

	<p align="center">RAJASTHAN AUTHORITY FOR ADVANCE RULING GOODS AND SERVICES TAX</p> <p align="center">KAR BHAWAN, AMBEDKAR CIRCLE, NEAR RAJASTHAN HIGH COURT JAIPUR – 302005 (RAJASTHAN)</p>	
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ADVANCE RULING NO. RAJ/AAR/2019-20/31

J.P.Meena Additional Commissioner	:	Member (Central Tax)
Hemant Jain Additional Commissioner	:	Member (State Tax)
Name and address of the applicant	:	M/s Lakhpat Trading & Industrys Pvt. Ltd., G-72/73, 79/80, Phase-1, Boranada, Jodhpur, Rajasthan 342012
GSTIN of the applicant	:	08AACCL5668C1ZH
Clause(s) of Section 97(2) of CGST/SGST Act, 2017, under which the question(s) raised	:	(a)Classification of any goods or services or both;
Date of Personal Hearing	:	09.01.2020
Present for the applicant	:	Shri Ameet Bhandari (Director)
Date of Ruling	:	28.01.2020

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.

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- At the outset, we would like to make it clear that the provisions of both the CGST Act and the RGST Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the CGST Act would also mean a reference to the same provision under the RGST Act. Further to the earlier, henceforth for the purposes of this Advance Ruling, a reference to such a similar provision under the CGST Act / RGST Act would be mentioned as being under the "GST Act".
 - The issue raised by M/s Lakhpat Trading & Industries Pvt. Ltd., G-72/73, 79/80, Phase-1, Boranada, Jodhpur, Rajasthan 342012 (hereinafter the applicant) is fit to pronounce advance ruling as it falls under the ambit of the Section 97(2) (a) given as under: -
 - (a) Classification of Services;
 - Further, the applicant being a registered person (GSTIN is 08AACCL5668C1ZH 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 applicant is admitted to pronounce advance ruling.

1. **SUBMISSION AND INTERPRETATION OF THE APPLICANT:**

Every dried coconut is first fit for human consumption and with the passage of time it is unfit for human consumption, seller don't know whether the buyer has taken dried coconuts for human consumption or for milling purpose. Further a dried coconut for human consumption can also be used for milling purpose therefore the basis of determination of GST Rate on the basis of human consumption vs milling purpose is not appropriate in terms of classification of GST Rate.

2. **QUESTIONS ON WHICH THE ADVANCE RULING IS SOUGHT**

Classification of Goods to identify the HSN: -

- a. GST Rate on Copra i.e. edible dried coconut for human consumption.
- b. GST Rate on Copra i.e. inedible dried coconut for expression of coconut oil.
- c. GST Rate on Dried Coconut not used in expression of coconut oil.
- d. GST Rate on Dried Coconut used in expression of coconut oil.
- e. GST on Desiccated Coconut that is dried and shredded flesh of coconut used for culinary purpose.

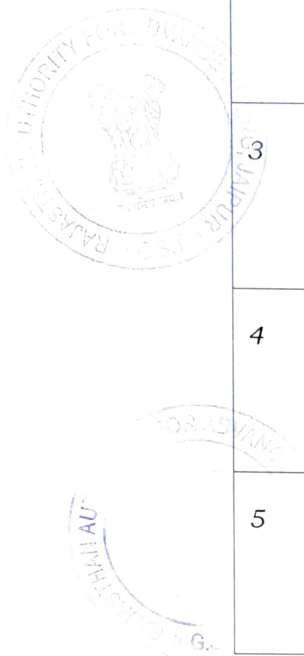
3. **PERSONAL HEARING**

In the matter personal hearing was granted to the applicant on 09.01.2020 at Room no. 2.29 NCRB, Statue Circle, Jaipur. Shri Ameet Bhandari Director of M/s Lakhpat Trading & Industrys Pvt. Ltd. appeared for PH. During the PH, he reiterated the submissions already made in the application. He requested for early disposal of the application.

4. **COMMENTS OF THE JURISDICTIONAL OFFICER**

The jurisdictional officer (Deputy Commissioner, State Tax, Circle-F, Zone-Jodhpur, Collectorate Office, Paota, District-Jodhpur, Rajasthan) has submitted his detailed comments vide letter dated 05.12.2019 which can be summarized as under:

Query No.	Query Description	Submission
1	GST Rate on Copra i.e. edible dried coconut for human consumption	Copra of HSN Code 1203 having tax rate of IGST 5%. "Copra" of HSN Code 1203 is taxable at IGST rate of 5% as per Sec 5(1) of IGST Act 2017 read with CGST Notification No. 1 date 28- 06- 2017 of Central Rate



2	GST Rate on Copra i.e. inedible dried coconut for expression of coconut oil	Copra of HSN Code 1203 having tax rate of IGST 5%. "Copra" of HSN Code 1203 is taxable at IGST rate of 5% as per Sec 5(1) of IGST Act 2017 read with CGST Notification No. 1 date 28-06-2017 of Central Rate
3	GST Rate on dried coconut not used for expression of coconut oil	COCONUTS: FRESH OR DRIED, WHETHER OR NOT SHELLLED OR PEELED HSN 801 OR 08011920(OTHER) DRIED IS EXEMPTED IN GST. No distinction for dried coconut whether it is meant for end use as coconut oil or not.
4	GST Rate on dried coconut used for expression of coconut oil	COCONUTS: FRESH OR DRIED, WHETHER OR NOT SHELLLED OR PEELED HSN 801 OR 08011920(OTHER) DRIED IS EXEMPTED IN GST. No distinction for dried coconut whether it is meant for end use as coconut oil or not.
5	GST Rate on desiccated coconut that is dried and shredded flesh of coconut used for culinary purpose.	It is Fresh kernel of fully matured coconut that falls under Chapter 8 of the First Schedule of The Customs Tariff Act, 1975 with HSN 0801 11 00 that is exempted in GST.

5. **FINDINGS, ANALYSIS & CONCLUSION:**

- While going through the brief submissions made by the applicant we observe that the applicant is a supplier and has sought advance ruling on the GST rate on coconuts/copra / desiccated coconut etc.
- We observe that vide Notification No. 2/2017- Central Tax (Rate) 28th June, 2017 at S.No. 47, the supply of goods "Coconuts, fresh or dried, whether or not shelled or peeled" are exempt from GST. The relevant portion of the of the above said notification is as under:-

Notification No. 2/2017- Central Tax (Rate) 28th June, 2017

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
47.	0801	Coconuts, fresh or dried, whether or not shelled or peeled

- We observe that supply of Copra other than of seed quality attracts GST @ 5% (CGST 2.5% + SGST 2.5%) under the Notification No. 1/2017- Central Tax (Rate) 28th June, 2017 at S.No. 66. The relevant portion of the of the above said notification is as under:-

Notification No. 1/2017- Central Tax (Rate) 28th June, 2017

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
66.	1203	Copra other than of seed quality

- We observe that desiccated coconuts attracts GST @ 5 % (CGST 2.5% + SGST 2.5%) under Notification No. 1/2017- Central Tax (Rate) 28th June, 2017(as amended). The relevant portion of the said Notification is as under-:

Notification No. 1/2017- Central Tax (Rate) 28th June, 2017

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
27.	0801	Cashew nuts, whether or not shelled or peeled, desiccated coconuts

- Clarifications were issued vide F. No. 332/2/2017 –TRU Government of India Ministry of Finance Department of Revenue Tax Research Unit North Block, New Delhi Dated the -December, 2017 the relevant portion of clarification is as under -:


TABLE

S. No.	Queries	Replies
13.	What is HS code and GST rate of copra and dried coconut?	1. Coconuts, fresh or dried, whether or not shelled or peeled fall under heading 0801 and attract Nil GST. As per the HSN Explanatory Notes, the heading excludes copra, the dried flesh of coconut used for the expression of coconut oil (1203). 2. Copra falls under heading 1203 and attracts 5% GST.


6. In view of the foregoing, we rule as follows: -

RULING

- (i) - Copra other than of seed quality attracts GST @ 5%
(CGST 2.5% + SGST 2.5%)
- (ii) - Coconuts, fresh or dried, whether or not shelled or
peeled attracts NIL rate of GST.
- (iii) - Desiccated coconuts attracts GST @ 5% (CGST 2.5% + SGST
2.5%).


(J.P. MEENA)
MEMBER
CENTRAL TAX




(HEMANT JAIN)
MEMBER
STATE TAX



SPEED POST

M/s Lakhpat Trading & Industrys Pvt. Ltd.,
G-72/73, 79/80, Phase-1, Boranada,
Jodhpur, Rajasthan 342012

F.No. AAR/lakhpat/2019-20/243-246.

Date: 28-01-2020.

Copy to:-

1. Commissioner, State Tax, Kar Bhawan, Bhawani Singh Road,
Ambedkar Circle, C-Scheme-, Jaipur 302005.
2. Commissioner, CGST and Central Excise Commissionerate Jodhpur,
G-105, Gali No. 5, New Jodhpur Industrial Area, Jodhpur, Rajasthan
342003.
3. Deputy Commissioner, State Tax, Circle-F, Zone-Jodhpur,
Collectorate Office, Paota, District-Jodhpur, Rajasthan.