
 सत्यमेव जयते	RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX NCR BUILDING, STATUE CIRCLE, C-SCHEME JAIPUR – 302005 (RAJASTHAN)	 राष्ट्र कर बाजार
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ADVANCE RULING NO.RAJ/AAR/2018-19/18



Nitin Wapa Joint Commissioner	:	Member(Central Tax)
Sudhir Sharma Joint Commissioner	:	Member(State Tax)
Name and address of the applicant	:	M/s SHUBHLAXMI COLD STORAGE AND ICE FACTORY PRIVATE LIMITED Sukhdham, Pushkar Road, Ramnagar, Ajmer (Raj.) 305004
GSTIN of the applicant	:	08AACCS7295J1ZS
Clause(s) of Section 97(2) of CGST / SGST Act, 2017, under which the question(s) raised	:	(b) Applicability of a notification issued under provisions of this Act. (e) Determination of the liability to pay tax on any goods or services or both
Date of Personal Hearing	:	15.09.2018
Present for the applicant	:	Mr Anand Prakash Arora (Director)
Date of Ruling	:	15.09.2017

Note: Under Section 100 of the CGST/SGST Act 2017, an appeal against this ruling lies before the Appellate Authority for Advance Ruling constituted under section 99 of CGST/SGST Act 2017, within a period of 30 days from the date of service of this order.

The Issue raised by M/s Shubhlaxmi Cold Storage And Ice Factory Pvt. Ltd, Sukhdham, Pushkar Road, Ramnagar, Ajmer (Raj.) 305004 (hereinafter referred to as 'Applicant' also) is fit to pronounce advance ruling as it falls under ambit of the Section 97(2)(b) and (e), it is given as under:

- (b) Applicability of a notification issued under provisions of this Act.
- (e) Determination of the liability to pay tax on any goods or services or both

Further, the applicant being a registered person, GSTIN is 08AACCS7295J1ZS, as per the declaration given by him in Form ARA-01, the issue raised by the applicant is neither pending for proceedings nor proceedings were passed by any authority. Based on the above observations, the application is '**admitted**' to pronounce advance ruling.

1. SUBMISSION OF THE APPLICANT:

M/s Shubhlaxmi Cold Storage And Ice Factory Pvt. Ltd. has stated that it is having a cold storage for storing of agriculture produce out of cultivation of plants and poultry eggs which are produce of rearing of life animals/poultry farming, Applicant is registered under GST Rules and is paying tax on storage charges of the processed agriculture produce and other products.

As per S. No. 24 of Notification No. 12/2017-CT (Rate) and S. No. 54 of Notification no. 12/2017-CT (Rate) an agricultural produce has been defined as

“agricultural produce” means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.”

According to Applicant eggs are produce of live chicken farming and are not further processed. Hence their storage in cold storage is covered by above definition prescribed under these notification and has argued that service of storing fresh eggs should not be chargeable under GST.



2. QUESTION(S) ON WHICH THE ADVANCE RULING IS SOUGHT

The Applicant has sought ruling to be pronounced under section 97(2) (b) and (e) of the CGST Act 2017, on the following questions:

Whether charges received by the cold storage for providing service of storing of eggs, which is produce of rearing of animals/poultry farming in cold storage is exempted from payment of GST in terms of S. no. 24 of Notification No. 11/2017-CT (Rate) and S. no. 54 of Notification no. 12/2017-CT (Rate) dated 28.06.2016.



3. PERSONAL HEARING AND COMMENTS OF THE JURISDICTIONAL OFFICER

In the matter, the applicant Mr. Anand Prakash Arora (Director) appeared for personal hearing on 15.09.2018. During the PH, he submitted a copy of GST Law and a judgment of Shriji Ice Factory vs. Commissioner of Central Excise, Jaipur-II. They reiterated the submission already made in the application of Advance Ruling and further requested that the case may be decided at the earliest. It was found that the Applicant had deposited Rs. 5000 fees as SGST Fee. It was brought into the notice of the applicant who in turn deposited Rs.5000 as CGST fee on 15.09.2018 (date of PH).

The jurisdictional officer in his comments has stated that Agriculture is defined as "The science or practice of farming, including cultivation of soil for the growing of crops and rearing of animals to provide food, wool and other products." Thus Eggs fall under the category of Agricultural Products and hence services of loading, unloading, packaging, storage or warehousing of agriculture produce are covered under the above notification.

4. FINDING, ANALYSIS AND CONCLUSION

4.1 We have gone through the content of the Advance Ruling Application filed by applicant, submission made at the time of personal hearing and comments of the jurisdictional officer and find that the applicant has facility of cold storage house and therefore is supplier services of storage and warehousing to variety of agriculture produce.

4.2 The Applicant has sought Advance Ruling on applicability of Entry No. 24 of the Notification No. 11/2017 Central tax (Rate) dated 28/06/2017 and Entry No. 54 of the Notification No. 12/2017 Central tax (Rate) dated 28/06/2017. The applicant has sought

advance ruling on matter whether charges received by the cold storage for providing service of storing of eggs, which is produce of rearing of animals/poultry farming in cold storage, is exempted from payment of GST.

4.3 Entry No. 54 of Notification No. 12/2017-CT(Rate) dated 28.06.2017 exempts *"Services relating to cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products or agricultural produce by way of*

- (a) *agricultural operations directly related to production of any agricultural produce including cultivation, harvesting, threshing, plant protection or testing;*
- (b) *supply of farm labour;*
- (c) *processes carried out at an agricultural farm including tending, pruning, cutting, harvesting, drying, cleaning, trimming, sun drying, fumigating, curing, sorting, grading, cooling or bulk packaging and such like operations which do not alter the essential characteristics of agricultural produce but make it only marketable for the primary market;*
- (d) *renting or leasing of agro machinery or vacant land with or without a structure incidental to its use;*
- (e) *loading, unloading, packing, storage or warehousing of agricultural produce;*
- (f) *agricultural extension services;*
- (g) *services by any Agricultural Produce Marketing Committee or Board or services provided by a commission agent for sale or purchase of agricultural produce;*
- (h) *services by way of fumigation in a warehouse of agricultural produce"*

4.3 For the purpose of above notification 'agriculture produce' has been defined in clause (d) of para 2 of Notification No. 12/2018 ibid, which is as under:

"(d) 'agricultural produce' means any produce out of cultivation of plants and rearing of all life forms of animals, except the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market."

4.4 Eggs are produced out of rearing of chicken (Poultry Farming) for food and as per definition of Agricultural Produce, *any produce out of rearing of all life forms of animals, except*



the rearing of horses, for food, fibre, fuel, raw material or other similar products, on which either no further processing is done or such processing is done as is usually done by a cultivator or producer which does not alter its essential characteristics but makes it marketable for primary market.” Thus Fresh Eggs in shell on which no further processing is done are covered under definition of “agricultural produce.”

4.5 The Principal Bench of CESTAT, New Delhi in matter of M/s. Shriji Ice Factory versus Commissioner Of Central Excise, Jaipur-II reported in 2017 (52) S.T.R. 446 (Tri. Del) has also held that “Storage and Warehousing services- Activity of providing cold storage facility for milk which is an ‘Agricultural Produce’ not leviable to Service Tax –Section 65(102) of Finance Act, 1994.”

5. Based on above facts along with provision of law, we pronounce the ruling is as follows:

RULING

The charges received by the applicant for providing service of storing of “fresh eggs” in shell on which no further processing is done, which are produce of rearing of animals/poultry farming, are exempted from payment of GST in terms of entry No. 24 of Notification No. 11/2017-CT (Rate) and entry S. No. 54 of Notification No. 12/2017-CT (Rate) dated 28.06.2016.

 15/9/18

NITIN WAPA
Member
(Central Tax)




SUDHIR SHARMA
Member
(State Tax)

SPEED POST

M/s SHUBHLAXMI COLD STORAGE
AND ICE FACTORY PRIVATE LIMITED,
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