

Circular No. 153/09/2021-GST

Dated – 17th June, 2021

GST on milling of wheat into flour or paddy into rice for distribution by State Governments under PDS

Public Distribution specifically figures at entry 28 of the 11th Schedule to the constitution, which lists the activities that may be entrusted to a Panchayat under Article 243G of the Constitution. Hence, said entry No. 3A would apply to composite supply of milling of wheat and fortification thereof by miller, or of paddy into rice provided that value of goods supplied in such composite supply (goods used for fortification, packing material etc) does not exceed 25% of the value of composite supply. It is a matter of fact as to whether the value of goods in such composite supply is up to 25% and requires ascertainment on case-to-case basis.

For more details, please follow: https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_153.pdf