

WEST BENGAL AUTHORITY FOR ADVANCE
RULING GOODS AND SERVICES TAX
14 Beliaghata Road, Kolkata–700015
(Constituted under section 96 of the West Bengal Goods and Services Tax Act, 2017)

Members present:

Shafeeq S, Joint Commissioner, CGST & CX

Jaydip Kumar Chakrabarti, Senior Joint
Commissioner, SGST

Preamble

A person within the ambit of Section 100 (1) of the Central Goods and Services Tax Act, 2017 or West Bengal Goods and Services Tax Act, 2017 (hereinafter collectively called “the GST Act”), if aggrieved by this Ruling, may appeal against it before the West Bengal Appellate Authority for Advance Ruling, constituted under Section 99 of the West Bengal Goods and Services Tax Act, 2017, within a period of thirty days from the date of communication of this Ruling, or within such further time as mentioned in the proviso to Section 100 (2) of the GST Act.

Every such appeal shall be filed in accordance with Section 100 (3) of the GST Act and the Rules prescribed there under, and the Regulations prescribed by the West Bengal Authority for Advance Ruling Regulations, 2018.

Name of the applicant	GUPTA FEED PRODUCTS PRIVATE LIMITED
Address	BOREHAT, NUTANGANJ, BURDWAN, WEST BENGAL PINCODE-713102
GSTIN	19AAFCG7795N1ZL
Case Number	WBAAR 11 of 2025-26
ARN	AD190525026459Q
Date of application	August 04, 2025
Jurisdictional Authority (State)	Bardhaman Charge
Jurisdictional Authority (Central)	Bardhaman Division, Bolpur Commissionerate
Order number and date	12/WBAAR/2025-26 dated 17.10.2025

Applicant's representative heard	Mr. Souvik Guha, Advocate Mr. Siddhartha Dasgupta, Advocate Mr. Palash Majumdar, Advocate
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1.1 At the outset, we would like to make it clear that the provisions of the Central Goods and Services Tax Act, 2017 (the CGST Act, for short) and the West Bengal Goods and Services Tax Act, 2017 (the WBGST Act, for short) have the same provisions in like matter except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean reference to the corresponding similar provisions in the WBGST Act. Further to the earlier, henceforth for the purposes of these proceedings, the expression 'GST Act' would mean the CGST Act and the WBGST Act both.

1.2 The applicant operates in the business of selling items relating to animal feeding as trading activities. The applicant procures cotton seed de-oiled cake (HSN 23061020) which is sold as animal feed to his customers. It has come to his attention that suppliers of this product are adopting varying practices concerning the application of GST rates of tax. Specifically, some suppliers are charging @5% GST on the sale of cotton seed de-oiled cake, while others do not levy any GST and mentioning the item as cotton seed meal. This inconsistency has led the applicant to the confusion regarding the correct treatment of tax.

1.3 The applicant has made this application under sub section (1) of section 97 of the GST Act and the rules made there under raising following questions vide serial number 14 of the application in FORM GST ARA-01:

- (i) Is cotton seed de-oiled cake (HSN 23061020) subject to a 5% GST when used as animal feed?
- (ii) If GST is applicable, is the applicant entitled to claim Input Tax Credit (ITC) on the GST paid for the purchase of this product?
- (iii) Whether GST is applicable on the purchase, charging @5% as GST on the sale of cotton seed de-oiled cake to his customer or is the sale exempt from GST?

1.4 The questions on which the advance ruling is sought for is found to be covered under clause (a) & (d) of sub-section (2) of section 97 of the GST Act.

1.5 The applicant states that the questions rose in the application neither have been decided by nor is pending before any authority under any provision of the GST Act.

1.6 The application is, therefore admitted.

Submission of the Applicant

2.1 Under the Goods and Services Tax (GST) regime in India, cotton seed de-oiled cake (HSN 23061020) is generally subject to a rate @ 5%. This classification applies to oil-cake and oil-cake meal resulting from the extraction of cottonseed oil, irrespective of their intended use. However, there is an important distinction when the product is used as animal feed.

According to Entry No. 102 of Notification No. 2/2017-Central Tax (Rate), "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" are exempted from GST. This exemption is contingent upon the product being specifically utilized for feeding aquatic animals.

2.2 The Hon'ble Gujarat High Court, has ruled in the case of Dharti Industries vs. Office of Commissioner (Appeal) & Ors., that the supply of cotton seed oil cakes (HSN 23061020), commonly known as "KHOL," is exempt from Goods and Services Tax (GST) when used as cattle feed. The court emphasized that the end use of the product, whether supplied directly to end-users or through traders, does not affect its eligibility for exemption under Entry No. 102 of Notification No. 2/2017-Central Tax (Rate). The exemption applies irrespective of the supply channel, provided the product is intended for use as cattle feed.

Key Points from the Judgment:

End Use Determination: The court clarified that it is not the responsibility of the supplier to ascertain the end use of the product. The supplier is entitled to claim the exemption if the product is sold as cattle feed, regardless of whether it is supplied to traders or directly to end-users.

GST Exemption Applicability: The exemption under Entry No. 102 of Notification No. 2/2017-Central Tax (Rate) applies to the supply of cotton seed oil cakes when they are used as cattle feed. The court upheld this exemption, quashing the earlier orders of the Adjudicating and Appellate Authorities that had denied the exemption.

2.3 That a clarification was sought for before the Ld. P.R.O. State Goods and Services Tax and the Ld. P.R.O. was pleased to elucidate that "No GST is applicable for sale of cotton seed

oil cake for animal feed purpose” and stated that for further clarification and to know the taxability on the said goods an advance ruling under section 97 of the Central / West Bengal Goods and Services Tax Act, 2017 can be preferred, hence this application.

2.4 The clarification is sought to ensure compliance with GST laws and to maintain uniformity in tax practices within the industry. Adhering to the correct tax treatment will also facilitate accurate accounting and reporting in my business operations.

3.Submission of the Revenue

3.1 The concerned officer from the revenue has not expressed any view on the merit of the issue raised by the applicant.

4. Observations & Findings of the Authority

4.1 We have gone through the records of the issue as well as submissions made by the authorized representatives of the applicant during personal hearing.

4.2 As per the statement of facts furnished, the applicant is registered under the GST and is engaged in the business of selling items related to fish farming activities which includes Fish Meal. The applicant procures cotton seed de-oiled cake (HSN 23061020) which is sold as fish meal to his customers.

According to the statement of facts furnished by the applicant, there is confusion in the mind of the applicant in the context of alleged varying practices concerning the application of rate of tax on supply of cotton seed de-oiled cake. According to him, some suppliers are charging tax @5% on the supply of the said goods while some others are not charging any GST describing the same goods as ‘cotton seed meal’.

Under this circumstance the applicant has raised the following questions:

1. **GST Applicability:** Is cotton seed de-oiled cake (HSN 23061020) subject to a 5% GST when used as fish meal in aquaculture operations?
2. **Input Tax Credit (ITC):** If GST is applicable, is the applicant entitled to claim Input Tax Credit (ITC) on the GST paid for the purchase of this product?
3. **Taxation on Sale:** In that event where GST is applicable on the purchase, should the applicant charge GST @ 5% on the sale of cotton seed de-oiled cake to his customers, or is the sale exempt from GST?

4.3 The applicant believes that under the Goods and Services Tax (GST) regime in India, cotton seed de-oiled cake (HSN 23061020) is generally subject to a rate @ 5%. This classification applies to oil-cake and oil-cake meal resulting from the extraction of cottonseed oil, irrespective of their intended use. However, there is an important distinction when the product is used as animal feed.

It is also submitted that according to Entry No. 102 of Notification No. 2/2017-Central Tax (Rate), "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" are exempted from GST. This exemption is contingent upon the product being specifically utilized for feeding aquatic animals.

4.4 Reference has been made by the applicant to the case of Dharti Industries vs. Office of Commissioner (Appeal) & Ors. where the Hon'ble Gujarat High Court held that the supply of cotton seed oil cakes (HSN 23061020), commonly known as "KHOL," is exempt from Goods and Services Tax (GST) when used as cattle feed. The court emphasized that the end use of the product, whether supplied directly to end-users or through traders, does not affect its eligibility for exemption under Entry No. 102 of Notification No. 2/2017-Central Tax (Rate). The exemption applies irrespective of the supply channel, provided the product is intended for use as cattle feed.

The applicant has highlighted the following key points of the above mentioned judgment:

- **End Use Determination:** The court clarified that it is not the responsibility of the supplier to ascertain the end use of the product. The supplier is entitled to claim the exemption if the product is sold as cattle feed, regardless of whether it is supplied to traders or directly to end-users.
- **GST Exemption Applicability:** The exemption under Entry No. 102 of Notification No. 2/2017-Central Tax (Rate) applies to the supply of cotton seed oil cakes when they are used as cattle feed. The court upheld this exemption, quashing the earlier orders of the Adjudicating and Appellate Authorities that had denied the exemption.

4.5 Before going into the details of the discussion we must know the process of getting de-oiled cake from cotton seed.

Cottonseed de-oiled cake, also known as cottonseed oil cake, is produced in course

of extracting oil from cottonseeds. This process involves separating the lint from the seed during ginning, then crushing the seed to extract oil using either mechanical pressing (by use of expeller) or solvent extraction. The remaining material after oil removal is what is called de-oiled cake.

While pressing cotton seed the following by-products are derived at different stages:

1. Hulls
2. Cotton linters
3. Oil
4. Soap stock
5. De-oiled cake

So de-oiled cake is a valuable by-product in the process of extraction of oil from cotton seed. It is primarily used as a protein-rich feed for livestock including fish and cattle and poultry. It is also used in some regions as a fertilizer.

4.6 Keeping in mind the use of de-oiled cake of cotton seed we will now go straight into the discussion of taxability of the said goods under the GST.

As the GST tariff schedule refers to the HSN code of the goods, let us have a look at the relevant entries in the Customs Tariff Act, 1975. Cotton seed oil cake finds entry in Chapter 23 under the chapter heading 'Residues and waste from the food industries; prepared animal fodder'. The specific entry is to be found in Tariff item no. 2306 under the description of 'Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 2304 or 2305'.

The heading no. of cotton seed oil cake is 230610. Under this heading there are different kinds of cotton seed oil cake. The items are as under:

SI No	Description	Tariff Item No.
1	Oil cake and oil cake meal, decorticated, expeller	23061010
2	Oil cake and oil cake meal, decorticated solvent extracted variety	23061020
3	Oil cake and oil cake meal, un-decorticated expeller	23061030
4	Oil cake and oil cake meal, un-decorticated solvent extracted variety	23061040

4.7 For addressing the issues raised in the application we have to refer to the tables, both exempted and taxable, in Notification No. 02/2017- Central Tax (Rate) dated 28/06/2017 with all the relevant amendments made subsequently. Our reference in this respect will be time specific.

From 01.07.2017 to 21.09.2017:

For this period reference is to be made to the following two entries:

102	Exempt	2301, 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
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107	I	2306	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 2304 or 2305 [other than 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]	2.5%
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On a conjoint reading of both the entries it is clear that goods under HSN code 2306 which includes the goods in the present case is covered by serial no. 107 of Schedule I and is taxed @ 2.5% CGST+ 2.5% SGST. However, the bracketed portion (the exclusion clause) of the entry leads us to entry no. 102 of the Exempt Schedule. It is evident from this entry that the goods under HSN 2306 will be exempted when they are used as goods mentioned in serial no. 102.

So during the period 01.07.2017 to 21.09.2017 the taxability of cotton seed oil cake is determined by its usage. If it is an aquatic, poultry or cattle feed it is exempt from tax. Otherwise, it is to be taxed under serial no. 107 of Schedule I.

From 22.09.2017 to 24.01.2018:

A new serial number has been added to the Exempt Schedule vide Notification No. 28/2017- Central Tax (Rate) dated 22.09.2017. This new serial no. 102A inserted 'cotton seed oil cake' (HSN code 2306) in the Exempt Schedule.

So during this period all varieties of cotton seed oil cake are exempt from tax irrespective of their usage.

From 25.01.2018 onwards:

From 25.01.2018 onwards, cotton seed oil cake has remained in the Exempt Schedule but under a changed serial number. Vide Notification No. 07/2018- Central Tax (Rate) dated 25.01.2018 cotton seed oil cake has been placed under serial no. 102B of the Exempt Schedule.

It is not out place to mention here that serial no. 107 of Schedule I has further undergone change twice from 22.09.2017 to till date. The changes were made effective vide Notification No. 27/2017- Central Tax (Rate) dated 22.09.2017 and Notification No. 18/2021- Central Tax (Rate) dated 28.12.2021. In both the notifications specifically cotton seed oil cake was excluded from serial no. 107. This reinforces the entry of cotton oil seed cake in serial no. 102A and subsequently in serial no. 102B of the exempt schedule.

4.8 From the above discussion it is evident that

- From 01.07.2017 to 21.09.2017 cotton seed oil cake is exempt from tax if it is an aquatic, poultry or cattle feed. Otherwise, it is to be taxed @2.5% CGST+2.5% SGST.
- From 22.09.2017 cotton seed oil cake is exempt from tax irrespective of its use.

In view of the foregoing discussion, we rule as under:

RULING

Question 1. Is cotton seed de-oiled cake (HSN 23061020) subject to a 5% GST when used as fish meal in aquaculture operations?

Answer: Cotton seed de-oiled cake (HSN 23061020) is exempt from tax irrespective of its use.

Question 2. If GST is applicable, is the applicant entitled to claim Input Tax Credit (ITC) on the GST paid for the purchase of this product?

Answer: As Cotton seed de-oiled cake (HSN 23061020) is exempt from tax, the question of entitlement to claim ITC does not arise at all.

Question 3: In that event whether GST is applicable on the purchase, should the applicant charge GST @ 5% on the sale of cotton seed de-oiled cake to the applicant's customers, or is the sale exempt from GST?

Answer: In view of answer to Question 1, this question does not arise.

Sd/-

Sd/-

(SHAFEEQ S.)

(JAYDIP KUMAR CHAKRABARTI)

Member

Member

West Bengal Authority for Advance Ruling

West Bengal Authority for Advance Ruling

Place: Kolkata

Date: 17.10.2025

To,

GUPTA FEED PRODUCTS PRIVATE LIMITED

BOREHAT, NUTANGANJ, BURDWAN, WEST BENGAL

PINCODE-713102

Copy to:

- (1) The Principal Chief Commissioner, CGST & CX, 180, Shantipally,
R.B.Connector,
Kolkata-700107
- (2) The Commissioner of State Tax, West Bengal,14, Beliaghata Road, Kolkata-
700015
- (3) The Charge Officer, Bardhaman Charge, Parbati Bhavan, Kalna Road,
Bardhaman-713101
- (4) The Commissioner, CGST & CX, Bolpur Commissionerate, Nanoor
Chandidas Road, Sian, Bolpur, Dist. Birbhum (W.B) Pincode- 731204
- (5) OfficeCopy

