



TELANGANA STATE AUTHORITY FOR ADVANCE RULING
CT Complex, M.J Road, Nampally, Hyderabad-500001.
(Constituted under Section 96(1) of TGST Act, 2017)

Present:

Sri B. Raghu Kiran, IRS, Additional Commissioner (Central Tax)
Sri S.V. Kasi Visweswara Rao, Additional Commissioner (State Tax)

A.R.Com/28/2021

Date:14.03.2022

TSAAR Order No.14/2022

[ORDER UNDER SECTION 98(4) OF THE CENTRAL GOODS AND SERVICES TAX ACT, 2017 AND UNDER SECTION 98(4) OF THE TEALANGANA GOODS AND SERVICES TAX ACT, 2017.]

1. M/s. Allied Blenders and Distillers Private Limited, H.No. 1-11-220/2, First floor, Sreenivasam, Brundavan Colony, Begumpet, Hyderabad, Hyderabad, Telangana- 500016 (36AAACY3846K1ZY) has filed an application in FORM GST ARA-01 under Section 97(1) of TGST Act, 2017 read with Rule 104 of CGST/TGST Rules.
2. At the outset, it is made clear that the provisions of both the CGST Act and the TGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the TGST Act. Further, for the purposes of this Advance Ruling, the expression 'GST Act' would be a common reference to both CGST Act and TGST Act.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The Applicant enclosed copies of challans as proof of payment of Rs. 5,000/- for SGST and Rs. 5,000/- for CGST towards the fee for Advance Ruling. The concerned jurisdictional officer also raised no objection to the admission of the application. The application is therefore, admitted
4. **Brief facts of the case:**

M/s. Allied Blenders and Distillers Private Limited are primarily engaged in manufacture of alcohol. In the process of manufacturing alcohol, the applicant produces certain bye-products by names distillery dry gain soluble (DDGS) and distillery wet grain soluble (DWGS). It is contended by the applicant that these are sold only as cattle feed as they have no other 'known commercial uses'. It is their assertion that they are exempt from tax under GST. Hence this application.

5. **Questions raised:**

Whether the sale of produces Distillery Wet Grain Soluble ('DWGS') and Distillery Dry Grain Soluble ('DDGS') – 'Cattle feed' undertaken by the applicant is covered under serial no 102 of Notification No. 02/2017 – Central Tax (Rate) dated 28 June 2017 and whether these commodities are exempt from payment of GST?

6. **Personal Hearing:**

The Authorized representatives of the unit namely B. Srinivas, Advocate and T. Vijayendar Reddy, Regional Finance Controller attended the personal hearing held on 05-01-2022. The authorized representatives reiterated their averments in the application submitted and averred as follows:

1. That they have filed an application before AAR on 11.07.2020 subsequent to which date i.e., in Aug 2020 the DGGI has initiated an investigation on the question raised by the applicant and therefore that they are eligible for clarification from the AAR.
2. That they are a distillery and their byproducts i.e., distillery wet grain soluble and distillery dry grain soluble are used as cattle feed and therefore they are exempted under Sl.No.102 of Notification No. 02/2017.
3. That they rely on the end user test for their claim and request the AAR to dispose the case on detailed submissions made by them.

7. Discussion & Findings:

The applicant's chief argument is that their bye-products i.e., Distillery Wet Grain Soluble ('DWGS') and Distillery Dry Grain Soluble ('DDGS') are used only as cattle feed and therefore have to be classified under S.No.102 of Notification No. 02/2017.

It is observed that the Notification No. 01/2017 classifies 'brewing or distillery dregs and waste' at S.No.104 under tariff item '2303' and the rate applicable is 5% on these products.

Notification No.	S. No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods	Rate
02/2017	102	2302, 2304, 2305, 2306, 2308, 2309	Aquatic feed including shrimp feed and prawn feed, poultry feed & cattle feed, including grass, hay & straw, supplement & husk of pulses, concentrates & additives, wheat bran & de-oiled cake	Nil
01/2017	104	2303	Residues of starch manufacture and similar residues, beet-pulp, bagasse and other waste of sugar manufacture, brewing or distilling dregs and waste, whether or not in the form of pellets	5%

It is further seen that the chapter headings of the tariff items which qualify as cattle feed at the S.No.102 of Notification No. 02/2017 do not include the HSN '2303'. Thus S.No.102 of Notification No. 02/2017 specifically excludes 'brewing or distillery dregs and waste'. As seen from the averments submitted by the applicant the Distillery Wet Grain Soluble ('DWGS') and Distillery Dry Grain Soluble ('DDGS') are clearly falling under 'brewing or distillery dregs and waste' and therefore under tariff item HSN No. '2303'. Hence these are excluded from the exemption Notification No. 02/2017.

8. The ruling is given as below:

In view of the above discussion, the questions raised by the applicant are clarified as below:

Questions	Ruling
Whether the sale of produces Distillery Wet Grain Soluble ('DWGS') and Distillery Dry Grain Soluble ('DDGS') – 'Cattle feed' undertaken by the applicant is covered under serial no 102 of Notification No. 02/2017 – Central Tax (Rate) dated 28 June 2017 and whether these commodities are exempt from payment of GST?	No. Both the commodities fall under S.No.104 of Notification No. 01/2017 and are taxable at the rate of 5%.

(S.V. KASI VISWESWARA RAO)
ADDL. COMMISSIONER(STATE TAX)

(B. RAGHU KIRAN)
ADDL. COMMISSIONER(CENTRAL TAX)

[Under Section 100(1) of the CGST/TGST Act, 2017, any person aggrieved by this order can prefer an appeal before the Telangana State Appellate Authority for Advance Ruling, Hyderabad, within 30 days from the date of receipt of this Order]

To
M/s. Allied Blenders and Distillers Private Limited,
H.No. 1-11-220/2, First floor, Sreenivasam,
Brundavan Colony, Begumpet, Hyderabad,
Hyderabad, Telangana- 500016.

Copy submitted to :

1. The Commissioner (State Tax) for information.
2. The Commissioner (Central Tax), Hyderabad Commissionerate, GST Bhavan, L.B. Stadium Road, Basheerbagh, Hyderabad 500 004.

Copy to:

1. The Superintendent (Central Tax) Begumpet – I, Range.
//t.c.f.b.o//

Superintendent (Grade-I)