

**TAX TROUBLE**

# *Patanjali's argument in coddung case fails to 'moo' AAR*

## GST of 5 per cent would apply on the company's 'Gomaya Samidha' product, rules the authority

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Holy Cow! Talk of taxing issues. Is coddung sold in a container a *Hawan Samagri* (product used in a pooja) and, if so, what rate of GST would apply on it?

The Uttarakhand Authority for Advance Ruling (AAR), which is authorised to give advance ruling on tax rates, is taking no bull on this case. It has firmly ruled that supplying coddung in a container does not make it *Hawan Samagri*, and that GST at the rate of 5 per cent would apply on Patanjali's

'Gomaya Samidha' product.

Uttarakhand AAR disposed of the matter by classifying the product under the category "All goods, i.e. animal or vegetable fertilisers or organic fertilisers put in unit containers and bearing a brand name," which attract GST at the rate of 5 per cent.

Patanjali had moved the authority for advance ruling on the correct classification for 'Gomaya Samidha', arguing that the sticks had 95 per cent coddung and 5 per cent herbs. Patanjali had developed it in its Research and Development Lab for use in



Coddung will always remain coddung irrespective of the form it is supplied in, the AAR said GETTY IMAGES/ISTOCKPHOTO

yajnas, and sought exemption from GST. After going through the facts presented, AAR said that based on the

submissions made by the applicant, it understood that the characteristics of coddung had been changed as

herbs had been added to it.

However, it also observed that in the package nowhere was it written that it was *Hawan Samagri* even though there was picture of two priests performing *hawan*.

### **Organic manure**

AAR classified the product as organic manure covered under chapter 3101. It said that if organic manure is put in a container and bears a registered brand name, then it will not be eligible for exemption.

Though exemption is available for 'Firewood or Fuel wood' but there are con-

ditions - the product must originate from wood. Every fuel stick that caught fire cannot be classified as firewood. "Coddung will always remain coddung irrespective of the form it is supplied in. 'Firewood or Fuel wood' does not mean any product that has burning qualities," AAR said.

In the past some of the quirky cases that have landed up at the advance ruling body's desk are deciding whether a soft serve ice-cream cone can be equated to an ice-cream and the category of fried vegetable products.