

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3836
ANSWERED ON:02.12.2010
COTTON SALES DEPOT
Viswanathan Shri P.

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has introduced Depot Sales Scheme for Cotton in some parts of the country;
- (b) if so, the details and the features of the scheme;
- (c) whether it is proposed to extend the scheme to other parts of the country as well;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to promote medium and small spinning mills in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a) to (d): Yes Madam, Cotton Corporation of India (CCI) had opened Sales Depots for cotton in Coimbatore and Rajapalayam in the State of Tamil Nadu with effect from 8th February 2010. The Government of Tamil Nadu has exempted levy of 4% VAT on cotton bales sold from such sales depots. The Scheme extends various benefits to the textile mills which include inter-alia availability of quality cotton at the door steps of the mills; saving in costs due to reduced need to maintain large inventories; savings in lead time, interest and carrying charges etc. Opening of sales depots at Baddi (Himachal Pradesh) and Ludhiana (Punjab), has been approved, subject to the exemption of 4% VAT from the respective State Governments

(e): The benefits under the Technology Upgradation Fund Scheme are available to the small and medium spinning mills in the country.