

M/s Rara Udhyog

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2018-19/06

Dated **23.06.2018**

Q Questions Before the Authority

- Whether the activity of the applicant (as discussed at pt. 15 below) 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 activity of the applicant (as discussed at pt. 15 below) covered by Entry S. No. 54(c) or Entry No. 55 of Notification No 12/2017 –Central Tax (Rate) dated 28/6/17 attracting NIL rate of tax.

F Facts

The applicant operates a specialized cleaning plant situated in an industrial area, away from agricultural farms. They perform mechanized cleaning and removal of impurities like mud, dust, and stones from agricultural produce such as fennel, coriander, and cumin seeds brought by farmers and traders. The applicant sought clarity on whether these cleaning services attract a NIL rate of GST under agricultural service exemption entries.

H Ruling

Applicability of Entry S. No. 24(i)(i)(c) or 24(i)(iii) of Notification No. 11/2017-Central Tax (Rate)	Not covered; does not attract NIL rate of tax	Cleaning operations carried out off-farm at a plant in an industrial area
Applicability of Entry S. No. 54(c) or Entry S. No. 55 of Notification No. 12/2017-Central Tax (Rate)	Not covered; does not attract NIL rate of tax	Process must take place at an agricultural farm or relate directly to cultivation

The Authority ruled that the mechanized cleaning activity conducted at an off-farm facility does not qualify for tax exemption under Notification No. 11/2017-Central Tax (Rate) or Notification No. 12/2017-Central Tax (Rate). The processes are neither undertaken at an agricultural farm nor do they qualify as intermediate production processes in relation to cultivation. Consequently, the activity **will not attract NIL rate of tax** .

R Reasoning

The Authority held that the relevant exemption entries under Entry S. No. 24(i)(i)(c) of Notification No. 11/2017-CT (Rate) and Entry S. No. 54(c) of Notification No. 12/2017-CT (Rate) strictly require processes to be carried out **at an agricultural farm** . Because the applicant operates a specialized mechanized plant located outside agricultural premises in an industrial area, this essential condition is not satisfied. Additionally, mechanized cleaning conducted at an external plant does not amount to job work directly in relation to the cultivation of plants under Entry S. No. 24(i)(iii) or Entry S. No. 55.

P Provisions Relied On

Notification No. 11/2017-Central Tax (Rate) dated 28/06/2017 Entry S. No. 24(i)(i)(c)

Notification No. 11/2017-Central Tax (Rate) dated 28/06/2017 Entry S. No. 24(i)(iii)

Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017 Entry S. No. 54(c)

Notification No. 12/2017-Central Tax (Rate) dated 28/06/2017 Entry S. No. 55

! For the Practitioner

This ruling establishes that post-harvest cleaning and sorting exemptions under GST depend heavily on physical location, requiring processes to be performed **at an agricultural farm**. Mechanized post-harvest cleaning undertaken at off-farm commercial facilities does not qualify for agricultural tax exemptions or NIL rates. Practitioners should caution clients that shifting processing activities off-farm renders them taxable.

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 -> raj.06.2018-19_dtd_23.06.18-ru.pdf

Prepared 19-10-2026.

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