordingly, the supply of these products will attract GST @ 5% [CGST @ 2.5% + SGST @ 2.5%] as on date.

VIPIN CHANDRA (MEMBER)

AMIT GUPTA (MEMBER)

AUTHORITY FOR ADVANCE RULING GOODS & SERVICE TAX, UTTRAKHAND

F. No. : ~~8340~~ 15 / State Tax -UK / GST/Sec-97/2018-19/D.dun/ 8340 Dated: 27/02/19

Copy to :

1. The Chief Commissioner, CGST, Meerut Zone, Meerut for review.
2. The Commissioner, CGST, Commissionerate, Dehradun for review.
3. The Commissioner, SGST, Commissionerate, Uttarakhand for review.
4. The Assistant Commissioner, CGST Division, Haridwar for review.
5. The Assistant Commissioner, Sector-2 SGST, Roorkee for review.
6. The Concerned officer, SGST, Dehradun.
7. The Registrar -Appellate Authority for Advance ruling
8. Guard File.