

GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
RAJYA SABHA
UNSTARRED QUESTION NO-1916
ANSWERED ON- 04/08/2023

CRISIS IN SPINNING MILLS

1916. SHRI M. SHANMUGAM:
SHRI VAIKO:

Will the Minister of TEXTILES be pleased to state:

- (a) whether Government has received any representation from the Industry Associations about the crisis in spinning mills, especially in Tamil Nadu;
- (b) if so, the response of Government thereto;
- (c) whether Government would withdraw the 11 per cent import duty on cotton, as mills are not able to compete with neighbouring countries in export of yarn;
- (d) if so, the details thereof;
- (e) whether Government would reduce interest rates of banks and to restructure the outstanding short-term loan of Emergency Credit Line Guarantee Scheme (ECLGS), to make textile industry viable; and
- (f) if so, measures taken towards this direction?

ANSWER

THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a) to (f): The Ministry has received representations from time to time from industry associations about various issues impacting the spinning sector including in Tamil Nadu.

The request of the industry for reduction in Basic Customs duty on Raw Cotton was examined as part of Budget exercise 2023-24 and it was decided not to accede to the request.

The Emergency Credit Line Guarantee Scheme (ECLGS) which was introduced in May, 2020 as a one-time measure to meet the credit needs of MSMEs arising due to Covid-19 pandemic, was not extended beyond 31.3.2023. However, the lenders under the scheme are free to consider any request for modification in the terms of loans under the scheme as per their Board approved policies, within broad regulatory framework.
