



भारत सरकार
GOVERNMENT OF INDIA

**OFFICE OF THE PRINCIPAL COMMISSIONER
CENTRAL GOODS AND SERVICES TAX COMMISSIONERATE: NOIDA
C-56/42, RENU TOWER, SECTOR-62, NOIDA**

C.No.V(30)Tech/Trade Notice/N-I/07/2016/Pt./

84(81)
8/11/18

Dated:- .1.2018

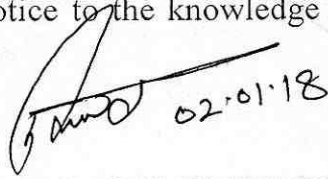
**TRADE NOTICE NO. 33/TECH/CGST-NOIDA/2017
DATED: .01.2018**

Subject:- Clarification on taxability of custom milling of paddy- reg.

Please find enclosed herewith a Circular No. 19/19/2017-GST dated 20.11.2017 issued under F. No. 354/263/2017/-TRU by the Government of India, Ministry of Finance, Department of Revenue, Tax research Unit, New Delhi for information, guidance and necessary action on the above subject.

2. All the Trade Associations / Chambers of Commerce, Member of Regional Advisory Committee (SSI Sector, Organized and Central Excise Sector) and field formations are requested to bring the contents of this Trade Notice to the knowledge of their constituent members and all concerned.

Encl: As above.


(MANMOHAN SINGH)
COMMISSIONER
CGST COMMISSIONERATE: NOIDA

Copy for information to:-

1. The Chief Commissioner, CGST, Meerut Zone, Meerut.
2. The Principal Commissioner / Commissioner, CGST Meerut / Noida Customs / Ghaziabad / Dehradun / GautamBudh Nagar / Audit, Meerut / Audit-Noida.
3. P.A. to the Chief Commissioner / Additional Commissioner, CGST, Meerut Zone, Meerut.
4. The Joint Commissioner (P&V), CGST, Commissionerate Noida.
5. The Joint Commissioner (A.E.), CGST, Commissionerate Noida.
6. The Joint Commissioner in charge of Division-I / II / III / IV / V /VI/ Hapur of CGST, Commissionerate Noida.
7. The Deputy / Assistant Commissioner, GST Division-I / II / III / IV / V /VI/ Hapur, of CGST, Commissionerate Noida. **All field formations are directed to bring the contents**

F. No. 354/263/2017-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

North Block, New Delhi
20th November 2017

To,

The Principal Chief Commissioners/Chief Commissioners/ Principal Commissioners/
Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on taxability of custom milling of paddy – regarding.

Representations have been received seeking clarification on whether custom milling of paddy by Rice millers for Civil Supplies Corporation is liable to GST or is exempted under S. No 55 of Notification 12/2017 - Central Tax (Rate) dated 28th June 2017.

2. The matter has been examined. S. No 55 of Notification 12/2017- Central Tax (Rate) exempts carrying out an intermediate production process as job work in relation 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. Agricultural produce has been defined in the notification 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.* Job work has been defined under section 2 (68) of the CGST Act to mean *any treatment or process undertaken by a person on goods belonging to another registered person.* Further, under Schedule II (para 3) of the CGST Act, *any treatment or process which is applied to another person's goods is a supply of service.*

3. Milling of paddy is not an intermediate production process in relation to cultivation of plants. It is a process carried out after the process of cultivation is over and paddy has been harvested. Further, processing of paddy into rice is not usually carried out by cultivators but by rice millers. Milling of paddy into rice also changes its essential characteristics. Therefore, milling of paddy into rice cannot be considered as an intermediate production process in relation to cultivation of plants for food, fibre or other similar products or agricultural produce.