

Highlights of Budget 2007-08 (Textiles)

General

1. Education Cess hiked to 3% from 2%.
2. Peak rate of Customs duty on non – agricultural goods has been reduced from 12.5% to 10%.
3. Central Sales Tax reduced from 4% to 3%.
4. All companies and firms with a taxable income of Rs. one crore or less has been exempted from surcharge on the income tax payable.

Customs

1. Customs duty on PSF, PFY and Polyester chips has been reduced from 10% to 7.5%.
2. Customs duty on DMT, PTA and MEG has been reduced from 10% to 7.5%.
3. Aramid yarns for manufacture of bulletproof jackets for supply to the Armed Forces have been exempted from both customs duty and Counter veiling duty.

Central Excise

1. Excise duty has been reduced from 16% to 12% on caprolactum, nylon chips and benzene for manufacture of caprolactum.
2. Optional excise duty at 12% has been prescribed for fishnet grade nylon yarn, nylon fishnet fabrics and fishnet.
3. Excise Duty exemption for 40 specified textile machinery under List 2 has been withdrawn and an excise duty of 8% has been imposed. However, excise duty exemption for 16 specified silk textile machinery under List 3 continues.