

LOK SABHA
UNSTARRED QUESTION NO. 4690
TO BE ANSWERED ON 29.03.2023

COTTON AND MAN-MADE FIBRES

4690. DR. VISHNU PRASAD M.K.:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state :

(a) whether there is a differential tax treatment for cotton and Man-made Fibres (MMF), if so, the reasons therefor; and

(b) whether it is a fact that the fibre tax neutrality, if introduced, is likely to give clothing cotton product exports a boost and increase production, if so, the details thereof?

उत्तर
ANSWER
वस्त्र राज्य मंत्री (श्रीमती दर्शना जरदोश)
THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a) & (b): There is a differential tax structure for Cotton and Man-made Fibres, which is @5% and @18%, respectively.

The GST rates are prescribed on the recommendations of the GST Council, which is a constitutional body comprising members from Union Government and State/ UT Governments. 45th GST Council meeting had announced change in GST rates on textiles w.e.f. 1.1.2022 but Council in its 46th meeting on 31st December, 2021, recommended to defer the decision of change in rates in textiles due to industry representation on the adverse price impact of the increased GST on fabrics and low value garments.
