

TEXPROCIL

Chairman, TEXPROCIL Welcomes Union Budget 2018

The Union Finance Minister, Shri Arun Jaitley announced the Union Budget for 2018-19 today.

Welcoming the Budget, Shri Ujwal Lahoti, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL) said “, the Budget is pragmatics, growth oriented and all inclusive”.

The Government had approved a comprehensive textile sector package of `6000 crore in 2016 to boost the apparel and made-up segments The Budget has provided an outlay of `7148 crore for the textile sector in 2018-19. Shri Lahoti expressed hope that the increased funds allocated for the textile sector will cover fabrics also under the ROSL scheme.

The Budget has increased the financial outlay under the comprehensive textile sector package for apparel and made ups from Rs. 6000 crore to Rs.7148 crore. This will promote exports and production these two labour intensive sectors, according to Shri Lahoti.

The Government will contribute 12% of the wages of the new employees in the EPF for all the sectors for next three years. Also, the facility of fixed term employment will be extended to all sectors. Shri Lahoti said, these measures will lead to employment generation and contribute significantly towards “Make in India”.

To incentivize employment of more women in the formal sector and to enable higher take-home wages, the Budget has proposed to make amendments in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to reduce women employees' contribution to 8% for first three years of their employment against existing rate of 12% or 10% with no change in employers' contribution. Shri Ujwal Lahoti welcomed this measure as it will lead to employment opportunities for women in the textiles sector especially in the value added segments like garments and made ups.

The Budget has increased the funds allocation under the TUF Scheme from Rs.2013 crores in 2017-18 to Rs. 2300 for 2018-19. This is a positive step and will help in clearing some of the committed liabilities under the TUF Scheme, according to the Chairman, TEXPROCIL.

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The reduced income tax rate of 25% allowed to companies who have reported turnover up to `250 crore in the financial year 2016-17 will greatly benefit the micro, small and medium enterprises, pointed out Shri Lahoti.

With regard to export marketing, the Department of Commerce will be developing a National Logistics Portal as a single window online market place to link all stakeholders. This is a positive step as it will provide marketing support to the small and medium sized exporters besides reducing transaction cost, said Shri Lahoti.

The increased budget allocation for infrastructural developments and the encouragement provided to organized farming in the Budget are all steps in the right direction, according to the Chairman, TEXPROCIL.

However, to promote exports of Cotton Textiles, the Chairman TEXPROCIL urged the Government to cover yarn and fabrics under the MEIS and ROSL schemes respectively.