

**GOVERNMENT OF ASSAM**  
**OFFICE OF THE COMMISSIONER OF TAXES:::ASSAM:::KAR BHAWAN,**  
**DISPUR::: GUWAHATI.**

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ORDER

Dated the 30<sup>th</sup> March, 2011.

No. CTS-7/2009/297: M/s Excel Crop Ltd, 4009, Ramkumar Arcade, Chatribari Road, Ghy-1 has submitted an application under section 105 of the Assam Value Added Tax Act, 2003 seeking clarification on the rate of tax on 'Herbozyme'.

B. Saloi, authorized signatory appeared and placed his submission. He submitted that Herbozyme liquid and granules are organic manure and are, therefore, covered by sl. No. 25 of the First Schedule of the Assam Value Added Tax Act, 2003 i.e. the products are exempted from tax. He also averred that Herbozyme is manufactured from seaweed concentrates and hence, the same is to be classified as an organic manure. He further claimed that Herbozyme liquid and granules help in improving the quality of land by increasing its fertility and the farmer use the as organic plant enricher. He also placed on record certain decision of tax authority of Gujarat which are also perused.

The entry sl. No. 25 of the First Schedule of the Assam Value Added Tax Act, 2003 reads as follows: "Organic manure including dung (Gobar)". Now 'Organic manure' is understood in common parlance as organic materials derived from animals, plants wastes that decompose to form humus and when added to soil enrich it with nutrients. 'Organic manure' includes animal excreta, plant refuse, fish scrap, guano, peal, cottonseed meal, seaweed and compost.

Since the product 'Herbozyme' marketed by the applicant is obtained from an elaborate manufacturing process using seaweed as raw materials in which the original substance gets transformed into an altogether new and distinct marketable commodity, it can no longer be classified under entry no. 25 of the First Schedule of the Act. The product is also not classifiable under entry no.19 of the Second Schedule of the Act in as much as this entry includes only chemical fertilizers which comprehends substances obtained by chemical synthesis containing primary plant nutritional elements like nitrogen, phosphorus and potassium or a few other secondary elements like calcium, magnesium and sulphur etc. Since, as per submission of the applicant, the products are not manufactured by any process of chemical synthesis, the same are also not classifiable under entry no. 19 of the Second Schedule of the Act.

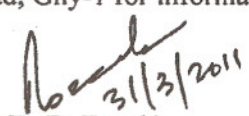
Therefore, the product 'Herbozyme' whether in liquid form or in granule sizes attracts tax @ 13.5% under entry at sl. no.1 of the Fifth Schedule of the Act.

Sd/- Sanjay Lohiya,  
Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

No. CTS-7/2009/297-A  
Copy to:-

Dated Dispur, the 31<sup>st</sup> March, 2011.

1. The Principal Secretary to the Govt. of Assam, Finance Department, Dispur, Guwahati-6 for favour of kind information of the Government.
2. The Addl. Commissioners of Taxes/ Joint Commissioners of Taxes (All) for information.
3. The Deputy Commissioners of Taxes (All) for information.
4. The Assistant Commissioners of Taxes/ Superintendents of Taxes (All) for information.
5. M/s Excel Crop Ltd, 4009, Ramkumar Arcade, Chatribari Road, Ghy-1 for information.

  
(R. D. Borah),

Joint Commissioner of Taxes, Assam,  
Dispur, Guwahati-6.

31.3.11