

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:370
ANSWERED ON:22.02.2001
DIFFICULTIES TO TEXTILE EXPORTERS
VILAS BABURAO MUTTEMWAR

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government have made it mandatory for the Textile exporters to replace the letter of undertaking or post dated cheques with Bank Guarantees, demand drafts or fixed deposit receipt;
- (b) if so, the reasons for change in their policy;
- (c) whether the Apparels and Handloom Exporters Association have requested the Government to review its policy;
- (d) if so, the main difficulties expressed by the exporters in agreeing to the revised policy; and
- (e) the reaction of the Government in this regard ?

Answer

MINISTER OF STATE FOR TEXTILES(SHRI V. DHANANJAY KUMAR)

(a) to (e) A Notification dated 20-11-2000 has been issued to streamline provisions governing appeals against the EMD/BG forfeiture orders passed by the appellate bodies. The Notification lays down that the exporter aggrieved by the forfeiture of the EMD/BG by Quota Administering Authority may file an appeal only if he gives Bank Guarantee/Fixed Deposit/Demand Draft to cover the amount of forfeiture. At the same time, the facility of submission of Legal Undertaking (LUT) has been given to the eligible exporters who have paid the penalty of forfeiture imposed on them within the stipulated time. The notification is intended to serve twin purpose of ensuring recovery of the Government revenues and at the same time strives to remove the practical difficulties in availment of LUT facility by the eligible exporters. However, the Apparels and Handloom Exporters Association has challenged the retrospective effect of this provision in the Hon`ble High Court, Chennai and the matter is sub-judice.