

GOVERNMENT OF NAGALAND  
OFFICE OF THE COMMISSIONER OF STATE TAXES  
NAGALAND: DIMAPUR

Dated Dimapur, the 15<sup>th</sup> November, 2017

**CIRCULAR-14/16/2017-GST**

***Ref-CBIC Circular No.16/16/2017-GST dated 15-11-2017***

Subject: **Clarifications regarding applicability of GST and availability of ITC in respect of certain services**

I am directed to issue clarification with regard to certain issues brought to the notice of Board as under:

S. No.	Issue	Comment
1.	Is GST applicable on warehousing of agricultural produce such as tea (i.e. black tea, white tea etc.), processed coffee beans or powder, pulses (de-husked or split), jaggery, processed spices, processed dry fruits, processed cashew nuts etc.?	<p>1. As per GST notification F.NO.FIN/REV-3/GST/1/08(Pt-1)'N' , S.No. 24 and notification F.NO.FIN/REV-3/GST/1/08(Pt-1)'O', S.No. 54, dated 30<sup>th</sup> June 2017, the GST rate on loading, unloading packing, storage or warehousing of agricultural produce is Nil.</p> <p>2. Agricultural produce in the notification has been defined to mean "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"</p> <p>3. Tea used for making the beverage, such as black tea, green tea, white tea is a processed product made in tea factories after carrying out several processes, such as drying, rolling, shaping, refining, oxidation, packing etc. on green leaf and is the processed output of the same.</p> <p>4. Thus, green tea leaves and not tea is the "agricultural produce" eligible for exemption available for loading, unloading, packing, storage or warehousing of agricultural produce. Same is the case with coffee obtained after processing of coffee beans.</p>



