

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1522  
ANSWERED ON:03.03.2000  
PROMOTION OF KNITTED FABRICS AND POLYESTER  
C.P. RADHAKRISHNAN

**Will the Minister of FINANCE be pleased to state:**

(a) The revenue earned by the Government from the processing of mixed cotton knitted fabrics and 100% knitted polyester sectors during 1997-98 and 1998-99; and

(b) The details of steps taken to promote these sectors?

**Answer**

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) No separate revenue figures are collected or available in respect of processing of mixed cotton knitted fabrics and 100% knitted polyester sectors.

(b) All knitted fabrics processed without the aid of power or steam, as well as the processed knitted fabrics with over 50% cotton content, are exempt from excise duty. As regards other knitted fabrics, they attract an excise duty of 16% ad valorem, which includes the basic excise duty levied under the Central Excise Act, 1944 and the additional duty of excise (in lieu of sales tax) levied under the Additional Duties of Excise (Goods of Special Importance) Act, 1957.

The knitted fabrics, when exported, are eligible for refund, rebate and drawback of the customs and central excise duties paid either on the inputs contained in them or on the exported final products.