

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2360

ANSWERED ON:23.07.2004

TAXES ON TEXTILE INDUSTRY

Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of TEXTILES be pleased to state:

- (a) whether taxes are collected from textile units manufacturing readymade garments from raw cotton;
- (b) if so, the exact percentage of tax levied during each of the last three years; and
- (c) the actual collection of taxes during each of the last three years from readymade garment traders?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) As per the Budget 2004-05, the CENVAT Scheme from cotton yarn stage to cotton garments has been made optional, i.e., option has been given to avail of excise duty exemption or to pay the Central Excise Duty @4% and thereby avail of duty credit. Raw cotton continues to be exempt from Central Excise Duty.

(b) The details along with changes in aggregate excise duty which include Basic Excise Duty (BED), Additional Duty on Textiles and Textile Articles (AT&T) and Additional Excise Duty in lieu of Sales Tax for goods of special importance (AEDST) on cotton and cotton based textile items during the last three years are given as under:

(in %age)

Sr. No.	Items	2001-02	2002-03	2003-04
1	Raw cotton	Nil	Nil	Nil
2	Cotton yarn	9.20	9.20	9.20
3	Processed cotton woven fabrics	16	12	10
4	Knitted or crocheted cotton fabrics	Nil	12#	8
5	Cotton woven garments	16	12	10
6	Knitted cotton garments	16	12#	8

Optional duty

(c) The details of Central Excise Duty collection during the last three years from articles of apparel and clothing accessories (not knitted) including cotton items are indicated below:

(Rs. in crore)

2001-02	141.60
2002-03	123.23
2003-04	170.00