

Highlight of Budget 2013-14 for Textile and Clothing Sector

Excise Duty

- All handmade carpets and carpets & other textile floor coverings of coir and jute, whether or not handmade, falling under Chapter 57, are being fully exempted from excise duty.
- Zero excise duty route, as existed prior to Budget 2011-12, is being restored on readymade garments and made ups. The zero excise duty route will now be available in addition to the CENVAT route under which manufacturers can pay excise duty on the final product and avail of credit of duty paid on inputs.

Custom Duty

- The BCD on raw silk is being increased from 5% to 15%.
- The BCD on all textile machinery and parts thereof falling under headings 8444 to 8449 is being reduced from 7.5% to 5%.

Others

- It is proposed to continue the Technology Upgradation Fund Scheme (TUFS) for the textile sector in the 12th Plan with an investment target of 151,000 crore. The major focus would be on modernisation of the powerloom sector. It is proposed to provide 2,400 crore in 2013-14 for the purpose.
- It is proposed to set up Apparel Parks within the SITPs to house apparel manufacturing units. To incentivise such Apparel Parks, It is proposed to allocate 50 crore to the Ministry of Textiles to provide an additional grant of upto `10 crore to each Park.
- A new scheme with an outlay of `500 crore called the Integrated Processing Development Scheme will be implemented in the 12th Plan to address the environmental concerns of the textile industry, including improving the effluent treatment infrastructure It is proposed to provide 50 crore in 2013-14 for the scheme.
- It is proposed to Handloom Sector, for working capital and term loans at a concessional interest of 6 percent. It is proposed to allocate an additional sum of 96 crore in 2013-14 for interest subvention.