

GST Exemption on Composite Supply of less than 25% of Service of Milling of Food Grains into Flour to Food & Supplies to West Bengal Govt. for distribution under Public Distribution System

FACT OF THE CASE

1. The applicant, M/s. Shiv Flour Mill has been engaged in the business of selling flour (atta) and providing service of job work in the nature of crushing food grains supplied and owned by Food & Supplies Department, Government of West Bengal.
2. The applicant has sought the advance ruling on the issue Whether the instant composite supply of service by way of milling of food grains into flour to Food & Supplies Department, Govt. of West Bengal for distribution of such flour under Public Distribution System is eligible for exemption under entry No. 3A of Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 and What shall be rate of GST on such milling, if it does not fall under entry No. 3A.

DECISION OF THE CASE

1. The coram of Brajesh Kumar Singh and Jyoti Banik ruled that value of supply shall be the consideration in money and shall also include all the components towards non-cash consideration, as discussed.
2. This composite supply of services by way of milling of food grains into flour (atta) to Food & Supplies Department, Govt. of West Bengal for distribution of such flour under Public Distribution System is eligible for exemption under entry serial no. 3A of the Notification No. 12/2017-Central Tax (Rate) dated 28.06.2017 only when the value of goods involved in such composite supply does not exceed 25% of the value of supply.
3. "If the value of goods involved in such composite supply exceeds 25% of the value of supply, the supply shall attract tax @ 5% (CGST @ 2.5% + WBGST @ 2.5%)