

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4680
ANSWERED ON:18.12.2009
PRICES OF ESSENTIAL COMMODITIES
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) the details of essential commodities including foodgrains exempted by the Government from service tax during the recent time;
- (b) the revenue forgone as a result thereof;
- (c) the extent to which prices of such commodities has come down; and
- (d) the measures taken or proposed to be taken in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) The details of taxable services (in relation to essential commodities) which have been exempted from service tax by the Government, during recent time, are indicated in Table below:

Sl. No. Taxable Service in relation to which essential commodities have been exempted	Exemption
1.Transport of goods through National Waterway, Inland Water and Coastal Shipping	Food grains (cereals, pulses) food stuff, milk and milk products, sugarcane, agricultural, fishery and marine produce, cotton, jute, drugs, etc.
2.Goods Transport Agency Service	Fruits, eggs, vegetables, milk.
3.Cargo Handling Agency Service	Agricultural produce Order No. 1/2002 dated 01/08/02 of Department of Revenue.
4.Commission Agent/ Business Auxiliary Service	Agricultural produce.
5.Storage and Warehouse Service	Agricultural produce.

6.Club or Association Service In relation to promotion of agriculture, horticulture or animal husbandry.

7.Technical Testing and Analysis service Water.

8.Site Formation and Clearance Service In relation to agriculture, irrigation, watershed development.

(b) Statistical data is not maintained.

(c) The Wholesale Price Index based inflation in 30 essential commodities in the month of November, 2009 was 21.15 per cent as compared to 17.91 per cent in October, 2009 and 18.50 per cent in September, 2009.

(d) The price situation of essential commodities is monitored by the Government on a regular basis as containment of inflation is high on its agenda. The Government has taken several measures to control rise in prices of essential commodities and check inflation which include reducing import duties on wheat, rice, edible oil (crude), pulses, raw sugar, etc; imposition of stock limits in the case of rice, pulses, sugar; and ban on export of non-basmati rice.