

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2960
ANSWERED ON:26.11.2010
TEXTILE INDUSTRY AND GST
Sukur Shri Jadhav Baliram

Will the Minister of FINANCE be pleased to state:

- (a) whether a section of the textile industry protested against the imminent introduction of the Goods and Services Tax (GST) on the textile industry;
- (b) if so, the details thereof and action taken thereon; and
- (c) the likely tax burden on the industry under GST vis-a-vis the present situation and reaction of the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) to (c) ; A representation has been received from a section of textile industry requesting for exempting the textile sector from Goods and Services Tax (GST). Under the dual GST model proposed by the Empowered Committee of State Finance Ministers (EC) and agreed upon by the Union Government, GST will have two components, namely Central GST to be levied and collected by the Centre and State GST to be levied and collected by the States. The key GST parameters like registration threshold, exemption list, rate of tax on various goods and services will be decided by the Goods and Service Tax Council proposed to be created under the chairmanship of the Union Finance Minister. A draft of the bill related to the Constitutional amendments required for introduction of GST which inter alia contains a provision for setting up of the GST Council has been prepared and sent to the EC for obtaining the views of the States. EC is yet to revert back with any clear view in this regard. It is, therefore, not possible at this stage to indicate the likely tax burden on the textile sector.