



**Government of Goa
Department of Commercial Taxes
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**CIRCULAR
(No. 07 / 2017-2018 - GST)**

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. Difficulty if any, in the implementation of the circular should be brought to the notice of the undersigned,




(Dipak M. Bandekar)
Commissioner of State Tax

Note: Similar circular is issued under Central Goods and Service Tax Act, 2017 by Tax Research Unit, Dept. of Revenue, Ministry of Finance, GOI vide Circular No. 13/13/2017-GST dated 27th October, 2017.