

TABLE 183  
CENTRAL EXCISE DUTY ON YARNS

(Advl %)

ITEM		2008-09	2009-10 #	2010-11 #	2011-12 #
(I)	<b>COTTON YARN</b>				
(A)	<b>HANK YARN</b>				
	(a) Plain reel				
	(b) Cross reel purchased by Registered Handloom Development Co-op. Societies	zero duty without Cenvat or 4.12 with Cenvat	NIL / Zero duty without CENVAT or 4.12 / Nil with CENVAT.	Zero duty without CENVAT or 4.12 with CENVAT	Zero duty without CENVAT or 5.15 with CENVAT
(B)	<b>CONE YARN (all counts)</b>				
(II)	<b>All Types of Blended Yarn</b>	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 4.12 / 8.24 with Cenvat	Zero duty without Cenvat or 10.30 with Cenvat.	Zero duty without Cenvat or 10.30 with Cenvat.
(III)	<b>Filament Yarn</b>				
	a) P.F.Y./P.O.Y.	8.24 Mandatory duty	4.12/8.24 Mandatory duty	10.30 Mandatory duty	10.30
	b) N.F.Y.	8.24 Mandatory duty	4.12/8.24 Mandatory duty	10.30 Mandatory duty	10.30
	c) Polypropylene filament yarn/ Viscose filament yarn	8.24 Mandatory duty	4.12/8.24 Mandatory duty	10.30 Mandatory duty	10.30
(IV)	<b>WOOLLEN YARN</b>	zero duty without Cenvat or 8.24 with Cenvat	zero duty without Cenvat or 4.12/8.24 with Cenvat.	Zero duty without Cenvat or 10.30 with Cenvat.	Zero duty without Cenvat or 10.30 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  - 3) SSI exemption for the entire textile sector has been withdrawn vide Notification No. 24/2004-CE dated 9-7-2004
  - 4) AED(ST) and AT&T has been withdrawn in the budget 2004-05 w.e.f. 9-7-04 vide Notification No. 32/2004-CE & No. 31/2004-CE.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%. in Budget 2009-10 and to 10% in budget 2010-11.