

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI-600 005**

**PRESENT: DR. T.V. SOMANATHAN, I.A.S.,
COMMISSIONER OF STATE TAX**

Circular No. 7(2017)/2019-TNGST
(RC No.085/2017/A1/Taxation)

Dated:28.03.2019

<u>Sub:</u>	Clarification on Unstitched Salwar Suits - Regarding.
<u>Ref:</u>	CBEC, Department of Revenue, GST Policy Wing, Circular No.13/13/2017- GST, dated 27.10.2017.

Doubts have been raised regarding the classification of Cut pieces of Fabrics under GST.

1. It has been represented that before becoming readymade articles or an apparel, the fabric is cut from bundles or thans and sold in that unstitched state. The consumers buy these sets or pieces and get it stitched to their shape and size.
2. Fabrics are classifiable under chapters 50 to 55 of the First Schedule to the Customs Tariff Act, 1975 on the basis of their constituent materials and attract a uniform GST rate of 5% with no refund of the unutilized input tax credit.
3. Mere cutting and packing of fabrics into pieces of different lengths from bundles or thans, will not change the nature of these goods and such pieces of fabrics would continue to be classifiable under the respective heading as the fabric and attract the 5% GST rate.
4. This pari materia circular is issued with reference to the circular issued by the Government of India on the recommendation of the

GST Council in the reference cited.

Sd/-T.V.Somanathan
Commissioner of State Tax

To

All the Joint Commissioners (ST) Territorial and Enforcement in the State.

Copy to: (1) Principal Secretary to CT&Regn.Department.
(2) All Additional Commissioners of State Tax in the
Commissionerate.
(3) Joint Commissioner (CS) for hosting in Departmental site.
(4) All Deputy Commissioners(ST) in the State
(5) All Heads of Assessment Circle in the State