

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

LOK SABHA

UNSTARRED QUESTION NO.2862

TO BE ANSWERED ON FRIDAY THE 28TH DECEMBER, 2018
PAUSHA 7, 1940 (SAKA)

GST EXEMPTION FOR POSTAL SAVINGS SCHEMES

2862. DR. C. GOPALAKRISHNAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken cognizance that Goods and Services Tax (GST) is being collected on various saving schemes of the Postal Department and if so, the details thereof;
- (b) whether the Government has taken steps to waive/exempt GST on postal small saving and Kisan Vikas Patra etc.; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

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

(a): Services provided by Department of Posts to an individual (other than business entity) by way of savings schemes are exempt from GST. Further, there is no GST on savings portion of life insurance policy. Therefore, the question of government taking cognizance that GST is being collected on various saving schemes of the postal department does not arise.

(b): Yes

(c): All services provided by Department of Posts to an individual (other than business entity) except the services of speed post, express parcel post, life insurance and agency services are exempt from GST. Further, services by way of extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services) are exempt. Thus, interest earned on postal small saving schemes including kisan vikas patra is exempt from GST. Further, there is no GST on savings portion of life insurance policy.
