

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

LOK SABHA

UNSTARRED QUESTION NO.3481

TO BE ANSWERED ON MONDAY THE 20TH December, 2021
AGRAHAYANA 29, 1943 (SAKA)

UNIFORM GST RATE FOR TEXTILES

3481. SHRI MANICKAM TAGORE B.:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Textile and Clothing Industry has sought a uniform 5 per cent Goods and Services Tax (GST) across the textile value chain and if so, the details thereof;
- (b) whether the Government is looking at 12 per cent rate from January, 2022 for fabrics and garments priced less than Rs.1,000.00 and if so, the details thereof;
- (c) whether it is true that according to Southern India Mills Association, if there is a uniform rate at 5 per cent, the compliance will be more; and
- (d) if so, the decision of the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
SH. PANKAJ CHOUDHARY

(a to d) : Certain references have been received from industry and other stakeholders for review of rate structure in textiles so as to remedy the anomaly of rate and to correct inverted rate structure. These suggestions include representations seeking 5%/12% rate at various stages of textile chain. GST rates are prescribed only on the recommendation of GST Council, which consists of Union Finance Minister and Ministers as nominated by state governments. In the 45th meeting of GST Council, held on 17th September, 2021, the Council recommended a uniform GST rate of 12% on all fabrics and garments, to be made effective from 1st January, 2022.
