Q97

Consider the following items: 1. Cereals grains hulled 2. Chicken eggs cooked 3. Fish processed and canned 4. Newspapers containing advertising material Which of the above items is/are exempted under GST (Goods and Services Tax)? (a) 1 only (b) 2 and 3 only (c) 1, 2 and 4 only (d) 1, 2, 3 and 4 Official key: C.

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Explanation

(a)

(a) 1 only. Hulled cereal grains (unbranded/specified) were in the GST-exempt set, but cooked chicken eggs and newspapers with advertising were also exempt as framed in 2017-18, while canned processed fish was taxable. Stopping at cereals under-counts. This option is not the key.

(b)

(b) 2 and 3 only. Cooked eggs could be exempt, but processed canned fish attracted GST, and cereals plus newspapers are missing. This option is not the key.

(c) Official key

(c) 1, 2 and 4 only. Under the early GST rate schedule, hulled cereal grains, cooked chicken eggs, and newspapers (even with ads) were exempt, whereas processed and canned fish was not. That is items 1, 2 and 4. This option is the official key.

(d)

(d) 1, 2, 3 and 4. Canned fish's taxability knocks out the full set. This option is not the key.

Summary

Official key is (c) 1, 2 and 4 only. GST at introduction zero-rated or exempted specified unprocessed/hulled cereals, eggs (including cooked eggs as listed), and newspapers containing advertising. Processed canned fish was a taxable manufactured food. Item 3 therefore drops. The surviving exempt set is 1, 2 and 4, which is option (c).

Related possible facts

These can be asked in a future Prelims paper.

GST 1 July 2017
Launch date of the destination-based indirect tax

GST Council
Article 279A body that recommends rates and exemptions

Newspapers
Exempt supply; advertising in print treated under that exemption

Branded vs unbranded cereals
Later controversies over pre-packaged food GST

Canned fish
Processed food; standard GST, not in the exempt trio