
TEXPROCIL

TEXPROCIL Chairman appeals for immediate announcement of relief package for the exporters

Exporters of textiles & clothing are passing through unprecedented times, said Dr. K.V. Srinivasan, Chairman of The Cotton Textiles Export Promotion Council (TEXPROCIL). Exporters have closed down their production facilities due to the lockdown on account of COVID-19. Dr. Srinivasan pointed out that overseas buyers are cancelling orders on a large scale and even payments are not being released by the buyers to the exporters on shipments already made. Exporters are under severe financial constraints with many of them finding it extremely difficult to pay salaries and wages to the workers for the lockdown period as per the Government's directives. Further, there is an uncertainty as to when the situation will be back to normal.

"Exporters are keenly looking forward towards the announcement of a financial package by the Government immediately without any delay to sustain and survive in exports business" pointed out Dr. Srinivasan. The Chairman, TEXPROCIL urged the Government to provide interest free working capital term loans to the exporters to cover the cost of salaries and wages.

Exporters are facing huge problems as their buyers are delaying payments against export bills for shipments already made. On the other hand, most of the exporters have entered into forward contracts with the banks and now they are unable to surrender the committed amounts on foreign exchange under these contracts due to delay in receiving the payments. As a result, exporters have to face huge losses as they are forced to either cancel or roll over the forward contracts which involves penalty and other charges. Dr. Srinivasan suggested that banks should not charge penalty for the cancellation or roll over of forward contracts entered with them by the exporters.

For the Spinning sector, Dr. Srinivasan requested to include Cotton Yarn under the MEIS and the RoSCTL scheme since these schemes now stands valid as the validity of the Foreign Trade Policy has been extended till March 31, 2021. He also urged to include fabrics under the ROSCTL scheme.

To address the liquidity problems being faced by the exporters, Dr. Srinivasan urged the Government to release all pending claims under the TUF scheme and the erstwhile ROSL scheme for Made ups and Garments, automatic enhancement of bank limits for the exporters by 25% and the extension of the Interest Equalization Scheme beyond March 31, 2020 and to cover Cotton Yarn under this scheme.