

		Phone : 0431-2417118/2411477 Fax : 0431-2411583 Email : trichy.gst.@gov.in
<p style="text-align: center;"> केन्द्रीय जीएसटी एवम् केन्द्रीय उत्पाद शुल्क आयुक्त का कार्यालय  नं.1, विल्लियम्स रोड, कन्टोनमेंट, तिरुच्चिरापल्लि - 620 001  OFFICE OF THE COMMISSIONER OF GST &amp; CENTRAL EXCISE  NO.1, WILLIAMS ROAD, CANTONMENT, TIRUCHCHIRAPALLI - 620 001 </p>		

**GST Trade Notice No.48/2017**

**Dated : 27.11.2017**

Sub: GST - **Clarification on taxability of custom milling of Paddy** - GST Circular No.19/19/2017-GST dated 20.11.2017 - Communication thereof - Reg.

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The Central Board of Excise & Customs (CBEC) has issued Circular No.19/19/2017-GST dated 20.11.2017 **on taxability of custom milling of Paddy**, as detailed hereunder:-

2. **Gist of clarification:** 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. It has been clarified that **milling of paddy into rice is not eligible for exemption under SI.No.55 of Notification No.12/2017-Central Tax (Rate) dated 28.06.2017** and corresponding notifications issued under IGST and UTGST Acts. It is further clarified that **milling of paddy into rice on job work basis, is liable to GST at the rate of 5%, on the processing charges** (and not on the entire value of rice).

3. Amendment to GST Trade Notice No.42/2017 dated 20.11.2017 issued by this office - In the 2<sup>nd</sup> column of the table of the aforementioned Trade Notice, the CGST Circulars referred in SI.Nos.3 & 4 may be interchanged.

4. This trade notice is issued so as to sensitize the trade and field formations about contents of the aforesaid references and for complete details, the respective references may please be referred in CBEC's websites [www.cbec.gov.in](http://www.cbec.gov.in).

5. The Trade & Industry Associations / Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members.

(Issued from file C.No.IV/16/25/2017-GST Policy)

  
(S. Srimathi)  
**Joint Commissioner**

To

All the Members of Regional Advisory Committee.

Trade and Industry (As per the mailing list).

Copy to: The Deputy / Assistant Commissioner of GST & Central Excise,  
Tiruchirappalli - I / Tiruchirappalli - II / Thanjavur / Karur / Cuddalore Divisions

All Range Offices under this Commissionerate

The Deputy / Assistant Commissioner of GST & Central Excise,  
GST Seva Kendra / Taxpayer Service Cell / Adjudication / Anti-Evasion / Audit / Computer / EDPU / Legal & Review / TRC, Hqrs. Office, Tiruchirappalli

The P.S. to the Commissioner / P.A. to the Joint Commissioner

Computer Section, Hqrs. Office, Tiruchirappalli	For uploading the Trade Notice in the website of Tiruchirappalli Commissionerate.
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