

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

LOK SABHA

UNSTARRED QUESTION NO.1964

TO BE ANSWERED ON FRIDAY THE 21ST DECEMBER, 2018
AGRAHAYANA 30, 1940 (SAKA)

GST EXEMPTION TO CPCs

1964. SHRI N.K. PREMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to make any statutory rules for Central Police Canteens (CPCs) and utilisation of its profit for the welfare of Central Para Military Forces (CPMFs)/serving/retired personnel and their dependants and if so, the details thereof;
- (b) whether the Government proposes to exempt CPCs from Goods and Services Tax (GST) and if so, the details of the action taken thereon;
- (c) whether the Government has taken cognizance that the CPCs were exempted from Value Added Tax (VAT) by the State Governments as requested by the Union Government and if so, the reasons for not giving exemption from GST;
- (d) whether the Government received representations from the concerned requesting to exempt the CPCs from GST;
- (e) if so, the action taken by the Government and the present status thereof; and
- (f) the details of the amount earned by CPCs till this date, State-wise?

ANSWER

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

(a): There is no such proposal for making any statutory rules for Central Police Canteen (CPC). However, it is submitted that CPC is a non-profit, welfare-oriented venture for providing good quality daily need products at cheaper prices to serving and retired members of Central Armed Police Forces (CAPFs) and Central Police Organizations (CPOs). CPC levies Development charges @ 3% on invoice value of the product excluding GST applicable. The development charges so accrued of CPC canteens and its system at all the three tiers viz. Central Office, 119 Nos Master Canteen and 1780 Nos Subsidiary Canteens of CPC (as on date).

(b), (c), (d) & (e): The GST Council in its 15th Meeting held on 3.6.2017 examined this and did not recommended concession to CPCs. This issue was again placed before the GST Council in its 25th & 28th meetings. The GST Council after observation that in pre-GST era concession to CPC was given by only certain States, did not recommended any concession to CPCs.

(f): Total profit amount for Rs. 1,065,907,138 accrued at the level of Master canteen upto 30.06.2018 as Development charges from 29 States/UTs.
