

M/s Nutan Warehousing Company Private Limited

Authority for Advance Ruling — Maharashtra

Order No. GST-ARA- 30/2017-18/B-38

Dated 23.05.2018

Q Questions Before the Authority

- Whether Exemption provided in serial no. 54 to Notification No. 12/2017 – Central Tax (Rate) is applicable to the activity carried by the company?

F Facts

The applicant provided warehousing services to M/s Unilever India Exports Ltd for storing tea, which was procured in bulk, blended, and packed into commercial tea bags prior to export. The applicant sought an advance ruling on whether providing warehousing space for such tea qualifies for GST exemption under Serial No. 54(e) of Notification No. 12/2017-Central Tax (Rate) as storage or warehousing of agricultural produce.

H Ruling

Exemption under Sr. No. 54 of Notification No. 12/2017-Central Tax (Rate) for warehousing of processed tea

Answered in the negative

Processed and packaged tea bags do not constitute agricultural produce

The Authority for Advance Ruling held that processed, blended, and packaged tea stored in the warehouse does not qualify as **agricultural produce**. Consequently, the exemption under Serial No. 54 of Notification No. 12/2017-Central Tax (Rate) is **not applicable** to the applicant's warehousing services.

R Reasoning

The Authority observed that 'agricultural produce' as defined in Notification No. 12/2017-Central Tax (Rate) covers produce on which either no further processing is done or only minimal processing usually done by a cultivator to make it marketable for the primary market is undertaken. The tea stored in the applicant's warehouse undergoes processes such as blending, sorting, filling into tea bags, and secondary packaging, which amounts to manufacture under Section 2(72) of the CGST Act. Relying on CBIC Circular No. 16/16/2017-GST dated 15.11.2017, the AAR held that processed tea factory goods lose the character of primary agricultural produce, disentitling the warehousing service from exemption.

P Provisions Relied On

Section 98 of the Central Goods and Services Tax Act, 2017

Section 2(72) of the Central Goods and Services Tax Act, 2017

Notification No. 12/2017-Central Tax (Rate) (Serial No. 54)

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



For the Practitioner

This ruling establishes that warehousing of **processed, blended, or packaged tea** is taxable and cannot claim exemption reserved for agricultural produce under Notification No. 12/2017-Central Tax (Rate). It underscores that post-harvest processing beyond basic farm-level preparation transforms agricultural produce into manufactured goods, making associated storage services liable to GST.

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 -> mah aar 30 2017-18 b-38 nutan ware.pdf

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