

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

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**LOK SABHA**

**UNSTARRED QUESTION NO.1696**

**TO BE ANSWERED ON MONDAY, FEBRUARY 13, 2023/MAGHA 24, 1944 (SAKA)**

**GST ON THE SALE OF WHEAT AND RICE IN MANDIS**

**1696. SHRIMATI HARSIMRAT KAUR BADAL:**

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the National Committee of the Goods and Services Tax (GST) Council has recommended imposing GST on sale of foodgrains like wheat and rice in mandis and if so, the details thereof;
- (b) whether the Government is aware that widespread protests have started against the recommendation of including foodgrains under the GST and if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government proposes to oppose the recommendation and if so, the details thereof; and
- (d) if not, the reasons therefor?

**ANSWER**

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

(a): The GST Council, in its 47th Meeting held in Chandigarh on the 28th June, 2022, made a recommendation that instead of imposition of GST on certain specified goods bearing a brand name, the GST should apply on pre-packaged and labelled goods. This was done on the basis of a three layered process of examination which included the Fitment Committee of Officers from member states, followed by the Group of Ministers (GoM) on Rate Rationalisation constituted by the Council, and finally recommended by the GST Council, as a measure for rate rationalization and prevention of tax leakages. However, when sold in loose form (not in pre-packaged and labelled form) or in bulk packages of quantity more than 25 Kilograms, such goods continue to remain exempt from GST. The recommendation was implemented by the Centre and the States.

(b): Certain representations have been received for re-considering the above-mentioned levy of GST on concerned pre-packaged and labelled goods.

(c) and (d): GST rates and exemptions are prescribed on the recommendations of the GST Council, which is a constitutional body comprising of representatives from States/UTs and Centre. At present, there is no recommendation from the GST Council in this regard, which is pending to be implemented.

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