

# 18% GST payable on Rodent Feed: The AAR, Telangana

## Fact of the Case

The applicant, M/s. Hylasco Bio-technology Private Limited are importing rat feed and paying GST on the same under HSN 23099010. The Government of India vide Notification No. 02/2017 dated: 28.06.2017 has exempted certain categories of aquatic, poultry and cattle feed falling under HSN chapter 2302, 2304, 2305, 2306, 2308 & 2309 from tax under GST. The applicant is of the opinion that rat feed falls under Sl.No.102 of the said notification and seeks clarification regarding the exemption applicable to them.

The applicant has sought the advance ruling on the issue of

- whether the product Rodent Feed can be classified under the HSN 2309 90 10 or not. If No, HSN applicable for the specified product. As HSN 2309 is exempt under the Serial Number 102 of Notification no. 02/2017, whether the product Rodent Feed which falls under the same group is also exempt, if not the taxability of the same.

## Decision of the Case

The Apex court of India in the case of Commissioner of Central Excise, Surat-I Vs Favourite Industries, (2012) 7 SCC 153 held that an exemption notification must be interpreted in light of the words employed by it and not on any other basis and there cannot be any addition or subtraction from the words used in the exemption notification as it requires strict interpretation by the Courts. The wordings of the exemption notification have to be given its natural meaning when the wordings are simple, clear and unambiguous.

The Coram held that Description to Sl.No.102 does not include rodent feed and hence taxable under Sl.No.453 of Schedule III of Notification No. 01/2017 dated: 28.06.2017 at the rate of 9% CGST & SGST each.

***The Telangana Authority of Advance Ruling (AAR) held that 18% GST payable on Rodent Feed.***