



OFFICE OF THE COMMISSIONER OF STATE TAX, PUNJAB,
Excise and Taxation Bhawan, Sector-69, SAS Nagar (Mohali)

To

The Director,
Department of Food, Civil Supplies and Consumer Affairs,
Govt. of Punjab.

No. 227 Dated 9th NOV. 2023

**Subject: Clarification on the rate of GST on Fortified Rice Kernel (FRK) -
regarding.**

Ref: Memo. No. RICE(RP4)-FRK (2023-24)/943 Date, Chandigarh: 3-11-
2023.

Apropos the aforementioned subject, it is to state that Fortified Rice Kernel (for brevity "FRK") is classifiable under chapter heading 1904, wherein the applicable GST rate is 18%. Further, vide Notification No. 11/2021-CT (R) dated 30.09.2021, the principal Notification no. 39/2017- CT (R) dated 18.10.2017, was amended, wherein the rate of GST on FRK was reduced from 18% to 5%, when supplied for ICDS or similar schemes of the Central/ State Government subject to the condition that the supplier produces certification from the Deputy Secretary to the State Government concerned to the effect that such goods have been distributed free to the economically weaker sections of the society under a programme duly approved by the Central Government or the State Government concerned, within a period of five months from the date of supply of such goods or within such further period as the jurisdictional Commissioner of the Central tax or jurisdictional Commissioner of the State tax, as the case maybe, may allow in this regard.

2. It needs to be appreciated that the said concessional rate of tax is end-use based concessional rate of tax that is to be applied only where the supplier fulfils the condition laid down in the said notification.

3. Thus, where the supplier of FRK is supplying FRK for ICDS or similar scheme duly approved by the Central Government or any State Government, the concessional rate

of 5% GST is applicable to the supply of said goods provided the condition detailed in the said notification is complied with. However, where any third party comes in the picture and there is supply of FRK from the said third party to the supplier who finally supplies the said goods to the Government then the concessional rate of GST shall not be available for the supply of such third party to the supplier as the same will be an independent transaction that may not fall within the ambit of the said notification. It therefore appears that where the FRK manufacturers are supplying FRK to the rice millers, GST rate of 18% will be applicable and concessional rate of 5% will be applicable only where the supplier of FRK supplies FRK for ICDS or similar scheme duly approved by the Central Government or any State Government.

This issues with the approval of competent authority.

Alwas
Deputy Commissioner of State Tax (GST)
Punjab

Copy for information to: -

- 1) Superintendent Excise and Taxation Branch-2, Department of Excise and Taxation, Chandigarh, Punjab.

Alwas
Deputy Commissioner of State Tax (GST)
Punjab