

## *Changes effected in duty structure*

The following changes effected by Central Government in duty structure related to the textile sector and we will incorporate necessary changes in the tables (1) illustration for aggregation of duties on Import of Textile and Textile Articles into India and (2) Aggregates of duties on Imports of Textile and Textile Articles into India, very shortly.

1. The Union Cabinet gave its approval for exemption of all textile and all textile machinery manufactured in India from textile committee cess on 24<sup>th</sup> May 2007.
2. Vide Notification No. 115/2007-Customs Central Government reduces basic customs duty on following items of textile sector.
  - (i) Polyester filament yarns and polyester staple fibres to 5%.
  - (ii) Other man made filament yarns namely, acrylic, viscose etc. (excluding nylon filament yarns) to 5%.
  - (iii) Other man-made staple fibres namely, acrylic, viscose etc. (excluding nylon staple fibres) to 5%.
  - (iv) Spun yarns of man made staple fibres and filament yarns (excluding nylon fibres) to 5%
  - (v) Polyester chips to 5%.
3. In Budget 2008-09, Basic Customs Duty on Polyester Tyre Cord fabric of subheading 5902 20 has been reduced from 10% to 5%.
4. Basic Customs Duty on Raw cotton (Subheading 5201) has been abolished vide Notification No. 84/2008 – Cus dtd. 8/7/2008.
5. In economic stimulus package announced on December 2008, 4% optional excise duty on cotton textiles has been abolished and for other textiles, it has been reduced to 4% (optional / mandatory) from 8% (optional / mandatory).

6. In Budget 2009-10, 4% optional excise duty on cotton textile has been restored and for other textiles, it has been increased again to 8% (optional / Mandatory).
7. In Budget 2010-11, 4% optional excise duty of cotton textiles has been retained, however, for other textiles it has been increased to 10% (optional / Mandatory) from 8% (optional / Mandatory).