



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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Circular No. EPS/13/2022-23

Sub : Duty Free Import of Cotton Yarn under PTAs/FTAs

Dear Member,

As you are aware, on imported Cotton Yarn, presently the Basic Customs duty is 10%, SWS is 10% of BCD and the IGST is 5%. Accordingly, the aggregate Customs duty work out to 16.55% on Cotton Yarn.

However, there is Zero Customs duty if Cotton Yarns are imported under the following PTAs/FTAs;

- (i) India – ASEAN Preferential Trade Agreement (PTA)
- (ii) India – Korea Comprehensive Economic Partnership Agreement (CEPA)
- (iii) India- Japan Comprehensive Economic Partnership Agreement
- (iv) Preferential treatment under SAFTA

In this regard, please note that while the BCD and SWS on imports under above PTAs/ FTAs are zero, IGST of 5% is payable. The IGST paid on imports will be available as Input Tax Credit.

However, there are certain conditions to be fulfilled in order to get the benefit of zero duty on Cotton Yarn under various PTAs/FTAs – details of which are enclosed herewith ([click here](#)).

Further, please note the following:

- (i) The Country of Origin and the Country of exports should be the same.
- (ii) In some cases, physical inspection of the cargo and Test Report may be required.
- (iii) It is advisable to be familiar with the provisions of the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 called as CAROTAR, 2020 effective from 21.09.2020 before importing Cotton Yarn from any country that are

eligible for Zero duty.

(iv) Import of Cotton Yarn from countries like Uzbekistan, Brazil, Turkey, China and the US with whom India does not have any trade agreement will attract the normal Customs duties (Basic Customs duty is 10%, SWS is 10% of BCD and the IGST is 5%).

We would request you to please take a note of the above and do the needful.

Regards,

Dr. Siddhartha Rajagopal  
Executive Director

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BEHAVIOUR**

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**VACCINATION  
FOR ALL**

- "Vaccination for All" at a faster pace is the only possible measure to save lives and revive the economic activity.
- The Council appeals to the exporting fraternity to undertake "Free Vaccination Drives" for all their Staff, Workers, Employees and their Families so that the status of 'NIL COVID-19' positive cases is achieved across country at the earliest.

- TEXPROCIL partners you in actively promoting the "Vaccination for All" initiatives undertaken by your company and requests you to send details on the LINK provided below.
- Along with the details, kindly also share photographs so that the Council can publicise the same through TEXPROCIL Enewsletter and social media platforms.

**TEXPROCIL SUPPORTS THE NATIONAL ENDEAVOUR TO ENSURE  
COVID APPROPRIATE BEHAVIOUR & VACCINATION FOR ALL**

**WE SUPPORT THE VACCINATION DRIVE (CLICK HERE)**  
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