

COMMISSION AGENTS DEALING IN SALE AND PURCHASE OF TOBACCO LEAVES EXEMPTED FROM GST:

AAR

M/S JAYALAKSHMI TOBACCO COMPANY VS. AAR ANDHRA PRADESH

ORDER NO. - 03/AAR/AP/GST/2018

DATE -4.04.2018

Fact of the Case

1. The applicant is a commission agent dealing with tobacco leaves including other business activities.
2. The application was made to determine the applicability of the Goods and Services Tax (GST) on sale of tobacco leaves received from farmers made by the Commission Agent.
3. The rate of tax on services provided by a commission agent for sale or purchase of agricultural produce, etc, is NIL vide notification no. 11/2017 dt. 28.08.2017.
4. Further it refers to "Services in Wholesale Trade" is included in "Services to Commission Agent".

Decision of the Case

1. The learned judges of the bench explained that the entry listed in serial no. 5 attracting 18% rate refers to a service of Commission agent.
2. On other hand serial no. 24 refers to "Commission Agent dealing in sale and purchase of agricultural produce" which attracts Nil rate of GST.
3. Hence in the present case the second reference is applicable i.e Nil rate of tax is applicable.