

TABLE 186
CENTRAL EXCISE DUTY ON YARNS

(Advl %)

ITEM	2005-06	2006-07	2007-08	2008-09	2009-10 #
(I) COTTON YARN					
(A) HANK YARN					NIL / Zero duty without CENVAT or 4.12 /8.24 with CENVAT .
(a) Plain reel	zero duty without Cenvat or 4.08 with Cenvat	zero duty without Cenvat or 4.08 with Cenvat	zero duty without Cenvat or 4.12 with Cenvat	zero duty without Cenvat or 4.12 with Cenvat	
(b) Cross reel purchased by Registered Handloom Development Co-op. Societies					
(B) CONE YARN (all counts)					
(II) All Types of Blended Yarn	zero duty without Cenvat or 8.16 with Cenvat	zero duty without Cenvat or 8.16 with Cenvat	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 4.12 / 8.24 with Cenvat
(III) Filament Yarn					
a) P.F.Y./P.O.Y.	16.32 Mandatory duty	8.16 Mandatory duty	8.24 Mandatory duty	8.24 Mandatory duty	4.12/8.24 Mandatory duty
b) N.F.Y.	16.32 Mandatory duty	8.16 Mandatory duty	8.24 Mandatory duty	8.24 Mandatory duty	4.12/8.24 Mandatory duty
c) Polypropylene filament yarn/ Viscose filament yarn	16.32 Mandatory duty	8.16 Mandatory duty	8.24 Mandatory duty	8.24 Mandatory duty	4.12/8.24 Mandatory duty
(IV) WOOLLEN YARN	zero duty without Cenvat or 8.16 with Cenvat	zero duty without Cenvat or 8.16 with Cenvat	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 4.12/8.24 with Cenvat.

Note :

- 1) In budget 2004-05 new tax regime for textile sector has been introduced, no mandatory excise duty on pure cotton, wool and silk whether its fibre, yarn, fabrics or garments or blended textiles. The cenvat has been made optional. Every manufacturers whether it is handloom or powerloom or composite mill have option to take either exemption route without cenvat facility or duty route with cenvat facility. Mandatory duty only on man-made fibre and yarn.
 - 2) Education cess @ 2% is levied on the aggregate duty of central excise w.e.f. 9-7-2004 and increased to @ 3% in 2007-08 Budget.
 - 3) SSI exemption for the entire textile sector has been withdrawn vide Notification No. 24/2004-CE dated 9-7-2004
 - 4) AED(ST) and AT&T has been withdrawn in the budget 2004-05 w.e.f. 9-7-04 vide Notification No. 32/2004-CE & No. 31/2004-CE.
- # The three major advalorem rates of CENVAT 14%, 12% and 8% applicable to non-petroleum products have been reduced by 4% each,i.e., to 10%, 8% and 4% respectively and CENVAT on cotton textiles and textile articles has been reduced from 4% to NIL as a measure to stimulate the economy in the context of global economic recession by Government of India on 7th December 2008. However, in Budget 2009-10, the optional CENVAT on pure cotton textiles restored at 4% and for other textile excluding Man-made filament yarns and fibres at 8%. The mandatory CENVAT on Man-made filament yarn & fibres have been increased from 4% to 8%.

