

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2519
ANSWERED ON:08.12.2006
DUTY EXEMPTION ON CONCENTRATED MILK
Tripathy Shri Braja Kishore

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Government has exempted concentrated milk from excise duty ;
- (b) If so, the details in this regard ;
- (c) Whether despite such exemption the prices of milk is still not in reach of common men of the country; and
- (d) If so, the corrective steps taken by the Union Government in this regard ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a)&(b) with effect from 9th September, 2004, Government had exempted excise duty on concentrated milk, not containing added sugar or other sweetening matter.

(c)&(d) It is reported that milk is mainly reconstituted using raw milk, milk powder and white butter. Even if concentrated milk is used, it is in a very small quantity. As such, impact of excise duty exemption on concentrated milk on the overall price of milk is very limited. Price of any commodity, including milk, depends on a number of factors like demand and supply, general state of economy, inflation, etc. and excise duty is only one of the elements. So far as Central Government is concerned, it has exempted milk, including concentrated milk, from excise duty thus eliminating one of the elements, which may have increased its price.