

**AUTHORITY FOR ADVANCE RULING  
TAMILNADU ADVANCE RULING AUTHORITY  
PAPJM Buildings, II Floor, No.1, Greams Road, Chennai-6**

**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 KurinjiSelvaan V.S., M.Sc., (Agri.), M.B.A.,  
Joint Commissioner (ST) / Member  
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-6

**ORDER No. 34/AAR/2019 DATED 26.07.2019**

GSTIN Number, if any / User id		33ASVPA4809N1ZC
Legal Name of Applicant		Chinnakani Arumuga selvaraja, Proprietor, M/s Sri Venkateshwara Traders
Registered Address/Address provided while obtaining user id		No. 2/4, Sathanur Road, Vikrawandi (West), Villupuram District, Pin Code - 605 652.
Details of Application		GST ARA-01 Application No. 21 dated 11.06.2019
Concerned Officer		State : The State Tax Officer, Villupuram-I Assessment Circle Centre: Chennai - Outer Division: Villupuram
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Manufacturer
B	Description (in Brief)	Manufacture of Cattle Feed in Cake Form
Issue/s on which advance ruling required		Classification of 'Cattle feed in cake form'
Question(s) on which advance ruling is required		Classification of 'Cattle Feed in Cake Form'

**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. Sree Venkateswara Traders (Prop: Chinnakani Arumuga selvaraja), No. 2/4, Sathanur Road, Vikravandi (West), Villupuram (hereinafter called as the 'Company' or 'Applicant') is engaged in the manufacture of "Cattle Feed in Cake Form". The applicant was a registered dealer under the Tamil Nadu General Sales Tax Act, 1959 (TNGST Act) and under the Tamil Nadu Value Added Tax Act, 2006. They are registered under GST Act with GSTIN 33ASVPA4809N1ZC. The Applicant has sought Advance Ruling on the

Classification of cattle feed in cake form

They have submitted the copy of application in Form GST ARA – 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and TNSGST Rules 2017.

2. The applicant has stated that they are effecting sales of cattle feed (cake form) both locally as well as by way of inter-state sale. The cattle feed is manufactured from the groundnut oil cake along with a list of ingredients including husked rice with broken rice, black & broken rice, jaggery, salt and water and after duly processing it is fit to be sold as "cattle feed". Cattle feed being sold is meant for domestic animals as an essential raise for the maintenance of life and also as feed which is supplied over and above the maintenance requirements for growth or fattening and for production purposes such as re-production, for production of milk, meat and wool and in the case of animals, for efficient output of work also. They produced the certificates of analysts issued to one of the sister concern (M/s C.P.R Mill) of the product manufactured by them which is sold as "cattle feed" Cake Form, duly issued by the Department of Animal Institution, Veterinary College and Research Institute, Orathanadu, Thanjavur, both in respect of cattle feed Cake Form and groundnut oil cake. Additionally, a test report from the CSIR - Central Food Technological Research Institute, Mysore

procured by the sister concern was also submitted. They have further stated that they are manufacturing the “cattle feed” in cake form in the same mill as of the sister concern on shift basis. The applicant has made reference to the proceedings of the Authority for Advance ruling under GST, Tamil Nadu passed in the case of their sister concern M/s C.P.R Mill in Order No. 8/AAR/2018

2.2 They have also stated that right from the inception under the sales tax enactment, cattle feed in cake form manufactured by them were eligible for exemption under the TNGST Act 1959, under the TNVAT Act 2006. They submit that since the product manufactured by them could be used only as cattle feed meant for animals there cannot be any liability by way of tax under GST Act. In view of the above facts the applicant requested to issue an Advance ruling with regard to the classification of their product “Cattle feed in cake form”.

3. The Authorized Representative of the Applicant was heard in the matter on 23.07.2019. They submitted a written submission, a CD with videos of manufacturing. They stated that they are sister concern of M/s C.P.R Mill, Shri Aadhi Trading Company and use same labor and machinery. They use groundnut oil cake, broken rice, rice husk, jaggery, salt, water to make cattle feed. They submitted a written submission. They informed that they will submit copies of sale invoices, photos of sale products including packaging and write up on manufacturing process.

3.1 Further, to the Personal Hearing held on 23.07.2019 the applicant submitted the written submission, manufacturing process flow chart and copies of sale invoices.

4. The jurisdictional authority- Assistant Commissioner (ST), Villupuram- I in their comments have stated that though cattle feed in cake form processed out of Groundnut oil cake is entirely different from Groundnut oil cake, it will not lose its nature, character, identity and no new product emerged; the small size Groundnut oil cake was made as big one; However, the item of Groundnut oil cake is one of the major ingredient of Groundnut cake for cattle feed which is not specifically found as one of the supplement in exempted entry No.5 Part B fourth schedule of TN GST Act 2017, whereas in Sl.No 106.(Tariff item 2305) oil cake and other solid residues whether or not ground or in the form or pellets resulting from the extraction of Groundnut oil is liable to tax at 2.5%. But the said entry continue as (other than aquatic feed including shrimp feed and prawn feed poultry

feed and cattle feed). As per the contents of the applicant the ingredients of cattle feed Groundnut cake are Groundnut of cake husked rice, with broken rice, black and broken rice, jaggery, salt and water. The major portion of the ingredients is Groundnut oil cake and more ever it is not known that such product is only for the purpose of usage as cattle feed, also when the Groundnut oil cake is liable to tax and the buyer of such goods is also eligible to claim Input Tax Credit then there is no reason to allow exemption on the corresponding sales which after some process sold as cattle feed. As per Schedule I of TNGST Act 2017, entry 14- Tariff item 0410 Edible products of animal origin not elsewhere specified or included is liable to tax at 2.5%. The Product of the applicant should be classified under the above category, this entry was not provided under the TNGST Act 1956 and TNVAT Act 2006. Hence, the product of the applicant is liable to tax at 2.5% whatever the name it is called be.

4. We have carefully examined the details and documents furnished. From the various submissions of the applicant, it is seen that the product under consideration, 'Cattle Feed in Cake Form' is manufactured by pulverizing Groundnut oil cake, husked rice with broken and black broken rice pulverized separately, which are spread over and then jaggery, salt & water are added, mixed, thoroughly crushed and left for condensing itself into solid form and steamed to result in 'Cattle feed in Cake Form'. The breakup of the ingredients for manufacturing cattle feed (in cake form) per 100 Kgs as given by the applicant is as follows:

<b>Raw Material</b>	<b>Kgs</b>
Groundnut Oil Cake	23
Jaggery	4
Black & Broken Rice	60
Husked & Broken Rice	12
Salt	1

5. The issue before us is to determine the classification of – "Cattle Feed in Cake form" and as to whether the same is exempted. In terms of explanation (iii) and (iv) to Notification No. 1/2017 - Central Tax (Rate) dt. 28-06-2017, tariff heading, sub-heading, heading and chapter shall mean respectively a tariff item, sub-heading, heading and chapter as specified in the First Schedule to the Customs

Tariff Act, 1975 and the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975, including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall be applied for the interpretation and classification of goods.

5.1 To be precise, the question to be answered is whether the product is classifiable under CTH 2305 or under CTH 2309. The relevant entries of the Tariff and the Chapter Note of Chapter 23 are as under:

**Note.**

1.- Heading 23.09 includes products of a kind used in animal feeding, not elsewhere specified or included, obtained by processing vegetable or animal materials to such an extent that they have lost the essential characteristics of the original material, other than vegetable waste, vegetable residues and by-products of such processing.

<b>2305</b>	<b>OIL-CAKE AND OTHER SOLID RESIDUES, WHETHER OR NOT GROUND OR IN THE FORM OF PELLETS,</b>
	<b>RESULTING FROM THE EXTRACTION OF GROUND-NUT OIL</b>
2305 00	- <i>Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil:</i>
2305 00 10	--- Oil-cake and oil-cake meal of ground-nut, expeller variety
2305 00 20	--- Oil-cake and oil-cake meal of ground-nut, solvent extracted variety (defatted)
2305 00 90	--- Other
<b>2309</b>	<b>PREPARATIONS OF A KIND USED IN ANIMAL FEEDING</b>
2309 10 00	- Dog or cat food, put up for retail sale
2309 90	- <i>Other :</i>
2309 90 10	--- Compounded animal feed
2309 90 20	--- Concentrates for compound animal feed

Explanatory Notes to heading 2305 and 2309 are examined. The relevant extracts of the above are as under :

**23.05 - Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of ground-nut oil.**

The Explanatory Note to heading 23.04 applies, *mutatis mutandis*, to this heading.

**23.04 - Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of soyabean oil.**

This heading covers oil-cake and other solid residues remaining after the extraction of oil from soya beans by solvents or in a press or rotary expeller. These residues constitute valuable animal foods.

The residues classified in this heading may be in the form of slabs (cakes), meal or pellets (see the General Explanatory Note to this Chapter).

This heading also includes non-textured defatted soya-bean flour fit for human consumption.

This heading excludes :

- (a) Oil dregs (heading 15.22).
- (b) Protein concentrates obtained by the elimination of certain constituents of defatted soya-bean flour (used as additives in food preparations) and textured soya-bean flour (heading 21.06).

**23.09 - Preparations of a kind used in animal feeding.**

2309.10 - Dog or cat food, put up for retail sale

2309.90 - Other

This heading covers sweetened forage and prepared animal feeding stuffs consisting of a mixture of several nutrients designed :

- (1) to provide the animal with a rational and balanced daily diet (**complete feed**);
- (2) to achieve a suitable daily diet by supplementing the basic farm-produced feed with organic or inorganic substances (**supplementary feed**); or
- (3) for use in making complete or supplementary feeds.

The heading includes products of a kind used in animal feeding, obtained by processing vegetable or animal materials to such an extent that they have lost the essential characteristics of the original material, for example, in the case of products obtained from vegetable materials, those which have been treated to such an extent that the characteristic cellular structure of the original vegetable material is no longer recognisable under a microscope.

**(II) OTHER PREPARATIONS**

**(A) PREPARATIONS DESIGNED TO PROVIDE THE ANIMAL WITH ALL THE NUTRIENT ELEMENTS REQUIRED TO ENSURE A RATIONAL AND BALANCED DAILY DIET (COMPLETE FEEDS)**

The characteristic feature of these preparations is that they contain products from each of the three groups of nutrients described below :

- (2) "Body-building" protein-rich nutrients or minerals. Unlike energy nutrients, these nutrients are not "burned up" by the animal organism but contribute to the formation of animal tissues and of the various animal products (milk, eggs, etc.). They consist mainly of proteins or minerals. Examples of the protein-rich substances used for this purpose are seeds of leguminous vegetables, brewing dregs, oil-cake, dairy by-products.

The minerals serve mainly for building up bones and, in the case of poultry, making egg-shells. The most commonly used contain calcium, phosphorus, chlorine, sodium, potassium, iron, iodine, etc.

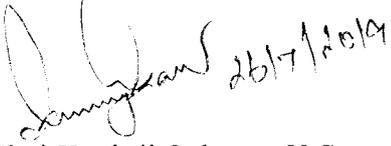
5.2 It is seen from the explanatory notes that the residue remaining after extraction of oil from groundnuts are to be classified under CTH 2305. Going by the chapter heading notes, it can be seen that Chapter Head 2309 covers products of a kind used in animal feeding, obtained by processing vegetable or animal materials to such an extent that they have lost the essential characteristics of the original material. From the submissions of the applicant, it is seen that the product is not merely groundnut oil cake/residue but is manufactured by combining groundnut oil cake with broken rice, jaggery, salt and water and leaving the mixture for condensing itself into solid form and finally steamed. Further, the applicant states that the product is meant for domestic animals as an essential raise for the maintenance of life and also that feed which is supplied over and above the maintenance requirements for growth or fattening and for production purposes such as re-production, for production of milk, eggs, meat, wool and in the case of animals, also for efficient output of work. The product in hand, the 'Cattle feed' is manufactured using 'Groundnut oil cake' as a raw material along with other raw materials. Further, as per the test reports, the content of ash, protein, salt, fat, moisture, calcium, phosphorous etc in a sample of groundnut oil cake vary in percentage from a sample of the product as furnished by the applicant in the test reports furnished by them. Also, from the invoices raised by them the product is identified as 'Cattle feed' and not as 'groundnut oil cake'. By applying the General rules for interpretation of Customs Tariff as applicable to GST Tariff, the product in hand is correctly classifiable under Chapter Heading 2309 of the GST Tariff as 'Preparation of a kind used in Animal Feeding'- 'Compounded animal feed, 2309 90 10. The same is exempted in case of intra-state supplies vide sl.no. 102 of Notification No. 2/2017-Central Tax(Rate) dated 28<sup>th</sup> June 2017 as amended and sl.no. 102 of Notification. No.II(2)/CTR/532(d-5)/2017 dated 29<sup>th</sup> June 2017 as amended and in case of interstate supplies vide Sl.No.102 of Notification No. 2/2017-Integrated Tax(Rate) dated 28<sup>th</sup> June 2017 as amended.

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

**RULING**

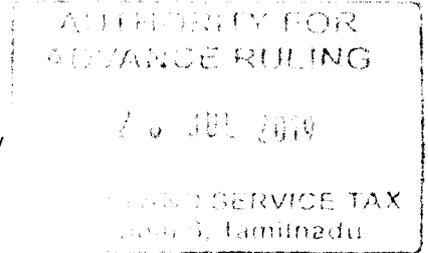
“The product ‘Cattle feed in cake form’ manufactured by the Applicant is classifiable under Chapter Heading 23099010 and stands exempted as per vide Sl.No. 102 of Notification No. 2/2017-Central Tax(Rate) dated 28<sup>th</sup> June 2017 as amended and Sl.No. 102 of Notification. No.II(2)/CTR/532(d-5)/2017 dated 29<sup>th</sup> June 2017 as amended and in case of interstate supplies vide Sl.No.102 of Notification No. 2/2017-Integrated Tax(Rate) dated 28<sup>th</sup> June 2017 as amended.”

  
Ms. Manasa Gangotri Kata,  
Member, CGST

  
Shri Kurinji Selvaan V.S.,  
Member TNGST

To

M/s. Sree Venkateswara Traders  
No. 2/4, Sathanur Road, Vikravandi (West),  
Villupuram, 605652 // By Speed Post with Ack. Due//



Copy Submitted to:

1. The Additional Chief Secretary/Commissioner of Commercial Taxes, II Floor, Ezhilagam, Chepauk, Chennai-5.
2. The Principal Chief Commissioner of GST & Central Excise, 26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.

Copy to:

3. The State Tax Officer, Villupuram-I Assessment Circle, Villupuram.
4. The Commissioner of GST & C.Ex., Chennai North Commissionerate
5. Master file/Spare