

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.1960

TO BE ANSWERED ON FRIDAY THE 29TH DECEMBER, 2017
PAUSHA 8, 1939 (SAKA)

GST ON KHADI PRODUCTS

1960. PROF. A.S.R. NAIK:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Khadi Products have been taxed under the Goods and Services Tax (GST) and if so, the details thereof; and
- (b) whether the Khadi industry is facing severe problem due to GST and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SHIV PRATAP SHUKLA)

(a) & (b): The GST Council, initially, had recommended 'Nil' GST rate on Khadi yarn. Accordingly, 'Nil' GST rate was prescribed on Khadi Yarn. All other Khadi products attracted general applicable rate of GST. Thereafter, representations were received seeking exemption from GST on Khadi. The GST Council, in its 21st meeting held on 09.09.2017, recommended 'Nil' GST rate for Khadi fabric, sold through Khadi and Village Industries Commission (KVIC) and KVIC certified institutions/outlets. Accordingly, 'Nil' GST rate has been prescribed on Khadi fabrics, sold through Khadi and Village Industries Commission (KVIC) and KVIC certified institutions/outlets.
