

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3706
ANSWERED ON:27.04.2012
EXCISE DUTY REMOVAL ON PRODUCTION OF SYNTHETIC FIBRE
Tirkey Shri Manohar

Will the Minister of FINANCE be pleased to state:

- (a) the rate of excise duty attracted by synthetic fibre alongwith the justification thereof;
- (b) whether a request for removal of the same has been received by the Government and if so, the details thereof; and
- (c) the fiscal steps taken or proposed to be taken by the Government to help the producers of synthetic fibre in future?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

- (a): Presently, synthetic fibre attracts an excise duty of 12% ad valorem which is the standard excise duty rate applicable to all man-made fibre as well as textile intermediates.
- (b): Request has been received for exempting polyester staple fibre and polyester filament yarn manufactured from plastic and plastic waste including waste polyethylene terephthalate (PET) bottles. Manufacturers of synthetic fibre from other sources have sought reduction in excise duty to the merit rate of 6% on optional basis.
- (c):The issue of exempting polyester staple fibre and polyester filament yarn manufactured from plastic and plastic waste including waste polyethylene terephthalate (PET) bottles is under consideration.