

PRESS RELEASE

ECLGS extension, duty free trimmings big boon for apparel industry: AEPC

- **It's a growth oriented budget with heavy investment in infrastructure**

DELHI NCR, 1 Feb 2022: Apparel Export Promotion Council (AEPC) Chairman Mr Narendra Goenka welcomed the **Union Budget 2022-23** presented by **Hon'ble Finance Minister Smt Nirmala Sitharaman** stating that it's a growth oriented budget, which will create opportunities for investments, exports and employment while simplifying the procedures.

Mr Goenka also appreciated the government for announcing a 35 per cent increase in the capital expenditure to Rs 7.5 lakh crore for FY23 saying that it will accelerate overall growth of the economy through investments amid disruptions due to intermittent lockdowns.

"I am extremely grateful to the Hon'ble Finance Minister for taking care of our liquidity requirements by extending credit linked guarantee scheme ECLGS by one year till March 2023 and by increasing the coverage by Rs 50,000 crore. Most of the apparel exporters are in the MSME category and many are still struggling with the impact of disruptions caused by Covid-19 pandemic," **Mr Goenka** said.

The **Chairman** was particularly thankful to the government for agreeing to the Council's fervent appeal for reinstating duty free facility for importing trimmings and embellishments.

"Trimmings and embellishments like fasteners, inlay cards, linings and interlinings, laces, etc that are used for branding and are nominated by the buyers were allowed duty free earlier. Most of the exporters import these items because of the buyers' nomination and need to be sourced from defined sources within sharp timelines. Resumption of the facility will help apparel exporters make their products more internationally competitive. This is a big relief for small exporters," **Mr Goenka** said.

The extension of the benefit of 15 per cent tax for the newly incorporated manufacturing units by one more year to March 2024 will be instrumental in bringing in fresh investments, he said. He further stated that this would specifically help in bringing in new investment in the new units under Production Linked Incentive (PLI) scheme for MMF garments, MMF fabrics and technical textiles.

"Besides, the plan to enact a new Special Economic Zones (SEZ) Act will be helpful in creating employment, increasing exports and investments," the **Chairman** added.
