



OFFICE OF THE PRINCIPAL COMMISSIONER OF CGST AND CENTRAL EXCISE,
CHENNAI NORTH COMMISSIONERATE
26/1, MAHATMA GANDHI ROAD, CHENNAI- 600 034

TRADE NOTICE NO.22/2017

Dated: 31/10/2017

Subject: Clarification on Unstitched Salwar Suits– Reg

1. Attention of Trade is invited to Board's Circular No. 13/13/2017-GST dated: 27-10-2017, on issues regarding Unstitched Salwar Suits is clarified. Copy of the order is communicated for information and necessary action.
2. Contents of this circular may be brought to notice of all concerned.

(Issued in File C.No. IV/16/306/2017 – GST Pol.)

shuval
(K.V.R.K.BHUPALA RAO)
ADDITIONAL COMMISSIONER

5/6

To

As per Mailing List.
Trade and Department
Superintendent, Computer Section - For uploading on the website
All Divisions, Chennai North

Circular No.13/13/2017-GST

F. No. 354/129/2017-TRU
Government of India
Ministry of Finance
Department of Revenue
Tax research Unit

**North Block, New Delhi
27th October 2017**

To,

The Principal Chief Commissioners/Chief Commissioners/ Principal Commissioners/
Commissioner of Central Tax (All) /
The Principal Director Generals/ Director Generals (All)

Madam/Sir,

Subject: Clarification on Unstitched Salwar Suits - regarding.

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

2. 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.
3. 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.
4. 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.
5. It is requested that suitable trade notices may be issued to publicize the contents of this circular.
6. Difficulty if any, in the implementation of the circular should be brought to the notice of the Board. Hindi version would follow.

Yours faithfully,

-sd-

Rahil Gupta
Technical Officer (TRU)