

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

LOK SABHA

UNSTARRED QUESTION NO.1433

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

GST SLAB VARIATION

1433. SHRI HIBI EDEN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received/still receiving complaints or requests from different sectors regarding GST slab variation;
- (b) if so, the details thereof;
- (c) whether the Government is having any intention to reduce/avoid GST for Khadi and Handloom products;
- (d) if so, the details thereof;
- (e) whether the Government has noticed that the small scale industries are struggling or have become very down after the implementation of GST; and
- (f) if so, whether the Government will take any action to tackle this situation and if so, the details thereof?

ANSWER

MINISTER OF FINANCE
(Ms. NIRMALA SITHARAMAN)

(a) and (b): Certain representations have been received from different sectors regarding GST rate reductions. The GST rates on goods and services were initially fitted into different rate slabs by the GST Council on the basis of pre-GST incidence of taxes on them. Subsequently, the rates have been reviewed by the Council taking into account the requests received from stakeholders and based on the recommendations of the Council, rates have been rationalized for a large number of items.

(c) and (d): 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. Accordingly, the GST rates for the handloom sector are as follows:

- Khadi yarn attracts nil GST.
- Amber charkha and weaving machinery [Handlooms] attract nil GST.
- Khadi fabric, sold through Khadi and Village Industries Commission (KVIC) and KVIC certified institutions/outlets attracts Nil GST.
- All types of fabrics including handloom fabrics attract 5% GST.

(e) and (f): Several measures have been taken in GST to eliminate hardships to MSME. Some of the measures taken are as under:-

- Initially the threshold exemption upto Rs. 20 lacs was prescribed, which has been raised to Rs. 40 lacs for goods.
- Composition scheme has been prescribed for goods upto Rs. 1.5 crores a year and Rs 50 lacs a year for services.
- Composition dealers are required to file annual returns and make quarterly payments.
- Other small taxpayers having turnover less than Rs. 5 crores per year are required to file quarterly returns.
