

## Representations for roll back of GST hike on pre-packaged food grains received-Centre

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- Minister Pankaj Chaudhary said that when sold in loose form (not in pre-packaged and labelled form), food grains, flour, pulses, curd, lassi, buttermilk and paneer continue to remain exempt from GST and its consumer is not impacted by the tax.

**NEW DELHI:** Requests have been received for reconsidering the imposition of 5% Goods and Services Tax (GST) on pre-packaged and labelled food items like pulses and rice, finance ministry said on Monday.

Minister of state for finance Pankaj Chaudhary explained in a written reply to a question in Lok Sabha the circumstances when this tax will not apply. He said that when sold in loose form (not in pre-packaged and labelled form), food grains, flour, pulses, curd, lassi, buttermilk and paneer continue to remain exempt from GST and its consumer is not impacted by the tax.

"In case of pre-packaged and labelled form of such commodities, considering that the taxpayer would get input tax credit on the inputs and input services, the net impact of GST would be marginal for consumers. Further, the supplier of such pre-packaged and labelled commodities eligible for availing threshold exemption or composition scheme would be entitled to exemption or composition rate, as the case may be," the minister explained.

GST rates are prescribed on the recommendation of the GST Council, which is a constitutional body comprising of representatives from the states, union territories and the Centre, taking into account all the relevant factors, he said.

At its 47th Meeting held in Chandigarh on 28 June, the Council had made a unanimous recommendation for imposition of GST on 'pre-packaged and labelled' form for specified goods like pulses, rice, flour, paneer, etc., at a nominal rate of 5%. The change was effective from 18 July and has led to protests from some of the opposition parties that demanded a roll back of the tax increase.

The minister did not comment on whether there is a re-think on the imposition of 5% tax on these items.