

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

LOK SABHA

UNSTARRED QUESTION NO.3032

TO BE ANSWERED ON MONDAY, MARCH 20, 2023/PHALGUNA 29, 1944 (SAKA)

GST ON KHADI PRODUCTS

**3032. DR. BEESETTI VENKATA SATYAVATHI:
SHRI MADDILA GURUMOORTHY:
SHRIMATI GODDETI MADHAVI:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the GST imposed on Khadi products has reportedly made them somewhat unaffordable to the common man and if so, the details thereof and the reaction of the Government thereto;
- (b) whether the Government has taken note of the fact that the current GST on Khadi products contradicts the original purpose of the products and if so, the details thereof and the reaction of the Government thereto; and
- (c) the steps taken by the Government in this regard?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (c): GST rates are prescribed on the recommendation of GST Council, which is a constitutional body comprising of representatives of States/UTs and Centre. The GST Council in its 21st meeting held on 9th September, 2017, recommended exemption from GST to all khadi fabrics, falling under chapters 50 to 55, sold from all outlets of Khadi and Village Industries Commission (KVIC). This was notified vide notification No. 28/2017-Central Tax (Rate) dated 22nd September, 2017. In addition, supply of Khadi yarn falling under chapter 52 attracts Nil GST vide notification No. 02/2017-Central Tax (Rate), dated 28th June, 2017.
