

M/s. Guru Cold Storage Private Limited

Authority for Advance Ruling — Gujarat

GUJ/GAAR/RULING/2017-18/1

Dated **13.12.2017**

Q Questions Before the Authority

- Whether all cereals, pulses, spices, copra, jaggery (Gur), groundnuts (with or without shell), groundnut seeds, turmeric dried and ginger dried (soonth), cashew, almond, kismis, jardalu, anjeer (fig), date, ambli foal are covered under the definition of 'Agriculture Produce' as defined under Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017.
- If the answer to above point is affirmative, then whether the taxability of goods mentioned above point changes if they are received for storage either in bulk packing or small or retail packing with or without name or brand name which is not registered under the Trade Mark Act, 1999 where no further processing is done or such processing is done which does not alter its essential characteristics but makes it marketable for primary market.

F Facts

The applicant operates a cold storage facility and sought clarification on whether various agricultural commodities fall under the definition of 'agricultural produce' for the purpose of claiming a NIL tax rate on support services like loading, unloading, and storage. The applicant argued that these goods, when stored without further processing or with minimal processing for marketability, should qualify for the exemption.

H Ruling

Processed items (Dal, jaggery, processed dry fruits, shelled groundnuts)

Not agricultural produce

These items undergo processing beyond what is typically done by a cultivator.

Whole grains, turmeric, ginger, groundnuts with shell

Agricultural produce

Only if no further processing is done or processing is limited to making it marketable for the primary market.

The authority ruled that many processed items, such as de-husked pulses, jaggery, and processed dry fruits, do not qualify as agricultural produce. However, whole grains, and items like turmeric, ginger, or groundnuts with shell, qualify if they undergo only minimal processing typically performed by a cultivator to make them marketable for the primary market.

R Reasoning

The ruling relies on the definition of 'agricultural produce' provided in Notification No. 11/2017-Central Tax (Rate), which requires that the produce must not undergo processing beyond what is usually done by a cultivator to make it marketable. The authority determined that processes like de-husking, splitting, or industrial processing change the essential characteristics of the produce, thereby excluding them from the definition. Conversely, items that remain in their natural state or undergo only primary market preparation remain covered. The authority also

referenced Circular No. 16/16/2017-GST for further clarification on warehousing.

P Provisions Relied On

Notification No. 11/2017-Central Tax (Rate) dated 28.06.2017

Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017

Circular No. 16/16/2017-GST dated 15.11.2017

! For the Practitioner

This ruling helps practitioners distinguish between raw agricultural commodities and processed goods that lose their exempt status. It clarifies that the **degree of processing** is the decisive factor for taxability. It does not provide a blanket exemption for all stored goods, emphasizing that the specific state of the commodity upon receipt is critical for determining if it qualifies as **agricultural produce**.

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 -> guj-2017-18-1 dt 13-12-17 guru cold 0.pdf

Prepared 13-10-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)

RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Delhi

3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Ahmedabad

Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp...

Mumbai

104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Gurugram

Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram...

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com