



**BEFORE THE AUTHORITY FOR ADVANCE RULING - ANDHRA PRADESH
Goods and Service Tax**

D.No.12-468-4, Adjacent to NH-16 Service Road, Kunchanapalli, Guntur-522501

Present

1. Sri. K. Ravi Sankar, Commissioner of State Tax (Member)
2. Sri. B. Lakshmi Narayana, IRS, Additional Commissioner of Central Tax (Member)

AAR No.22/AP/GST/2025 dated: 12.01.2026

1	Name and address of the applicant	M/s Sri Venkatarama Gaia Private Limited, D.No. 15-7-66, Hussenpuram Road, Hussenpuram, Samalkot, Kakinada, Andhra Pradesh, 533434.
2	GSTIN	37AADCS1673D1ZH
3	Date of filing of Form GST ARA-01	17-10-2025
4	Personal Hearing	17-12-2025 and 05-01-2026
5	Represented by	Sri P Venkateswara Rao , GM Finance
6	Jurisdictional Authority - Centre	Samalkot Range, Kakinada Division.
7	Clause(s) of section 97(2) of CGST/SGST Act, 2017 under which the question(s) raised	a) Classification of goods and/or services or both;

ORDER

(Under sub-section (4) of Section 98 of Central Goods and Services Tax Act, 2017 and sub-section (4) of Section 98 of Andhra Pradesh Goods and Services Tax Act, 2017)

1. M/s Sri Venkatarama Gaia Private Limited, D.No. 15-7-66, Hussenpuram Road, Hussenpuram, Samalkot, Kakinada, Andhra Pradesh, 533434, (GSTIN No. 37AADCS1673D1ZH) (hereinafter referred to as applicant) has filed an application in FORM GST ARA-01 under Section 97(1) of the Central Goods & Services Tax Act, 2017 and AP Goods & Services Tax Act, 2017

(hereinafter referred to CGST Act and APGST Act respectively).

2. At the outset we would like to make it clear that the provisions of CGST Act, 2017 and APGST Act, 2017 are in parimateria and have the same provisions in like matter and differ from each other only on a few specific provisions. Therefore, unless a mention is particularly made to such dissimilar provisions, a reference to the CGST Act, 2017 would also mean reference to the corresponding similar provisions in the APGST Act, 2017.
3. It is observed that the queries raised by the applicant fall within the ambit of Section 97 of the GST ACT. The applicant attached copies of challans as proof of payment of Rs.5,000 each for CGST and SGST CPIN Nos. 25103700043866 dated 16.10.2025, and 25103700043866 dated 16.10.2025 respectively, towards the Advance Ruling fee. The Applicant has declared that the questions raised in the application have neither been decided by nor are pending before any authority under any provisions of the GST Act.

4. Brief Facts of the case:

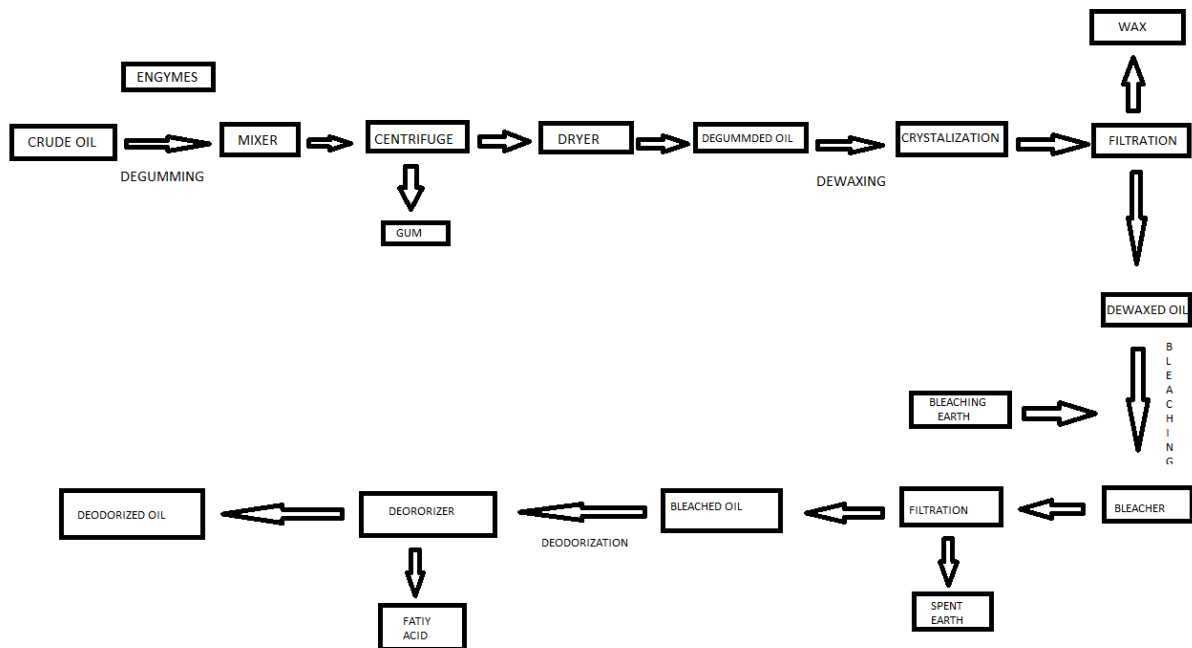
1. The applicant M/s. Sri Venkatarama Gaia Private Limited is engaged in the business of manufacture of 1. Extraction of rice bran edible oil from boiled rice bran /raw rice bran in solvent extraction plant. 2. Manufacture of refined rice bran oil from captive edible oil transferred from solvent plant and also edible oil procured from outside. It also handles by-products like other vegetable oil residues and gunny cuttings. The business involves processing, refining, and supply of these goods as part of its manufacturing operations. Rice bran oil refining involves 4 stages, namely 1) Degumming, 2) Dewaxing, 3) Bleaching and 4) Deodorizing.
2. **Degumming** In the degumming stage the oil is heated up to 75 degrees and then treated with enzymes. The enzymes crystallize the gum and the same is separated from the oil in a centrifugal separator. The degummed oil is sent for washing where hot water is mixed with the oil and the oil is run

through a second centrifugal separator where all remaining gums are separated from the oil. The washed oil is heated up to 95 degrees and is dried in a vacuum drier. The oil is then sent for dewaxing.

3. **Dewaxing** in the dewaxing the stage the oil is slowly cooled to 18-20 degrees in a crystallizer. The crystallized oil is filtered under gravity to clear obtain wax free clear oil. This oil is run through a polish filter and then sent for bleaching. The residual wax in the filter is dried with the help of compressed air and dropped in to a tray with steam coils to melt and send to storage. The filter is then ready to be used again.
4. **Bleaching** In the bleaching the oil is first heated to 100 degrees. The we mix activated bleaching earth and activated carbon and the mixture is then retained at that temperature for 60-90 minutes to reduce the colour of the oil. The mixture is sent to a pressure leaf filter (PLF) the filter the bleaching earth out of oil. We purchase bleaching earth from Various parties. The HSN code of bleaching earth is 38029019. The GST rates applicable are. GST 9% CGST 9% IGST 18%. Bleaching earth removed in process is known as spent earth. This spent is sold to other plants for further process by them. Now we request advance during on HS code applicable for spent earth and SGST & CGST rates applicable. The filtered oil is passed through a polish filter to remove any last remaining traces of bleaching earth and sent for deodorizing. The PLF is dried with steam to remove any oil from the bleaching earth and the spent earth is dropped from the filter. The filter is now ready to be reused.
5. **Deodorizing** To deodorize the oil the oil is first heated to 235 degrees. The it is passed through a deodorizer where it is given lives steam and mammoth steam to remove all Free Fatty Acids in the oil. The FFA is sucked under vaccum and condensed in a Fatty Acid Scrubber. The deodorized oil

cooled to room temperature under vacuum and then sent for packaging. The refined rice bran oil is now suitable for human consumption.

6. The process flow chart for edible oil refinery is as under:



5. Questions raised before the authority:

The applicant sought advance ruling on the following:

Q. HSN Code and CGST & SGST rate applicable on spent earth?

On Verification of basic information of the applicant, it is observed that the applicant is under Centre jurisdiction i.e, Samalkot Range, Kakinada Division. Accordingly, the application has been forwarded to the jurisdictional officer and a copy marked to the State Tax authorities to offer their remarks as per Sec. 98(1) of CGST /APGST Act 2017. But, so far no remarks are received from the jurisdictional officer.

6. Personal Hearing:

The proceedings of Personal Hearing was conducted on 17.12.2025 for which the authorized representative, Sri P Venkateswara Rao , GM Finance have appeared and submitted that previously they used the same HSN code i.e., 3802 90 19 and levied GST @ 18% for both the 'Bleaching earth' and 'spent earth'. But, due to reforms in GST, there was ambiguity with regard to rate of tax for 'spent earth' as the purchasers are insisting for lower rate of GST @5% and requested for Advance Ruling on HSN Code and rate of tax for Spent Earth. The AR had submitted additional submissions, Description with regard to HSN Code: 38029019 and 25082010 and prayed for another hearing for submitting additional information on process, photos and samples. As per the request of the AR, another opportunity of personal hearing was granted on 5.1.2026. On that day, Sri P Venkateswara Rao , GM Finance have appeared and submitted Photo copies of Bleaching earth and Spent Earth, material safety data sheet –Bleaching earth –Chemical components, Samples of Bleaching Earth and Spent earth and Copy of Vimta Labs mail dated 31-12-2025(wherein they informed that the lab report will be available by 8.1.2026) and prayed for advance ruling and reiterated the facts narrated in their application. The applicant has submitted the analysis report of Spent earth obtained from Vimta Labs through mail dated 8.1.2026.

7.Additional submissions:

We are thankful for granting a personal hearing to explain out case. M/s Sri Venkatarama GAIA Pvt Ltd., (formerly Sri Venkatarama Oil Industries Pvt Ltd) GSTIN: 37AADCS167301ZH, is registered under the Central Tax Authorities and located at Hussenpuram, Samalkot. With over 50 years of industry presence, we are one of the highest taxpayers in the fatty acid segment under the previous Central Excise regime and have consistently contributed to state sales tax revenue.

Even in the GST regime also we are one of the highest tax payers during the last 5 years by way of GST and CGST.

We are in the business of manufacture of

1. Extraction of rice bran edible oil from Boiled Rice Bran / Raw Rice bran in solvent extraction plant.
2. Manufacture of Refined Rice Bran Oil from captive Edible oil transferred from solvent plant and also edible oil procured from outside.

Manufacturing process in Solvent Extraction Plant & Refinry plant is given below:

Process for Rice Bran Solvnet Extraction:

Rice bran with 16-18% oil is conditioned with steam and passes through pelletizers to make pellets for extracting oil. The pellets can be from 4mm to 8mm depending on the sand silica and oil content. Cool the pellets to around 50 degrees and send the same to the extraction plant.

In the extraction plant we use food grade hexane to extract oil from the bran. Multiple circulation pumps are used to extract every last drop of oil. The oil along with hexane called miscella is sent for distillation to separate hexane from oil and the De-Oiled Bran called DOB along with hexane is sent to the desolventiser toaster.

The Miscella first goes through an economiser where it is heated by solvent vapours leaving the toaster to about 70-75 degrees. The evaporated hexane is separated from the miscella in a separator and miscella is sent further to the heaters to remove the remaining hexane. In the heaters the miscella is heated with steam and evaporated hexane is separated from the miscella in a separator under vaccum. The hexane vapors are then taken to condensers and the liquid hexane condensed is sent back to the parent tank for recirculation. The oil which may still have few traces of hexane is taken to a stripper where all the remianing hexane vapours and taken out of the oil by live steam. The oil which is now clear of hexane is sent to storage tanks.

The DOB from the extractor is taken to a Desolventisor toaster to evaporate hexane from the DOB. In the toaster the DOB is heated by Jacket steam and the vapour is sucked out by vacuum. The last remaining traces of hexane are removed by live steam. The hexane vapour is then condensed in a condenser and sent back to the parent tanks for recirculation.

GST Rate for HSN Code 38029019: Activated carbon; activated natural mineral products; animal black, including spent animal black other: activated natural mineral products: other

HS Code	Description	GST Rate	Ministry/ Department
38029019	Activated carbon; activated natural mineral products; animal black, including spent animal black other: activated natural mineral products: other	18 %	D/O Chemicals And Petro-Chemicals
380210	Activated carbon; activated natural mineral products; animal black, including spent animal black activated carbon	18 %	N/A
38021000	Activated carbon; activated natural mineral products; animal black, including spent animal black activated carbon	18 %	D/O Chemicals And Petro-Chemicals
380290	Activated carbon; activated natural mineral products; animal black, including spent animal black other: activated natural mineral products: activated alumina	18 %	N/A
38029011	Activated carbon; activated natural mineral products; animal black, including spent animal black other: activated natural mineral products: activated alumina	18 %	D/O Chemicals And Petro-Chemicals
38029012	Activated carbon; activated natural mineral products; animal black,	18 %	D/O Chemicals And Petro-Chemicals

GST Rate for HSN Code 25082010 : Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - decolourising earths and fullers earth: processed (including activated)

HS Code	Description	GST Rate	Ministry/ Department
25082010	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - decolourising earths and fullers earth: processed (including activated)	5 %	N/A
250810	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - bentonite: crude	5 %	N/A
25081010	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - bentonite: crude	5 %	M/O Mines
25081090	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - bentonite: other (includes processed and ground)	5 %	M/O Mines
250820	Other clays (not including expanded clays of heading 6806), andalusite, kyanite and sillimanite, whether or not calcined; mullite; chamotte or dinas earths - decolourising earths and fullers earth: processed (including activated)	5 %	N/A

8. Discussion and Findings:

- 8.1 The Authority has carefully examined the facts, documents, samples, photographs, material safety data sheet and Vimta Lab analysis report submitted by the applicant, M/s. Sri Venkatarama Gaia Private Limited. The applicant is engaged in the manufacture of edible oils, including extraction and refining of rice bran oil. The refining process undertaken by the applicant involves multiple stages such as degumming, dewaxing, bleaching, and deodorizing. Each stage is essential to make the oil suitable for human consumption. During the bleaching stage, **activated bleaching earth and activated carbon** are added to the oil to remove colour, odour, and impurities. The mixture is then passed through a pressure leaf filter, and the bleaching earth removed in this process is known as **spent bleaching earth** or **spent earth**. The product at the time of supply is **exhausted**, contains residual oil and is no longer usable for its original purpose which is removed from the filter and cleared by the applicant as such and sold to other plants for further processing or recovery of oil.
- 8.2 From the above, it is observed that the spent bleaching earth arises **incidentally and unavoidably** during the course of the oil refining process. It is not manufactured as a finished product by the applicant, nor does it have the same properties, characteristics, or utility as fresh bleaching earth. The applicant has demonstrated through laboratory reports, photographs, and samples that the spent earth retains its mineral character but has lost its adsorption capacity.
- 8.3 The issue before us is to determine HSN Code and CGST & SGST rate applicable on 'spent earth'. In terms of explanation a (iii) and (b) to the recent Notification No.9/2025 Central Tax (Rate), dated 17.9.2025, "tariff item", "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 (51 of 1975) and the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of

1975) including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this notification.

The relevant entries of the Tariff and the Chapter Note of Chapter 25 and 38 are as under:

SECTION-V		CHAPTER-25		
(1)	(2)	(3)	(4)	(5)
2508	OTHER CLAYS (NOT INCLUDING EXPANDED CLAYS OF HEADING 6806), ANDALUSITE, KYANITE AND SILLIMANITE, WHETHER OR NOT CALCINED; MULLITE; CHAMOTTE OR DINAS EARTHS			
2508 10	- <i>Bentonite</i> :			
2508 10 10	--- Crude	kg.	5%	-
2508 10 90	--- Other (includes processed and ground)	kg.	5%	-
2508 30	- <i>Fire clay</i> :			
2508 30 10	--- Non-plastic	kg.	5%	-
2508 30 20	--- Semi-plastic	kg.	5%	-
2508 30 30	--- Plastic	kg.	5%	-
2508 30 90	--- Other	kg.	5%	-
2508 40	- <i>Other clays</i> :		5%	
2508 40 10	--- Ball clay	kg.	5%	-
2508 40 20	--- Earth clay	kg.	5%	-
2508 40 90	--- Other	kg.	5%	-
2508 50	- <i>Andalusite, kyanite and sillimanite:</i>		5%	
2508 50 10	--- Andalusite	kg.	5%	-
	--- <i>Kyanite</i> :			
2508 50 21	---- Crude, other than calcined	kg.		-
2508 50 22	---- Processed, other than calcined (washed or ground or screened or beneficiated)	kg.	5%	-
2508 50 23	---- Calcined	kg.	5%	-
	--- <i>Sillimanite</i> :		5%	
2508 50 31	---- Lumps	kg.	5%	-
2508 50 32	---- Fines (including sand)	kg.	5%	-
2508 50 39	---- Other	kg.	5%	-
2508 60 00	- Mullite	kg.	5%	-
2508 70 00	- Chamotte or dinas earths	kg.	5%	-

3802	ACTIVATED CARBON; ACTIVATED NATURAL MINERAL PRODUCTS; ANIMAL BLACK, INCLUDING SPENT ANIMAL BLACK			
3802 10 00	- Activated carbon	kg.	7.5%	10%
3802 90	- <i>Other:</i>			
	--- <i>Activated natural mineral products:</i>			
3802 90 11	---- Activated alumina	kg.	7.5%	-
3802 90 12	---- Activated bauxite	kg.	7.5%	-
3802 90 19	---- Other	kg.	7.5%	-
3802 90 20	--- Animal black (for example bone black, ivory black), including spent animal black	kg.	7.5%	-

8.4 Classification of goods for GST and Customs purposes must be based on the **nature and condition of the goods at the time of supply**, in accordance with the **General Rules for Interpretation (GRI)**. HSN **2508**, which relates to clays, kaolin, bentonite, and other earths, covers **raw or processed non-activated clays** used for industrial purposes such as ceramics, paper coating, or construction. This heading does **not contemplate activated mineral products**, nor does it cover **spent clays used as adsorbents**. Since spent bleaching earth has been chemically or thermally activated and used as an adsorbent, classification under HSN 2508 would **ignore the functional and chemical characteristics** of the product and is therefore, classification of spent bleaching earth under HSN 2508 is **not legally or technically appropriate**

8.5. On the other hand, HSN 3802 under Chapter 38 specifically covers activated carbon, activated natural mineral products, and animal black, including spent animal black. Subheading 3802 90 19—"activated natural mineral products - Other"—is a residual category that includes activated natural mineral products even when spent or exhausted. Spent bleaching earth is mineral-based, chemically activated, and supplied as an exhausted adsorbent, which directly aligns with the description under HSN 3802 90 19. Further, the heading itself covers **activated natural mineral products**,

and the explanatory notes **do not exclude exhausted or spent forms**, unless specifically provided elsewhere.

- 8.6 Regarding GST, as per Notification No. 09/2017 - Central Tax (Rate), dated 17.9.2025 and corresponding State Tax notifications, goods under HSN 3802 attract GST at the rate of 18%, comprising **9% CGST and 9% SGST** as under:

Schedule II - 9 %		
S. No.	Chapter/Heading/Sub Heading/Tariff item	Description of goods
(1)	(2)	(3)
89	3802	Activated carbon; activated natural mineral products; animal black, including spent animal black

- 8.7 Accordingly, the Authority finds that **spent bleaching earth / spent earth** generated during rice bran oil refining is correctly classifiable under **HSN 3802 90 19 - Activated natural mineral products - Other**. The applicable rate of GST is **18% (CGST 9% + SGST 9%)**, in line with the Notifications issued under the CGST and SGST Acts

RULING

(Under Section 98 of Central Goods and Services Tax Act, 2017 and the Andhra Pradesh Goods and Services Tax Act, 2017)

Question: HSN Code and CGST & SGST rate applicable on spent earth?

Answer: HSN **3802 90 19** and is liable to GST at the rate of 18% (9% CGST + 9% SGST).

Sd/- K. Ravi Sankar
Member

Sd/-B Lakshmi Narayana
Member

//t.c.f.b.o//


Deputy Commissioner (ST)

Registrar
Authority for Advance Ruling
O/o. Chief Commissioner (State Tax)
Andhra Pradesh,



To

M/s Sri Venkatarama Gaia Private Limited, D.No. 15-7-66, Hussenpuram Road, Hussenpuram, Samalkot, Kakinada, Andhra Pradesh, 533434..(**By Registered Post**)

Copy to

1. The Superintendent (CGST), Samalkot Range, Kakinada Division. through mail)
2. The Commissioner of Central Tax, CGST, GST Bhavan, Central Revenue Buildings, Kannavari Thota, Guntur – 522 004.

Copy submitted to

1. The Chief Commissioner (State Tax), O/o Chief Commissioner of State Tax, Kunchanapalli, Guntur District, (A.P)
2. The Principal Chief Commissioner (Central Tax), O/o Principal Chief Commissioner of Central Tax & Customs, Visakhapatnam Zone, GST Bhavan, Port area, Visakhapatnam-530035. A.P.

Note: Under Section 100 of the APGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under Section 99 of APGST Act, 2017, with in a period of 30 days from the date of service of this order.