

M/s SANTOSH DEVI DAGA, KANKARIA KATLA, BIKANER ROAD, NOKHA, Bikaner, Rajasthan-334803

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2026-27/12

Dated **04.08.2026**

Q Questions Before the Authority

- Whether Psyllium Seeds (Isabgol) 12119013 brought by cultivators/farmers to an Agricultural Produce Market Committee (APMC) and sold through the auction mechanism in their natural, raw and unprocessed form - without undergoing drying, dehydration, freezing, grading, polishing, crushing, milling, roasting, chemical treatment or any other processing activity - are classifiable under Tariff Item 12119013 and are accordingly exempt from levy of GST under Entry No. 87 of Notification No. 10/2025 -Central Tax (Rate) dated 17.09.2025, as amended from time to time?
- Whether threshing undertaken by cultivators for separating Psyllium Seeds (Isabgol) from the harvested crop constitutes merely a harvesting activity and not processing or manufacture for the purpose of classification and exemption under GST?

F Facts

The applicant is a commission agent and trader facilitating the auction of agricultural produce, specifically Psyllium Seeds (Isabgol), at the APMC in Nokha, Rajasthan. The applicant contends that the seeds are traded in their natural, raw, and unprocessed state as brought by farmers. The applicant seeks to confirm that these seeds qualify for GST exemption as fresh agricultural produce.

H Ruling

Classification and exemption of Psyllium Seeds	Classifiable under Tariff Item 12119013; NOT exempt under Entry No. 87 of Notification No. 10/2025-Central Tax (Rate); liable to tax at 5% under Notification No. 09/2025-Central Tax (Rate).	The Authority held that the seeds supplied by the applicant do not qualify as 'fresh' or 'chilled'.
Whether threshing constitutes harvesting activity	Not answered.	The Authority found this question did not fall within the ambit of Section 97(2) of the GST Act.

The Authority ruled that while Psyllium Seeds are classifiable under Tariff Item 12119013, they do not qualify as 'fresh' Isabgol seeds when supplied by the applicant. Consequently, they are not exempt under Entry No. 87 of Notification No. 10/2025-Central Tax (Rate) and are liable to tax at 5% under Notification No. 09/2025-Central Tax (Rate). The Authority declined to answer the second question regarding threshing, stating it did not fall within the

scope of Section 97(2) of the GST Act.

R Reasoning

The Authority reasoned that for the exemption under Entry No. 87 to apply, the goods must be in a 'fresh or chilled' condition. It observed that the applicant stores the seeds in a godown, and in the absence of evidence regarding the duration, it cannot be accepted that the produce remains in the same 'fresh' condition as when harvested. The Authority relied on Circular No. 163/19/2021-GST, which clarifies that goods lose their 'fresh' character if they are intentionally subjected to drying or similar preservation processes. Consequently, the seeds are considered 'dried' and fall under the taxable category of Notification No. 09/2025-Central Tax (Rate).

P Provisions Relied On

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

Tariff Item 12119013 of the Customs Tariff Act, 1975

Notification No. 10/2025-Central Tax (Rate) dated 17.09.2025

Notification No. 09/2025-Central Tax (Rate) dated 17.09.2025

Circular No. 163/19/2021-GST dated 06.10.2021

! For the Practitioner

This ruling serves as a **cautionary precedent** for traders of agricultural produce who store goods in godowns, as the Authority may deny 'fresh' produce exemption status due to the potential for moisture reduction or drying during storage. It clarifies that the burden of proof lies with the applicant to establish that the goods remain in a 'fresh or chilled' state at the time of supply. It does not provide a definitive ruling on whether threshing is a harvesting activity, as the Authority declined to address that question.

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 -> 1-order 12 santosh devi daga c.pdf

Prepared 11-10-2026.

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