

M/s Gayatri Enterprises

Authority for Advance Ruling — Andhra Pradesh

AAR No.01/AP/GST/2024 dated: 04.01.2024

Q Questions Before the Authority

- Since we are dealing in brokerage of agricultural produce which is exempt, are we liable for GST Registration?
- If we are liable for GST Registration, do we need to charge GST?
- If Yes, What is the rate of GST?

F Facts

The applicant acts as a commission agent or broker facilitating transactions between wholesalers and millers or farmers for agricultural produce. They charge a fixed brokerage fee per bag for these services. The applicant processes certain products, such as de-husking or splitting pulses, to make them marketable.

H Ruling

Liability for GST Registration	Yes	The applicant is liable for registration as a commission agent
Requirement to charge GST	Yes	GST must be charged on brokerage services
Rate of GST	CGST - 9% and SGST - 9%	Applicable under Heading 9961

The Authority ruled that the applicant is liable for GST registration and must charge GST on their brokerage services. It determined that the services provided do not qualify for the exemption granted to agricultural produce support services because the processed pulses fall outside the definition of agricultural produce. Consequently, the brokerage income is taxable at the specified rate.

R Reasoning

The Authority reasoned that the applicant's services do not fall under the **NIL GST exemption** for support services to agriculture because the processed pulses are not considered agricultural produce under the relevant notifications. As a commission agent, the applicant is providing services in wholesale trade under **Heading 9961**. Therefore, the applicant is required to obtain registration and pay tax at the rate of 18% (9% CGST and 9% SGST) regardless of the turnover limits, as per the provisions of the **CGST Act** and **Notification No. 11/2017-Central Tax (Rate)**.

P Provisions Relied On

Section 97(2) of CGST/SGST Act, 2017

Section 98 of CGST/SGST Act, 2017

Section 2(5) of CGST Act, 2017

Notification No. 11/2017-Central Tax (Rate)

Notification No. 12/2017-Central Tax (Rate)

! For the Practitioner

This ruling clarifies that commission agents facilitating the sale of processed agricultural products cannot claim the **agricultural support services exemption**. It confirms that such brokerage services are taxable at 18% under **Heading 9961**. Practitioners should note that the definition of agricultural produce is strictly interpreted to exclude processed items like de-husked pulses.

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 -> 01_gayatri_enterprises.pdf

Prepared 11-10-2026.

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