

5% GST payable on Dried and Polished Turmeric: The AAR, Maharashtra

Fact of the Case

The Applicant, Nitin Bapusheb Patil has been a registered person under GST Act, 2017, as a 'Commission Agent' in APMC, Sangli, Maharashtra, renders his services to the farmers in relation to the supply of Turmeric' (Whole Turmeric Not in powder form) to traders in APMC, Sangli.

Applicant is also registered as a 'Commission Agent' under the APMC Rules and Regulation. Based on the tender/auction, if farmer and buyer mutually agree to sale and purchase, the Applicant, as a commission agent, facilitates activities ancillary to supply of agriculture product Turmeric in APMC, for which he gets a fixed commission at the rate of 3% as per APMC regulations. Applicant does not do any sort of trading of turmeric.

The applicant has sought the advance ruling on the issue that

- whether the Turmeric (Turmeric in Whole form – not in powder form) is covered under the definition of 'Agriculture Produce and exempted from GST and what is the HSN code of Turmeric.
- Yet another issue raised was Whether services rendered by Applicant as a Commission Agent in APMC, Sangli are liable to GST in terms of Sl. 54 Heading 9986 of Notification No.12/2017 CT(R) dated 28.06.2017 read with Sl. No. 24 of Notification No. 11/2017-C.T. (Rate) dated 28.06.2017 and whether the applicants required to be registered under the CGST Act, 2017 for his activities.

Decision of the Case

The Coram held that dried and polished Turmeric as in the instant case, is not covered under the definition of 'Agriculture Produce and is not exempted from GST. The HSN code of the impugned product is 0910 30 20 and the rate of GST is 5% (2.5% each of CGST and SGST). "The impugned services rendered by the applicant are taxable under GST and not exempt terms of Sl. 54 Heading 9986 of Notification No.12/2017 CT(R) dated 28.06.2017 read with Sl. No. 24 of Notification No. 11/2017-C.T. (Rate) dated 28.06.2017," the AAR ruled.

The AAR further observed that The applicant is required to be registered under the relevant provisions of the CGST Act, 2017 for his impugned activities.

The Maharashtra Authority of Advance Ruling (AAR) held that 5% GST payable on Dried and Polished Turmeric.