

M/s Sardar Mal Cold Storage & Ice Factory

Authority for Advance Ruling — Rajasthan

RAJ/AAR/2018-19/03

Dated **11.06.2018**

Q Questions Before the Authority

- Whether the goods as mentioned in Group A to Group G of Annexure A which comes for storage will come under the definition of agricultural produce or not & whether the supply of Cold Storage services by the applicant firm to the goods as mentioned above attracts Nil rate of duty or not as per Notification No. 11/2017 Central tax (Rate) dated 28/06/2017 and Notification No. 12/2017 -Central Tax (Rate) dated 28/06/2017.

F Facts

The applicant operates a cold storage facility providing storage and warehousing services for various agricultural goods listed in Groups A to G, including seeds, spices, dried fruits, nuts, and herbal products. The goods are brought to cold storage either by farmers or traders after varying levels of cleaning, drying, polishing, shelling, or dehusking. The applicant sought an advance ruling to determine whether these commodities qualify as agricultural produce to avail GST exemption on cold storage services under Notification No. 11/2017-CT(R) and Notification No. 12/2017-CT(R).

H Ruling

Taxability of cold storage services for commodities under Group A (spices and seeds like Fennel, Coriander, Cumin, Mustard, etc.)

Exempt from GST

Exempt provided processing is usually done by a cultivator or producer at farm level; if specialized machine processing outside farm level is done, it becomes chargeable.

Taxability of cold storage services for commodities under Group B to Group G (Turmeric, Dried Ginger, Dates, Tamarind, Dry Mango, Cinnamon, Shelled Groundnuts, Coconut, Dry Fruits, etc.)

Chargeable to GST

These goods undergo specialized processing, value addition, or dehusking/shelling beyond primary marketability and fail the definition of agricultural produce.

The Authority held that goods listed under Group A qualify as agricultural produce, making supply of cold storage services for them **exempt from GST**, provided processing is limited to operations usually done by a cultivator at the farm level. Goods listed under Group B to Group G undergo specialized processing or value addition beyond primary marketability and do not qualify as agricultural produce; hence, cold storage services for Group B to G goods **remain chargeable to GST**.

R Reasoning

Under Entry 24 of Notification No. 11/2017-CT(R) and Entry 54 of Notification No. 12/2017-CT(R), agricultural produce is defined as produce out of cultivation where no further processing is done, or such processing is done

as is usually done by a cultivator that does not alter its essential characteristics but makes it marketable for the primary market. Group A commodities undergo basic cleaning and dust removal that retains essential character and primary marketability. In contrast, commodities in Groups B to G undergo processes like polishing, dehusking, splitting, machine shelling, or drying by skilled labor or secondary market processors, resulting in substantial value addition and altering primary market status.

P Provisions Relied On

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

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

Circular No. 16/16/2017-GST dated 15-11-2017

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

! For the Practitioner

This ruling clarifies the precise boundaries of **agricultural produce** for GST exemption on cold storage and warehousing services. Cold storage of whole, unrefined seeds and spices (Group A) remains exempt, whereas storage of processed, shelled, polished, or secondary-market commodities (Groups B through G) attracts full 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 -> raj.03.2018-19 dtd 11.06.18-smcs if.pdf

Prepared 19-10-2026.

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