



INDIAN TECHNICAL TEXTILE ASSOCIATION

Circular No: 24/2021-22

Date: 03.09.2021

SUBJECT: INPUTS FROM INDUSTRY - Customs Duty Exemption Review on technical textiles - RM & Products

Dear ITTA Members,

Greetings from ITTA!!!

This is in reference to the trailing mail dated 01.09.2021 from Ministry of Textiles (MOT) on the above subject.

Please be informed that the Ministry of Finance (MoF), Department of Revenue (**Letter dtd 23.06.2021 enclosed**) has started the review of the old custom duty exemptions of textile products including technical textile. In this regard, a list (Annexure) of such exemptions which are relevant to Technical Textiles is **enclosed herewith**.

We, therefore, request you to **kindly provide the Inputs on the revised rates proposed by MoF with proper justification in Column C of the Annexure** to us on an urgent basis **by 7th September 2021**.

Best Regards,

Dr. Anup Rakshit
Executive Director

INDIAN TECHNICAL TEXTILE ASSOCIATION,

314, 3rd Floor, MIDAS, SAHAR PLAZA, Andheri-Kurla Road,
J.B. Nagar, Andheri-East, Mumbai-400059

Tel : +91 22 49635711; Cell : (O)+91 9769464616

Email: ed@ittaindia.org; Website: www.ittaindia.org

From: "Pankaj Kumar Singh" <pk.singh48@gov.in>

To: "M RAMAKRISHNAN" <m.ramakrishnan94@nic.in>, "International Trade Section" <teptj2@nic.in>

Sent: Wednesday, September 1, 2021 4:08:09 PM

Subject: Fwd: Customs Duty Exemption Review in relation to textiles - reg.

Please obtain comments from respective EPCs as per list attached.

From: "Dibyalok NA" <dibyalok.8437@gov.in>
To: "S SUNDARARAJAN" <ta-textiles@gov.in>
Cc: "Gaurav Singh" <gaurav.singh80@nic.in>, "G D Lohani" <gd.lohani@nic.in>, "Secretary Textiles" <secy-textiles@nic.in>
Sent: Wednesday, August 25, 2021 1:52:47 PM
Subject: Customs Duty Exemption Review in relation to textiles - reg.

Respected Sir,

Please refer to our telephonic discussion on 25th August, 2021, on above captioned subject. As discussed, I am forwarding copy of DO Letter dated 22nd June, 2021, from Revenue Secretary, enclosing annexure in relation to which comments from Ministry of Textiles is awaited. The matter assumes significance as it is in pursuance of Union Budget 2021-22 announcement relation to review of Customs Duty Exemption, and hence, comments from Ministry of Textiles is desired at the earliest.

Thanking you in anticipation of an early response.

Thanks and Regards.

Dibyalok
Technical Officer, TRU-I
Room 156, North Block
Ph: 23095547

Annexure
Ministry of Textiles

S.No.	Exemption to be reviewed (Column A)	Justification for review of exemption (Column B)	Inputs from Industry on revised rates proposed in Column A with your justification (Column C)
1	<p>Concessional customs duty at the rate of 2.5% has been prescribed on following goods, namely, -</p> <p><i>Nylon 66 filament (54021990);</i></p> <p><i>Polyester yarn-Anti Static Filament (54025200);</i></p> <p><i>Aramid Flame Retardant Fibre (55031100); Para- aramid Fibre (55031100);</i></p> <p><i>Nylon Staple Fibre (55031900);</i></p> <p><i>Nylon Anti-Static Staple fibre (55031900);</i></p> <p><i>Modacrylic fibre (55033000);</i></p> <p><i>Flame Retardant Viscose Rayon Fibre (5504 1000) [falling under Chapters 54, 55 of the Customs tariff].</i></p> <p>In absence of this exemption, customs duty at the rate of 5% shall</p>	<ul style="list-style-type: none"> ▪ This exemption was first given in Budget 2016-17 on the recommendation of Ministry of Textiles. ▪ Exemption has continued for more than 5 years, and the imports under this S.No. adversely impacts domestic supplier of such materials and also hampers creation of domestic capacity. ▪ Since the rates on Nylon and other fiber chain have been rationalized and made uniform at 5% in Union Budget 2021-22. However, the goods mentioned in this entry are exception to the general rate of 5% on fibre and yarn. ▪ Import volumes are about Rs272 crore a year ▪ Ministry of Textiles may provide its inputs as regards discontinuation of concessions on these fabric and yarn. This would rationalize the rate structure and would help in reducing distortions. ▪ If Ministry does not have any comments to offer the same may also be indicated. 	

	<p>apply</p> <p>[S.No. 320 of notification No. 50/2017-Customs dated 30.6.2017]</p>		
2	<p>Concessional customs duty at the rate of 5% has been prescribed on following goods, namely, -</p> <p><i>Monofilament long line system for tuna fishing [falling under Any Chapter of the Customs tariff].</i></p> <p>The exemption is granted subject to the condition that importer produces a certificate from an officer, not below the rank of Director in the Marine Products Export Development Authority, in the Ministry of Commerce and Industry, Government of India, to the effect that the imported goods constitute monofilament long line system for tuna fishing and are intended to be used for tuna fishing.</p> <p>In absence of this exemption, customs duty at applicable tariff shall apply</p>	<ul style="list-style-type: none"> ▪ This exemption was first given in 2005. ▪ Exemption has continued for more than 15 years. ▪ There are no imports in the last few years. ▪ Thus, there is merit for removing the entry. As such end use based notifications are difficult to implement. ▪ Ministry of Textile, Department of Commerce and Department of Fisheries may provide its inputs as regards discontinuation of the exemption, or with adequate justification, for need of continuation in any refined form. ▪ If Ministry/Department does not have any comments to offer the same may also be indicated. 	

	[S.No. 324 of notification No. 50/2017-Customs dated 30.6.2017]		
3	<p>Concessional customs duty at the rate of 5% has been prescribed on following goods, namely, -</p> <p><i>Hydrophilic Non-Woven, Hydrophobic Non- Woven, imported for use in the manufacture of Adult Diapers (56031100) [falling under Chapter 56 of the Customs tariff].</i></p> <p>The exemption is granted subject to importer following the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017.</p> <p>In absence of this exemption, customs duty at the rate of 20% shall apply to these fabrics (which is a general rate for special fabrics)</p> <p>[S.No. 326 of notification No. 50/2017-Customs dated 30.6.2017]</p>	<ul style="list-style-type: none"> ▪ Exemption has continued for more than 9 years and the imports may adversely impact domestic supplier of such materials and also hamper creation of domestic capacity. ▪ Import volumes are about Rs 1.25 crore a year which is not significant. ▪ Considering there is thrust for building capacity in fabric and these fabrics are produced in India, there appears merit for rationalizing the rates. ▪ Ministry of Textiles may provide its inputs as regards discontinuation of the exemption, or with adequate justification, for need of continuation in any refined form. ▪ If Ministry does not have any comments to offer the same may also be indicated. 	

<p>4</p>	<p>Concessional customs duty at the rate of 5% has been prescribed on following goods, namely, -</p> <p><i>Polyester tyre cord fabric (5902 20) [falling under Chapter 59 of the Customs tariff].</i></p> <p>In absence of this exemption, customs duty at the rate of 20% shall apply</p> <p>[S.No. 328 of notification No. 50/2017-Customs dated 30.6.2017]</p>	<ul style="list-style-type: none"> ▪ This exemption was first given in Budget 2008-09. ▪ Exemption has continued for more than 12 years and the imports may adversely impact domestic supplier of such materials and also hamper creation of domestic capacity as this items is being produced domestically. Since this item is being manufactured domestically, review of this exemption is warranted. ▪ Import volumes are about Rs 180 crore a year. ▪ Department for Promotion of Industry and Internal Trade (DIPP) and Ministry of Textiles may provide its inputs as regards discontinuation of the exemption, or with adequate justification, for need of continuation in any refined form. ▪ If Department/Ministry does not have any comments to offer the same may also be indicated. 	
<p>5</p>	<p>Concessional customs duty at the rate of 10% has been prescribed on following goods, namely, -</p> <p><i>Pile fabrics for the manufacture of toys (600110 or 600192) [falling under Chapter 60 of the Customs tariff].</i></p> <p>The exemption is granted subject to importer following the procedure set out in the Customs (Import of Goods at Concessional Rate of Duty) Rules,</p>	<ul style="list-style-type: none"> ▪ This exemption was first given in 2000. ▪ Exemption has continued for more than 20 years and the imports may adversely impact domestic supplier of such materials and also hamper creation of domestic capacity as pile fabric is produced domestically. Since this item is being manufactured domestically, review of this exemption is warranted. ▪ Import volumes are about Rs 2.4 crore a year. ▪ Department for Promotion of Industry and Internal Trade (DIPP) and Ministry of Textiles may provide its inputs as regards discontinuation of the exemption, or with adequate justification, for need of continuation in any refined form. ▪ If Department/Ministry does not have any comments to offer the same may also be indicated. 	

	<p>2017.</p> <p>In absence of this exemption, customs duty at the rate of applicable tariff shall apply</p> <p>[S.No. 329 of notification No. 50/2017-Customs dated 30.6.2017]</p>		
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