

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF REVENUE

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LOK SABHA

UNSTARRED QUESTION NO.2235

TO BE ANSWERED ON FRIDAY THE 28<sup>TH</sup> JULY, 2017  
SHRAVANA 6, 1939 (SAKA)

GST ON CRACKERS INDUSTRY

**2235. SHRI T. RADHAKRISHNAN:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Goods and Services Tax (GST) hike for crackers from 12 percent to 28 percent and matches from 6 percent to 12 percent could spell doom for the industries which provided jobs for about 10 lakh uneducated labourers in Virudhunagar district, Tamil Nadu and if so, the details thereof;
- (b) whether the GST hike for crackers would help cheap import of Chinese crackers and severely affect Indian cracker industry and if so, the details thereof;
- (c) whether the Union Government has received any representation from the State Government to reduce the GST on crackers and matches; and
- (d) if so, the response of the Union Government thereon?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI SANTOSH KUMAR GANGWAR)

**(a) & (b):** Taking into consideration Pre-GST tax incidence the GST Council has recommended 28% rate on fireworks and 18% on matches. Handmade matches however, attract 5% GST. Imports of these goods, in addition to the applicable Basic Customs duty, will also attract IGST at the same rate, that is 28%, 18% and 5% as the case may be.

**(c) & (d):** Representations have been received seeking reduction in GST rate on fireworks and safety matches, which has been examined and not acceded to.

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