

GOVERNMENT OF INDIA  
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1560**  
**TO BE ANSWERED ON 10.02.2022**

**FOOTWEAR INDUSTRY**

1560. SHRI FEROZE VARUN GANDHI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government has assessed the impact of Covid-19 on the footwear industry, especially in Uttar Pradesh;
- (b) if so, the details thereof;
- (c) whether the Government has hiked the GST for the footwear industry from five percent to twelve percent whereas the hike in other industries, including textiles was deferred;
- (d) if so, the details thereof;
- (e) the measures taken by the Government to address the combined detrimental effects of the pandemic and the GST hike?

**ANSWER**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES  
(SHRI NARAYAN RANE)

(a) & (b): The Ministry of Micro, Small and Medium Enterprises has not conducted any product-wise or sector-wise or State-wise study to assess the impact of Covid-19. However, a study had been assigned to Small Industries Development Bank of India (SIDBI) on 07.09.2021 to assess *inter-alia*, the impact of COVID-19 Pandemic on the MSME Sector as a whole.

(c) & (d): In the 46<sup>th</sup> meeting of Goods and Services Tax (GST) Council was held on 31.12.2021 the GST Council has recommended to defer decision to change the rates in textiles recommended in the 45<sup>th</sup> GST Council Meeting. Consequently, the existing rates in textile sector would continue beyond 1<sup>st</sup> January, 2022. Regarding the GST rate on footwear industry, Notification No-21/2021-CT@dated 31.12.2021 was issued by which the GST rate on footwear of sale value not exceeding Rs 1000/- per pair was increased from five percent to twelve percent.

(e): As informed by GST Council, the measures taken by the Government to address the combined detrimental effect of the pandemic and the GST hike, *inter-alia*, include extended time period for small taxpayers under composition scheme, conditional waiving-off of late fee for delayed furnishing of returns up to a certain turnover etc.

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