

**AUTHORITY FOR ADVANCE RULING
TAMILNADU ADVANCE RULING AUTHORITY
PAPJM Buildings, II Floor, No.1, Greams Road, Chennai-600 006.**

**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE
GOODS AND SERVICES TAX ACT, 2017.**

Members present are:

1. Ms. Manasa Gangotri Kata, IRS Joint Commissioner/Member,
Office of the Commissioner of GST & Central Excise, Chennai.
2. Thiru S. Vijayakumar, M.Sc., Joint Commissioner (CT) / Member (FAC),
Enforcement / Inter-State Investigation Cell, Chennai-6.

ORDER No. 3 /AAR/2018 DATED 21.01.2019

GSTIN Number, if any / User id	331800000276ARU (Temporary Registration)
Legal Name of Applicant	M/s. Animal Feed Analytical and Quality Assurance Laboratory
Registered Address/Address provided while obtaining user id	1, Veterinary College and Research Institute, Mohanur Road, Ladduvadai Post, Namakkal – 637002.
Details of Application	GST ARA -01 Application Sl.No. 20 dated 02.04.2018.
Concerned Officer	Centre: Salem Commissionerate, Namakkal Division State: The Assistant Commissioner (ST) Namakkal (Rural) Assessment Circle, Namakkal.
Nature of activity(s) (proposed / present) in respect of which advance ruling sought	
A Category	Service provision
B Description (in Brief)	Testing of Animal Feeds, Feed ingredients and Feed supplements used to make the feeds.
Issue/s on which advance ruling required	Applicability of Notification No.12/2017 Central Tax (Rate) dated 28.06.2017
Question(s) on which advance ruling is required	Whether services related to rearing of all life forms of animals by way of testing include testing of Animal Feeds, Feed ingredients and Feed supplements used to make feeds are covered under this notification?

Note : Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.

At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.

M/s. Animal Feed Analytical and Quality Assurance Laboratory (hereinafter called the Applicant), Registered address at 1, Veterinary College and Research Institute, Mohanur Road, Ladduvadai Post, Namakkal-637002. They have preferred an Application seeking Advance Ruling to clarify applicability of Notification No.12/2017 Central Tax (Rate) dated 28.06.2017 to

“Services related to rearing of all life forms of Animals by way of testing include testing of Animal Feeds, Feed ingredients and Feed supplements used to make feeds”

2.1 The Animal Feed Analytical and Quality Assurance Laboratory, Veterinary College and Research Institute (VC & RI) , Namakkal is a constituent Department of VC & RI under the aegis of Government of Tamil Nadu established by the Tamil Nadu Veterinary and Animal Sciences University (TANUVAS). The Applicant is involved in the Services of testing the Feed/ Feed ingredients for different parameters since 1994 for the farming community of the country. Their clients are mostly farmers, feed manufacturers and government organizations under Ministry of Agriculture. The Applicant is involved in testing the raw materials, finished animal feeds and feed supplements for its nutrient profile, contaminants, adulterants, mycotoxins and other contents. The Applicant has informed that testing of feeds, feed ingredients and feed supplements is part of rearing all life forms of animals for food, feed raw materials or other similar products or agricultural produce. They have also stated that testing of feed provides sufficient data on nutritional value which decides its feeding value, adulterant/contaminants present in those materials which reduce value and cause disorders in animal/poultry, mycotoxins which downs animal health and whether or not they are worth inclusion. This is required for proper and healthy rearing of animals and thus to obtain quality products for human beings and animals.

2.2 The Applicant has further stated under the Service Tax regimen their services were exempted under Section 66D of Finance Act 1994, which was modified vide D.O.F.No.334/3/2013-TRU dated 28.02.2013, wherein in the negative entry list entry

in Sub-clause(i) of Clause(d) in Section 66D, the word seed was deleted for allowing benefits for all other testings related to agricultural produce or agriculture.

2.3 In the GST regime, the Applicant was charging 18 % GST on all samples submitted for technical analysis. The Applicant stated that Sl.No. 54(a) Heading 9986 of Notification 12/2017-Central Tax(Rate) dated 28.06.2017 exempts "services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel or raw material or other similar products or agricultural products by way of agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing" would include testing, testing of animal feeds, feed ingredients and feed supplements used to make feeds. The Applicant requests a ruling on applicability of exemption under this Notification including for inter-state testing services.

3. The Authorised Representative of the Applicant was heard in the matter. They stated in the Pre- GST regime, their services were exempted under Section 66D of Finance Act, 1994 and they are of the view that they are eligible for exemption under GST as per Notification 12/2017CT(R). In light of the above, the Applicant has sought Advance Ruling to clarify, whether their services related to rearing of all life forms of animals by way of testing include testing of animal feeds, feed ingredients and feed supplements used to make feeds will be covered under Sl.No.54 of Notification 12/2017 CT(R). They also submitted copy of invoices raised for these services.

4. Documents submitted were examined. It is seen that the Applicant is receiving samples of various goods such as 'Sunflower deoiled cake', 'Layer mash', 'Soybean Meal', 'Jowar', 'Chick mash', 'Cattle feed', 'deoiled groundnut cake', etc. For these samples, the Applicant is charging for tests for 'Crude Protein', 'Crude Fibre', 'Sand & Silica (Acid Insoluble Ash)', 'Urea', 'Multi Mycotoxins', 'ether extract', 'Alfatoxin', 'Moisture' etc. The SAC indicated in invoice is 9986. The invoices are being raised on various poultry farms, animal feeds firms, etc.

5.1 Notification 12/2017 Central Tax (Rate) exempts the intra-State supply of services namely:-

Sl.No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description	Rate	Condition
54	Heading 9986	<p>Service relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of—</p> <p>(a) agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;</p> <p>(b) supply of farm labour;</p> <p>(c) processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;</p> <p>(d) renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;</p> <p>(e) loading, unloading, packing, storage or warehousing of agricultural produce;</p> <p>(f) agricultural extension services;</p> <p>(g) services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce.</p>	NIL	NIL

As per the classification of services, heading 9986 Support services to agriculture, hunting, forestry, fishing, mining and utilities and 998612 covers the following:

998612 Animal husbandry services

This service code includes sheep shearing and care and management of herds of farm animals; artificial insemination of farm animals; grading of eggs; cleaning of agricultural premises (hen houses, piggeries, etc.); accommodation services for pets (kennels); grooming and tattooing services for pets; training of pet animals; Farm animal husbandry services on inputs owned by others like operation of a farm animal production unit on a fee or contract basis

This service code does not include:

- services provided by agronomists and agricultural economists, cf. 998311
- veterinary services for pets and other animals, cf. 99835
- training of guard dogs cf. 998529
- recreational riding services, cf. 999652
- training of sport and entertainment animals cf. 999662

5.2 In the facts of the case at hand, the Applicant is involved in the service of testing the feed/ feed ingredients for different parameters for the farming community of the country. They undertake testing of the raw materials, finished animal feeds and feed supplements for its nutrient profile, contaminants, adulterants, mycotoxins and other contents. From the submissions it is clear that the activities undertaken by the Applicant are testing the chemical/physiological composition of the samples of animal feed. Applying the statutory provisions to the facts of the case, it is evident that Service classification Chapter Heading 9986 covers only that genre of support services of animal husbandry like Sheep shearing, care and management of herds, pet training, grooming, etc which are support services related to the operation of animal husbandry and does not cover the services provided by the applicants, which is a mere testing service. Therefore the services of the Applicant are not covered under the purview of SAC 9986. The services are more appropriately classified under

998346 Technical testing and Analysis services

This service code includes testing and analysis of the chemical and biological properties of materials such as air, water, waste (municipal and industrial), fuels, metal, soil, minerals, food and chemicals;

Therefore, the testing of animal feed services rendered by the Applicant is not eligible for the exemption under Notification 12/2017 Central Tax(Rate) dated 28/06/2017 as amended for CGST and No.II(2)/CTR/532(d-15)/2017 vide G.O. (Ms) No. 73 dated 29.06.2017 for SGST.

6. In light of the above, we rule as under

RULING

The services provided by the Applicant related to testing of Animal Feed /Feed ingredients are not be covered under Notification 12/2017 Central Tax (Rate) dated 28/06/2017 as amended for CGST and No.II(2)/CTR/532(d-15)/2017 vide G.O. (Ms) No. 73 dated 29.06.2017 for SGST.

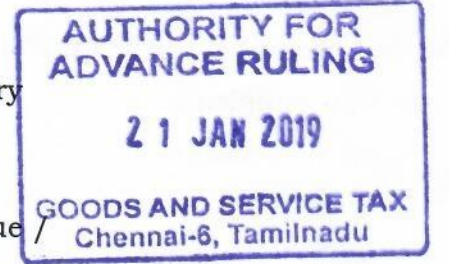

Ms. Manasa Gangotri Kata, IRS
Member


Shri. S. Vijayakumar, M.Sc.,
Member (FAC)

To

M/s. Animal Feed Analytical and Quality Assurance Laboratory
1, Veterinary College and Research Institute,
Mohanur Road,
Ladduvadai Post,
Namakkal-637002.

/ By Seed Post with Ack . Due /



Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Commissioner of State Tax, II Floor, Ezhilagam, Chepauk, Chennai-600 005.

Copy to:

3. The Commissioner of GST & C.Ex., Salem Commissionerate,
No.1, Anai Road, Foulks Compound, Salem-636001
4. The Assistant Commissioner (ST)
Namakkal (Rural) Assessment Circle,
Old Court Building,
Opp. to BSNL Office,
Mohanur Road,
Namakkal - 637 001.
5. Master File/ Spare-2

