

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

LOK SABHA

UNSTARRED QUESTION NO.1421

TO BE ANSWERED ON MONDAY THE 01st JULY, 2019
ASHADHA 10, 1941 (SAKA)

GARMENT TRADERS UNDER GST SCHEME

1421. SHRI SUNIL KUMAR MONDAL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken favourable steps for garment traders under the Goods and Services Tax (GST) scheme;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

ANSWER

MINISTER OF FINANCE
(Ms. NIRMALA SITHARAMAN)

(a), (b) and (c): The GST rate structure for the textile sector was discussed in detail in the GST Council meeting held on 3rd June, 2017, wherein the Council recommended the detailed rate structure for the textile sector. The pre-GST tax incidence on readymade garments and made up articles was more than 13%. As against that the GST rates for garments and made up articles is 5% articles of sale value not exceeding Rs.1000 per piece and 12% for articles of sale value exceeding Rs.1000 per piece. Therefore, the GST rates are lesser than the pre-GST incidence of taxes on these goods. To reduce the cost of garment industry, GST rate on manmade fibre yarns has been reduced from 18% to 12%. Further, the refund of accumulated input tax credit on fabrics has also been allowed to reduce cost of fabrics which is the major input for garments.
