# M/s Rara Udhyog, E-144, RIICO Industrial Area, Bagru Phase-2, Bagru Extension, Jaipur (Rajasthan) - 303007 (GSTIN 08AABFR1471M1Z0)

Appellate Authority for Advance Ruling — Rajasthan

**ORDER NO.RAJ/AAAR/3/2018-19 DATED 31.10.2018 (Appeal No. RAJ/AA…** Dated **31.10.2018**

## Q Questions Before the Authority

- Whether the activity of the Appellant (cleaning of agricultural produce such as saunf (fennel), dhaniya (coriander) and jeera (cumin seeds)) is covered by Entry S. No. 24(i)(i)(c) or S. No. 24(i)(iii) of Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, attracting NIL rate of tax.
- Whether the same activity is covered by Entry S. No. 54(c) or Entry No. 55 of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, attracting NIL rate of tax.

## F Facts

The Appellant runs a cleaning plant at its RIICO industrial unit in Jaipur. It receives farmers' or traders' produce such as saunf, dhaniya and jeera, which contains dust, stones, mud and other impurities, and removes these impurities mechanically. The Appellant contends that cleaning does not change the essential character of the produce and only makes it marketable, so the activity should attract NIL GST under the agriculture support-services entries.

## H Ruling

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| **Q1: Entry 24(i)(i)(c) or 24(i)(iii) of Notification 11/2017-CT(Rate), NIL rate for cleaning of agricultural produce** | **Not covered. NIL rate not available.** | The order gives one combined ruling on both questions. The mechanised cleaning fails the requirement that processes be carried out at an agricultural farm and make produce marketable only for the primary market. It is not an intermediate production process as job work. |
| **Q2: Entry 54(c) or 55 of Notification 12/2017-CT(Rate), NIL rate for cleaning of agricultural produce** | **Not covered. NIL rate not available.** | The same combined ruling applies to the parallel entries under the intra-State CGST exemption notification. The same three-part test applies to Entry 54(c). |

The Appellant's cleaning activity is not covered by Entry 24(i)(i)(c) or 24(i)(iii) of Notification 11/2017-CT(Rate), or by Entry 54(c) or 55 of Notification 12/2017-CT(Rate). The Appellate Authority upheld the Advance Ruling of the lower authority, which had held that the activity does not attract NIL rate of tax.

## R Reasoning

The Appellate Authority read Entry 24(i)(i)(c) and 54(c) as requiring three conditions to be met together: the process is carried out at an agricultural farm, it does not alter the essential characteristics of the produce, and it makes the produce marketable for the primary market. The cleaning was done mechanically at a factory away

from any farm, so the first condition failed. The authority also held that factory cleaning takes the produce to secondary-market standard, which goes beyond the primary-market standard the entries contemplate, so the third condition failed too. The job-work entries (24(i)(iii) and 55) cover operations such as harvesting, threshing and plant protection carried out at a farm, and the authority held that mechanised cleaning does not fall within them. The order does not separately discuss the Appellant's reliance on the Finance Act, 1994 or the Education Guide, and it upholds the Advance Ruling without accepting those arguments.

## P Provisions Relied On

- Section 97(2)(b) and 97(2)(e) of the CGST Act, 2017 and RGST Act, 2017 (grounds of appeal: applicability of notification; liab…
- Section 100 of the CGST Act, 2017 and RGST Act, 2017 (appeal against advance ruling)
- Section 101 of the CGST Act, 2017 and RGST Act, 2017 (appellate proceedings)
- Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017, Entry S. No. 24(i)(i)(c) and 24(i)(iii), with the Explanation at par…
- Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017, Entry Nos. 54(c) and 55, with the definition of agricultural prod…
- Section 9 of the CGST Act, 2017, Section 11 of the CGST Act, 2017, Section 15(5) and Section 16(1) (cited as enabling provi…
- Section 66D of the Finance Act, 1994 and Point 4.4.6 of the Education Guide on Service Tax (cited by the Appellant; not relie…

## ! For the Practitioner

This order confirms that the NIL-rate agriculture support-services entries under Notifications 11/2017 and 12/2017 apply only to processes carried out at an agricultural farm, and it treats factory-level mechanised cleaning as outside them. It is useful for advising agri-processing and cleaning businesses that operate away from the farm. The order does not decide whether cleaning done at a farm, or cleaning done on job work for a farmer, would qualify. It also does not engage with the Appellant's Finance Act, 1994 argument, so that point is not settled by this ruling.

### Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> aaar-raj-3-2018_dtd._31.10.18_rara.pdf

Prepared 26-10-2026.

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