

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

LOK SABHA

UNSTARRED QUESTION NO.1770

TO BE ANSWERED ON MONDAY, JULY 31, 2023/SRAVANA 9,1945(SAKA)

GST IMPOSED ON ESSENTIAL COMMODITIES

1770. SHRI ANTO ANTONY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plan to withdraw the GST imposed on essential food items like atta, rice, milk etc.;
- (b) if so, the details thereof and the steps taken/ being taken by the Government in this regard;
- (c) whether the GST on essential food items has caused price rise;
- (d) if so, the details thereof;
- (e) whether the GST collection has increased after imposing GST on essential food items; and
- (f) if so, the details thereof indicating the GST collection after imposing GST on food items, monthwise and State-wise?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b): Specified goods like pulses, rice, flour, etc., when sold in loose form and not in pre-packaged and labelled form are already fully exempt from GST. In pre-packaged and labelled form, these commodities attract a concessional GST of 5%. Fresh milk and pasteurised milk are also fully exempt from GST. GST rates and exemptions are prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives from the States/UTs and Centre. There is no further recommendation from the GST Council in this regard.

(c) & (d): Prices of essential food items get affected by several contributory factors, such as mismatch in demand and supply, seasonality, supply chain constraints, rise in international prices, etc. Sometimes, slight disruptions in supply chain or damage due to heavy rains lead to spike in prices of agri-horticultural commodities.

(e): As mentioned above, essential food items like flour, rice, pulses, etc., when sold in loose form and milk are already exempt from GST.

(f): Does not arise in view of (e) above.
