

Analysis of GST rate revision and its impact on Textiles

As per the 45th GST Council meeting held on 17.09.2021, recommendations were made to carry out revisions in GST rates on textile and textile products in order to rectify the prevailing issue of inverted duty structure in the man-made fibre (MMF) value chain. In order to implement the said recommendation, **Notification No. 1/2017-CT(R) dt. 28.06.2017** prescribing CGST rates for goods has been amended to provide a uniform CGST rate of 6% (effective rate 12%) on manmade fibre, manmade fibre yarn, manmade fibre fabrics and apparel. Currently, CGST rates on manmade fibre, manmade fabric yarn and manmade fabric are 9%, 6% and 2.5% respectively. Additionally, GST rates on fabrics, other textile and textile products, garments and apparels have also been revised vide **Notification No. 14/2021-CT(R) dt. 18.11.2021 & Notification No. 14/2021-IT(R) dt. 18.11.2021**. Also, simultaneous amendments have been made in rate **Notification No. 1/2017-IT (R) dt. 28.06.2017** issued under the IGST Act, 2017. All the above amendments shall be effective from **January 1, 2022**.

(A) Treatment of unsold stock at the end of 31.12.2021 of fabrics, yarn, textiles and apparels due to GST rate change:

Section 14 of CGST Act, 2017 namely, “Change in rate of tax in respect of supply of goods and services” lays down the law on Time and Value of supply on unsold stock available as on the date of change of tax rate on supply of goods.

The following table illustrates all possible scenarios of supply of the unsold stock of textile available as on 31.12.2021 and the applicability of old or new GST rates in each such scenario:

S.No.	SCENARIOS	PERIOD-31.12.2021 OR EARLIER	PERIOD-1.01.2022 OR LATER	TIME OF SUPPLY WITH REASON	RATE OF TAX APPLICABLE
(A)	SUPPLY OF GOODS BEFORE GST RATE CHANGE i.e. 31.12.2021 or EARLIER				
1	SCENARIO 1: Supply of goods – 28.12.2021, Date of Issue of invoice – 02.01.2022, Date of receipt of payment – 06.01.2022	(1) Supply of goods	(1) Issue of Invoice and (2) Receipt of Payment	02.01.2022 i.e. Date of issue of invoice – [earlier of issue of invoice and receipt of payment]	New GST Tax Rate
2	SCENARIO 2: Supply of goods – 26.12.2021, Date of Issue of invoice – 28.12.2021, Date of receipt of payment – 03.01.2022	(1) Supply of goods and (2) Issue of Invoice	(1) Receipt of Payment	28.12.2021 i.e. Date of issue of invoice	Old GST Tax Rate
3	SCENARIO 3: Supply of goods – 31.12.2021, Date of Issue of invoice – 01.01.2022, Date of receipt of payment – 30.12.2021	(1) Supply of goods and (2) Receipt of Payment	(1) Issue of Invoice	30.12.2021 i.e. Date of receipt of payment	Old GST Tax Rate
4	SCENARIO 4: Supply of goods – 30.12.2021, Date of Issue of invoice – 31.12.2021, Date of receipt of payment – 29.12.2021	(1) Supply of goods, (2) Issue of Invoice and (3) Receipt of Payment		29.12.2021 i.e. Date of receipt of payment – [earlier of issue of invoice and receipt of payment]	Old GST Tax Rate
(B)	SUPPLY OF GOODS AFTER GST RATE CHANGE i.e. 01-01-2022 or LATER				
5	SCENARIO 5: Supply of goods – 02.01.2022, Date of Issue of invoice – 28.12.2021, Date of receipt of payment – 30.12.2021	(1) Issue of Invoice and (2) Receipt of Payment	(1) Supply of goods	28.12.2021 i.e. Date of issue of invoice – [earlier of issue of invoice and receipt of payment]	Old GST Tax Rate
6	SCENARIO 6: Supply of goods – 01.01.2022, Date of Issue of invoice – 30.12.2021, Date of receipt of payment – 03.01.2022	(1) Issue of Invoice	(1) Supply of goods and (2) Receipt of Payment	03.01.2022 i.e. Date of receipt of payment	New GST Tax Rate
7	SCENARIO 7: Supply of goods – 03.01.2022, Date of Issue of invoice – 04.01.2022, Date of receipt of payment – 30.12.2021	(1) Receipt of Payment	(1) Supply of goods and (2) Issue of Invoice	04.01.2022 i.e. Date of issue of invoice	New GST Tax Rate
8	SCENARIO 8: Supply of goods – 04.01.2022, Date of Issue of invoice – 05.01.2022, Date of receipt of payment – 03.01.2022		(1) Supply of goods, (2) Issue of Invoice (3) Receipt of Payment	03.01.2022 i.e. Date of receipt of payment – [earlier of issue of invoice and receipt of payment]	New GST Tax Rate

Inference:

Therefore, in order to ensure that old GST rate remains applicable when the supply of stock of textile and textile products has been made on or before 31.12.2021, it is imperative to ensure that **either** the date of issue of invoice or the date of receipt of payment falls on or before 31.12.2021.

Also, in order to ensure that old GST rate remains applicable when the supply of stock of textile and textile products has been made on or after 01.01.2022, it is imperative to ensure that **both**, the date of issue of invoice and the date of receipt of payment fall on or before 31.12.2021.

Note: As per Section 14, *“the date of receipt of payment” shall be the date on which the payment is entered in the books of account of the supplier or the date on which the payment is credited to his bank account, whichever is earlier.*

Provided that the date of receipt of payment shall be the date of credit in the bank account if such credit in the bank account is after four working days from the date of change in the rate of tax.

(B) The impact of GST rate change from 5% to 12% on textile and textile products vide Notification No. 14/2021- Central Tax (Rate) and Notification No. 14/2021- Integrated Tax (Rate) dated 18/11/2021 are as follows:

- 1) Resolution of the Inverted Duty Structure in the Man-made Fibre (MMF) value chain since the old GST rates on Man-made fibre, Man-made yarn and Man-made fabric and apparels were 18%, 12% and 5% respectively and the new proposed GST rate is 12% on the above. Due to this the existing issues of input tax credit accumulation, cost escalation, excess working capital investment and additional compliance of filing refund applications may be eased out.
- 2) Increase in MRP of textile products by 7% to the final consumer since the new proposed GST rate is 12% even on textile garments which are priced under Rs. 1000 since the old GST rate for the same was 5%.
- 3) The textile and garment industry is already reeling under high inflationary pressure due to the increase in cost of yarn, cotton and freight by up to 20% and the proposed hike in GST rate to 12% may cause further weakening of demand which is already adversely affected by COVID-19 pandemic.
- 4) Almost 85% of MSME which were not facing the issue of inverted duty structure may face increased operational capital requirement and resultantly weak demand and lower production of textile products due to increased final price to end-consumers because of the proposed increment in GST Rate.
- 5) Alternatively, several industry spokesperson had proposed that in order to resolve the Inverted Duty Structure prevailing in a certain textile value chain, the higher GST rate of 12%/18% on certain raw materials may have been reduced to 5% to match the existing GST rate of 5% on fabrics and garments instead of raising the GST rate of such fabrics and garments to 12%, which may affect mostly everyone in the textile industry.
- 6) This increase in GST rate to 12% may dissuade several taxpayers in the textile industry to come outside the tax net and may resort to evasion of tax using various malpractices.

- 7) The increase in the final price to the end-consumer of textile products, garments, apparels and fabrics may weaken the competitive stand of India against other textile major countries such as Bangladesh, China, Vietnam and Indonesia.

In addition to the above notification, *Notification no. 15/2021- Central Tax (Rate) and Notification no. 15/2021- Integrated Tax (Rate) dated 18.11.2021*, has increased the GST rate from 5% to 12% on job work by way of Dyeing and Printing of textile and textile products for registered principal.

(C) The following table provides a comparative analysis on the revision of GST rates on textile and textile products and related job working services which are effective from 01.01.2022:

TABLE OF REVISION IN GST RATES FOR TEXTILE AND TEXTILE PRODUCTS EFFECTIVE FROM 01.01.2022

EARLIER SERIAL NO.	NEW SERIAL NO.	HSN	DESCRIPTION	EARLIER GST RATE	PROPOSED NEW RATE
202	202	5004 to 5006	Silk yarn	5%	5%
203	132AA	5007	Woven fabrics of silk or of silk waste	5%	12%
NA	NA	5101	Wool, not carded or combed	Nil	Nil
NA	NA	5102	Fine or coarse animal hair, not carded or combed	Nil	Nil
NA	NA	5103	Waste of wool or of fine or coarse animal hair	Nil	Nil
204	204	5104	Garneted stock of wool or of fine or coarse animal hair, shoddy wool	5%	5%
205	205	5105	Wool and fine or coarse animal hair, carded or combed	5%	5%
206	206	5106 to 5110	Yarn of wool or of animal hair	5%	5%
207	132AB	5111	Woven fabrics of carded wool or of carded fine animal hair.	5%	12%
207	132AC	5112	Woven fabrics of combed wool or of combed fine animal hair.	5%	12%
207	132AD	5113	Woven fabrics of coarse animal hair or of horse hair.	5%	12%
208	208	5201 to 5203	Cotton and Cotton waste	5%	5%
209	209	5204	Cotton sewing thread, whether or not put up for retail sale	5%	5%
210	210	5205 to 5207	Cotton yarn [other than khadi yarn]	5%	5%
211	132AE	5208	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m2.	5%	12%
211	132AF	5209	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200g/m2	5%	12%
211	132AG	5210	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200g/m2.	5%	12%
211	132AH	5211	Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200g/m2.	5%	12%
211	132AI	5212	Other woven fabrics of cotton	5%	12%

NA	NA	52	Gandhi Topi	Nil	Nil
NA	NA	52	Khadi yarn	Nil	Nil
212	212	5301	All goods i.e. flax, raw or processed but not spun; flax tow and waste (including yarn waste and garneted stock)	5%	5%
213	213	5302	True hemp (Cannabis sativa L), raw or processed but not spun; tow and waste of true hemp (including yarn waste and garneted stock)	5%	5%
NA	NA	5303	Jute fibres, raw or processed but not spun	Nil	Nil
214	214	5303	All goods i.e. textile bast fibres [other than jute fibres, raw or processed but not spun]; tow and waste of these fibres (including yarn waste and garneted stock)	5%	5%
NA	NA	5305	Coconut, coir fibre	Nil	Nil
215	215	5305 to 5308	All goods [other than coconut coir fibre] including yarn of flax, jute, other textile bast fibres, other vegetable textile fibres; paper yarn, including coir pith compost put up in unit container and bearing a brand name	5%	5%
216	132AJ	5309	Woven fabrics of flax.	5%	12%
216	132AK	5310	Woven fabrics of jute or of other textile bast fibres of heading 5303.	5%	12%
216	132AL	5311	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn	5%	12%
NA	NA	53	Coir pith compost other than those put up in unit container and, - (a) bearing a registered brand name; or (b) bearing a brand name on which an actionable claim or enforceable right in a court of law is available [other than those where any actionable claim or enforceable right in respect of such brand name has been foregone voluntarily, subject to the conditions as in the ANNEXURE I]	Nil	Nil
132A	132BA	5401	Sewing thread of manmade filaments, whether or not put up for retail sale	12%	12%
132B	132BB	5402	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.	12% / 18%	12%

132B	132BC	5403	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex.	12% / 18%	12%
132B	132BD	5404	Synthetic monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of synthetic textile materials of an apparent width not exceeding 5 mm.	12% / 18%	12%
132B	132BE	5405	Artificial monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1 mm; strip and the like (for example, artificial straw) of artificial textile materials of an apparent width not exceeding 5 mm.	12% / 18%	12%
132B	132BF	5406	Man-made filament yarn (other than sewing thread), put up for retail sale.	12% / 18%	12%
217	132BG	5407	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404.	5%	12%
217	132BH	5408	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 5405	5%	12%
161	132CA	5501	Synthetic filament tow.	18%	12%
161	132CB	5502	Artificial filament tow	18%	12%
162	132CC	5503	Synthetic staple fibres, not carded, combed or otherwise processed for spinning.	18%	12%
162	132CD	5504	Artificial staple fibres, not carded, combed or otherwise processed for spinning	18%	12%
163	132CE	5505	Waste (including noils, yarn waste and garnetted stock) of man-made fibres	18%	12%
162	132CF	5506	Synthetic staple fibres, carded, combed or otherwise processed for spinning.	18%	12%
162	132CG	5507	Artificial staple fibres, carded, combed or otherwise processed for spinning	18%	12%
132C	132CH	5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale	12%	12%
132D	132CI	5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale	12%	12%
132D	132CJ	5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale	12%	12%
132D	132CK	5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale	12%	12%

218	132CL	5512	Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.	5%	12%
218	132CM	5513	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m2.	5%	12%
218	132CN	5514	Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m2	5%	12%
218	132CO	5515	Other woven fabrics of synthetic staple fibres	5%	12%
218	132CP	5516	Woven fabrics of artificial staple fibres	5%	12%
NA	NA	50 to 55	Khadi fabric, sold through Khadi and Village Industries	Nil	Nil
163A	163A	56012200	Cigarette Filter rods	18%	18%
133	133	5601	Wadding of textile materials and articles thereof; such as Absorbent cotton wool [except cigarette filter rods]	12%	12%
134	134	5602	Felt, whether or not impregnated, coated, covered or laminated	12%	12%
135	135	5603	Nonwovens, whether or not impregnated, coated, covered or laminated	12%	12%
136	136	5604	Rubber thread and cord, textile covered; textile yarn, and strip and the like of heading 5404 or 5405, impregnated, coated, covered or sheathed with rubber or plastics	12%	12%
137	137	5605	Metallised yarn, whether or not gimped, being textile yarn, or strip or the like of heading 5404 or 5405, combined with metal in the form of thread, strip or powder or covered with metal	12%	12%
218A	218A	5,60,50,010	Real zari thread (gold) and silver thread, combined with textile thread	5%	5%
138	138	5606	Gimped yarn, and strip and the like of heading 5404 or 5405, gimped (other than those of heading 5605 and gimped horsehair yarn); chenille yarn (including flock chenille yarn); loop wale-yarn	12%	12%
218B	139	5607	Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated or sheathed with rubber or plastics	5%	12%
218C	139A	5608	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials	5%	12%
218D	218D	5609	Products of coir	5%	5%

141	141	5609	Articles of yarn, strip or the like of heading 5404 or 5405, twine, cordage, rope or cables, not elsewhere specified or included [other than products of coir]	12%	12%
142	142	5701	Carpets and other textile floor coverings, knotted, whether or not made up	12%	12%
143	143	5702	Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs	12%	12%
144	144	5703	Carpets and other textile floor coverings, tufted, whether or not made up	12%	12%
145	145	5704	Carpets and other textile floor coverings, of felt, not tufted or flocked, whether or not made up	12%	12%
146	146	5705	Other carpets and other textile floor coverings, whether or not made up; such as Mats and mattings including Bath Mats, where cotton predominates by weight, of Handloom, Cotton Rugs of handloom [except the items covered in 219 in Schedule I]	12%	12%
219	219	5702, 5703, 5705	Coir mats, matting, floor covering and handloom durries	5%	5%
219A	146A	5801	Woven pile fabrics and chenille fabrics, other than fabrics of heading 5802 or 5806	5%	12%
148	148	5802	Terry towelling and similar woven terry fabrics, other than narrow fabrics of heading 5806; tufted textile fabrics, other than products of heading 5703	12%	12%
149	149	5803	Gauze, other than narrow fabrics of heading 5806	12%	12%
150	150	5804	Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 6002 to 6006	12%	12%
151	151	5805	Hand-woven tapestries of the type Gobelins, Flanders, Aubusson, Beauvais and the like, and needle-worked tapestries (for example, petit point, cross stitch), whether or not made up	12%	12%
219AA	151A	5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)	5%	12%
153	153	5807	Labels, badges and similar articles of textile materials, in the piece, in strips or cut to shape or size, not embroidered	12%	12%
219B	154	5808	Saree fall	5%	12%

219B	154	5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles (other than saree fall)	12%	12%
220	155	5809	Woven fabrics of metal thread and woven fabrics of metallised yarn of heading 5605, of a kind used in apparel, as furnishing fabrics or for similar purposes, not elsewhere specified or included; such as Zari borders [other than Embroidery or zari articles, that is to say,- imi, zari, kasab, saima, dabka, chumki, gota sitara, naqsi, kora, glass beads, badla, glzal]	12%	12%
220	155	5809, 5810	Embroidery or zari articles, that is to say,- imi, zari, kasab, salma, dabka, chumki, gota, sitara, naqsi, kora, glass beads, badla, gizai	5%	12%
220	156	5810	Embroidery in the piece, in strips or in motifs.	12%	12%
157	157	5811	Quilted textile products in the piece, composed of one or more layers of textile materials assembled with padding by stitching or otherwise, other than embroidery of heading 5810	12%	12%
158	158	5901	Textile fabrics coated with gum or amylaceous substances, of a kind used for the outer covers of books or the like; tracing cloth; prepared painting canvas; buckram and similar stiffened textile fabrics of a kind used for hat foundations	12%	12%
159	159	5902	Tyre cord fabric of high tenacity yarn of nylon or other polyamides, polyesters or viscose rayon	12%	12%
160	160	5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 5902	12%	12%
161	161	5904	Linoleum, whether or not cut to shape; floor coverings consisting of a coating or covering applied on a textile backing, whether or not cut to shape	12%	12%
162	162	5905	Textile wall coverings	12%	12%
163	163	5906	Rubberised textile fabrics, other than those of heading 5902	12%	12%
164	164	5907	Textile fabrics otherwise impregnated, coated or covered; painted canvas being theatrical scenery, studio back-cloths or the like	12%	12%
165	165	5908	Textile wicks, woven, plaited or knitted, for lamps, stoves, lighters, candles or the like; incandescent gas mantles and tubular knitted gas mantle fabric therefor, whether or not impregnated	12%	12%

166	166	5909	Textile hose piping and similar textile tubing, with or without lining, armour or accessories of other materials	12%	12%
167	167	5910	Transmission or conveyor belts or belting, of textile material, whether or not impregnated, coated, covered or laminated with plastics, or reinforced with metal or other material	12%	12%
168	168	5911	Textile products and articles, for technical uses, specified in Note 7 to this Chapter; such as Textile fabrics, felt and felt- lined woven fabrics, coated, covered or laminated with rubber, leather or other material, of a kind used for card clothing, and similar fabrics of a kind used for other technical purposes, including narrow fabrics made of velvet impregnated with rubber, for covering weaving spindles (weaving beams); Bolting cloth, whether or Not made up; Felt for cotton textile industries, woven; Woven textiles felt, whether or not impregnated or coated, of a kind commonly used in other machines, Cotton fabrics and articles used in machinery and plant, Jute fabrics and articles used in machinery or plant, Textile fabrics of metalised yarn of a kind commonly used in paper making or other machinery, Straining cloth of a kind used in oil presses or the like, including that of human hair, Paper maker's felt, woven, Gaskets, washers, polishing discs and other machinery parts of textile articles	12%	12%
221	168A	6001	Pile fabrics, including —long pile fabrics and terry fabrics, knitted or crocheted	5%	12%
221	168B	6002	Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 6001	5%	12%
221	168C	6003	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 6001 or 6002	5%	12%
221	168D	6004	Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 6001	5%	12%

221	168E	6005	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004.	5%	12%
221	168F	6006	Other knitted or crocheted fabrics	5%	12%
222	169	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value not exceeding Rs. 1000 per piece	5%	12%
222	169	61	Articles of apparel and clothing accessories, knitted or crocheted, of sale value exceeding Rs. 1000 per piece	12%	12%
223	170	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding Rs. 1000 per piece	5%	12%
223	170	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value exceeding Rs. 1000 per piece	12%	12%
224	171A1	6301	Blankets and travelling rugs exceeding Rs. 1000 per piece	12%	12%
224	171A1	6301	Blankets and travelling rugs not exceeding Rs. 1000 per piece	5%	12%
224	171A2	6302	Bed linen, table linen, toilet linen and kitchen linen exceeding Rs. 1000 per piece	12%	12%
224	171A2	6302	Bed linen, table linen, toilet linen and kitchen linen not exceeding Rs. 1000 per piece	5%	12%
224	171A3	6303	Curtains (including drapes) and interior blinds; curtain or bed valances exceeding Rs. 1000 per piece	12%	12%
224	171A4	6303	Curtains (including drapes) and interior blinds; curtain or bed valances not exceeding Rs. 1000 per piece	5%	12%
224	171A4	6304	Other furnishing articles, excluding those of heading 9404 exceeding Rs. 1000 per piece	12%	12%
224	171A5	6304	Other furnishing articles, excluding those of heading 9404 not exceeding Rs. 1000 per piece	5%	12%
224	171A5	6305	Sacks and bags, of a kind used for the packing of goods exceeding Rs. 1000 per piece	12%	12%
224	171A5	6305	Sacks and bags, of a kind used for the packing of goods not exceeding Rs. 1000 per piece	5%	12%
224	171A6	6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods exceeding Rs. 1000 per piece.	12%	12%
224	171A6	6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods not exceeding Rs. 1000 per piece.	5%	12%

224	171A7	6307	Other made up articles, including dress patterns exceeding Rs. 1000 per piece	12%	12%
224	171A7	6307	Other made up articles, including dress patterns not exceeding Rs. 1000 per piece.	5%	12%
224	171A8	6308	Sets, consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale exceeding Rs. 1000 per piece.	12%	12%
224	171A8	6308	Sets, consisting of woven fabric and yarn, whether or not with accessories, for making up into rugs, tapestries, embroidered table cloths or serviettes, or similar textile articles, put up in packings for retail sale not exceeding Rs. 1000 per piece	5%	12%
224A	171A9	6309	Worn clothing and other worn articles; rags	5%	12%
224A	171A10	6310	Used or new rags, scrap, twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials exceeding Rs. 1000 per piece	12%	12%
224A	171A10	6310	Used or new rags, scrap, twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials not exceeding Rs. 1000 per piece	5%	12%

TABLE OF REVISION IN GST RATES ON PROCESSING OR JOB WORK ON TEXTILE AND TEXTILE PRODUCTS EFFECTIVE FROM - 01.01.2022

HSN	Description	Old Rate	New Rate
9988	Job Work by way of Dyeing and Printing of Textile and Textile Products for registered principal	5%	12%
9988	Tailoring Services	5%	5%
9988	All other processes by way of Job work of Textile and Textile Products for registered principal	5%	5%
9988	Other processing for unregistered principal	18%	18%

Note: Schedules of GST rates for goods are provided in Notification No. 1/2017-Central Tax (Rate) dated 28.06.2017

(i) 2.5 per cent. in respect of goods is specified in Schedule I,

(ii) 6 per cent. in respect of goods is specified in Schedule II,

(iii) 9 per cent. in respect of goods is specified in Schedule III,

Highlighted Red entries denote proposed changes in GST rates.

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