

INDIRECT TAX

Changes in Goods Rate Notification

*[Notification No. 14/2021-Central Tax (Rate),
dated 18 November 2021, effective from 1 January 2022]*

UPDATE NO. 38 OF 2021



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exceeding expectations
SINCE 1985



A. RATE CHANGES IN TEXTILE AND TEXTILE ARTICLES

- Various changes have been made in the rates of textile and textile articles.
- Broadly, majority of the goods covered under 5% and 18% slabs have now been moved to 12% slab. The list of such goods is attached as Annexure.
- With this change, primarily all goods covered under Section XI - Textile & Textile Articles (i.e. Chapters 50 to 63) of the Custom Tariff Act, 1975 will be subject to GST at 12% with effect from 1 January 2022 except few goods such as silk yarn, yarn of wool or of animal hair, cotton and cotton waste, cotton yarn (other than khadi yarn), etc. which will continue to be taxable at 5%.
- The above rate changes have been undertaken to correct inverted duty structure in textile sector as recommended by the GST Council in its 45th Meeting on 17 September 2021
- Also, government has made various changes in the description of such goods in the goods rate notification. Therefore, taxpayers should examine carefully the classification of their goods appropriately considering the above changes.

B. RATE CHANGES IN FOOTWEAR

- GST Rate on footwear of sale value not exceeding INR 1000 per pair has been increased from 5% to 12%.



ANNEXURE:

1. Schedule-I (5%): Deletion of Goods

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
203.	5007	Woven fabrics of silk or of silk waste
207.	5111 to 5113	Woven fabrics of wool or of animal hair
211.	5208 to 5212	Woven fabrics of cotton
216.	5309 to 5311	Woven fabrics of other vegetable textile fibres,
217.	5407, 5408	Woven fabrics of manmade textile materials
218.	5512 to 5516	Woven fabrics of manmade staple fibres
218B	5607	Jute twine, coir cordage or ropes
218C	5608	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials
219A	5801	all goods
219AA	5806	Narrow woven fabrics, other than goods of heading 5807; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs)
219B	5808	Saree fall
220.	5809, 5810	Embroidery or zari articles, that is to say,- imi, zari, kasab, salma, dabka, chumki, gota, sitara , naqsi, kora, glass beads, badla, gizai
221.	60	Knitted or crocheted fabrics All goods



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
222.	27261 or 6501 or 6505	Article of apparel and clothing accessories or cap/topi, knitted or crocheted, of sale value not exceeding ₹ 1000 per piece
223.	62	Articles of apparel and clothing accessories, not knitted or crocheted, of sale value not exceeding ₹ 1000 per piece
224.	63 other than 6305 32 00, 6305 33 00, 6309	Other made up textile articles, sets, of sale value not exceeding ₹ 1000 per piecepaper yarn
224A	6309 or 6310	Worn clothing and other worn articles; rags
225.	64	Footwear of sale value not exceeding ₹ 1000 per

2. Schedule-II (12%)

- Insertion of Goods

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
132AA	5007	Woven fabrics of silk or of silk waste.
132AB	5111	Woven fabrics of carded wool or of carded fine animal hair.
132AC	5112	Woven fabrics of combed wool or of combed fine animal hair.
132AD	5113	Woven fabrics of coarse animal hair or of horse hair.
132AE	5208	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200g/m ² .



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
132AF	5209	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200g/m ² .
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/m ² .
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/m ² .
132AI.	5212	Other woven fabrics of cotton.
132AJ	5309	Woven fabrics of flax.
132AK	5310	Woven fabrics of jute or of other textile bast fibres of heading 5303.
132AL	5311	Woven fabrics of other vegetable textile fibres;
132BA	5401	Sewing thread of man-made filaments, whether or not put up for retail sale.
132BB	5402	Synthetic filament yarn (other than sewing thread), not put up for retail sale, including synthetic monofilament of less than 67 decitex.
132BC	5403	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex.
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.
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.
132BF.	5406	Man-made filament yarn (other than sewing thread), put up for retail sale.



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
132BG	5407	Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 5404.
132BH	5408	Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 5405.;
132CA	5501	Synthetic filament tow.
132CB	5502	Artificial filament tow
132CC	5503	Synthetic staple fibres, not carded, combed or otherwise processed for spinning.
132CD	5504	Artificial staple fibres, not carded, combed or otherwise processed for spinning.
132CE	5505	Waste (including noils, yarn waste and garnetted stock) of man-made fibres.
132CF	5506	Synthetic staple fibres, carded, combed or otherwise processed for spinning.
132CG	5507	Artificial staple fibres, carded, combed or otherwise processed for spinning.
132CH	5508	Sewing thread of man-made staple fibres, whether or not put up for retail sale.
132CI	5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale.
132CJ	5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale.
132CK	5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale.
132CL	5512	Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.
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/m ² .



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
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/m ² .
132CO	5515	Other woven fabrics of synthetic staple fibres.
132CP	5516	Woven fabrics of artificial staple fibres.
139A	5608	Knotted netting of twine, cordage or rope; made up of fishing nets and other made up nets, of textile materials.;
146A	5801	Woven pile fabrics and chenille fabrics, other than fabrics of heading 5802 or 5806
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).;
168A	6001	Pile fabrics, including long pile fabrics and terry fabrics, knitted or crocheted.
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
168C	6003	Knitted or crocheted fabrics of a width not exceeding 30 cm, other than those of heading 6001 or 6002.
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.
168E	6005	Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 6001 to 6004.
168F	6006	Other knitted or crocheted fabrics.;
171A1	6301	Blankets and travelling rugs.
171A2	6302	Bed linen, table linen, toilet linen and kitchen linen.



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
171A3	6303	Curtains (including drapes) and interior blinds; curtain or bed valances.
171A4	6304	Other furnishing articles, excluding those of heading 9404.
171A5	6305	Sacks and bags, of a kind used for the packing of goods.
171A6	6306	Tarpaulins, awnings and sunblinds; tents; sails for boats, sailboards or landcraft; camping goods.
171A7	6307	Other made up articles, including dress patterns.
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.
171A9	6309	Worn clothing and other worn articles.
171A1	6310	Used or new rags, scrap, twine, cordage, rope and cables and worn out articles of twine, cordage, rope or cables, of textile materials.
171A11	64	Footwear of sale value not exceeding ₹ 1000 per pair.

- Deletion of Goods

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
132A	5401	Sewing thread of manmade filaments, whether or not put up for retail sale
132B	5402, 5403, 5404, 5405, 5406	Synthetic or artificial filament yarns
132C	5508	Sewing thread of manmade staple fibres



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
132D	5509, 5510, 5511	Yarn of manmade staple fibres
171	63 other than 6309	Other made up textile articles, sets of sale value exceeding ₹ 1000 per piece other than Worn clothing and other worn articles; rags

- Changes in description of goods

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
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.
154	5808	Braids in the piece; ornamental trimmings in the piece, without embroidery, other than knitted or crocheted; tassels, pompons and similar articles." shall be substituted;
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."
156	5810	Embroidery in the piece, in strips or in motifs
168	5911	Textile products and articles, for technical uses, specified in Note 7 to Chapter 59 ; 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



S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
169	61	Articles of apparel and clothing accessories, knitted or crocheted.
170	62	Articles of apparel and clothing accessories, not knitted or crocheted.

3. Schedule-III (18%): Deletion of Goods:

S. No	Chapter / Heading / Sub-heading / Tariff item	Description of goods
159	5402, 5404, 5406	All goods other than synthetic filament yarns
160	5403, 5405, 5406	All goods other than artificial filament yarns.
161	5501, 5502	Synthetic or artificial filament tow" shall be substituted;
162	5503, 5504, 5506, 5507	Synthetic or artificial staple fibres
163	5505	Waste of manmade fibres

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