

Name of Paper : BUSINESS STANDARD

Published at : NEW DELHI

Dated : 10 APR 2012

Anand Sharma rebuts Modi's claim on tax on cotton exports

SANJAY JOG
Mumbai, 9 April

Union textiles minister Anand Sharma has clarified that the Central government has not imposed any tax on export of cotton till date. On the contrary, cotton exports are eligible for claiming one per cent duty drawback. In his strong rebuttal to the statement made by Gujarat chief minister Narendra Modi at the public meeting in Rajkot on April 4 that the Central government was taxing export of cotton while offering subsidies on meat exports, Sharma said, "I was shocked that a chief minister of a large state had made an unwarranted statement without ascertaining the facts."

The timing of Sharma's letter was crucial when the group of ministers, led by Finance Minister Pranab Mukherjee, was meeting on Monday evening.

Sharma says, "You would recall that I had written a detailed letter to you on March 14 outlining the con-

tours of the cotton export policy. The policy strives to strike a fine balance between the interests of all stakeholders in the cotton value chain - farmers, ginners, traders, yarn producers and exporters. This year, India has exported 100 lakh bales of cotton, the highest ever, as against 78 lakh bales last year. Till date, no tax has been imposed on

export of cotton. On the contrary, cotton exports are eligible for claiming one per cent duty drawback."

The textiles minister further said that the Government of India was alive to the interests of the cotton farmers and that it had already authorized the Cotton Corporation of India (CCI) to intervene in the Mandis of Gujarat to carry out commercial operation for buying 15,000 bales of cotton a day at the rate of ₹4,400 a quintal and Grade-A kapas at ₹4,500 per quintal. This was well above the prevailing minimum support price and would ensure that the interest of farmers was fully protected while assuring supplies for domestic yarn industry, he said.

Sharma made it clear that the Central government did not give any subsidy whatsoever for export of meat either. "I wish you would be restrained and judicious while making public statements on government policy. It would be unfortunate to view matters of public policy from the narrow prism of partisan politics," Sharma had said in his letter to Modi.

