

Plan to boost textile sector/industry

696. SHRIMATI RAJANI PATIL: Will the Minister of TEXTILES be pleased to state:

(a) whether Government has made any plan to boost the Textile sector/industries in the country like Technology Upgradation Fund Scheme, if so, the details thereof; and

(b) the details of the budget provisions made and the incentives being offered to handloom sector for the said purpose in the current financial year?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI AJAY TAMTA): (a) Yes, Sir. In order to provide a boost to the Textile sector, the Government approved the “Amended Technology Upgradation Fund Scheme (A-TUFS)” in Dec 2015 for technology upgradation, with provision for one time capital subsidy for eligible benchmarked machinery in different sectors including Technical Textiles, Garmenting, Weaving and Processing. The scheme is expected to attract an investment of ₹ 1,00,000 crore and generate employment of 30.51 lakhs.

The Government have also recently announced a special package for the garment sector containing a slew of measures for employment generation and enhancing exports. The package provides for Government funding of the entire 12% employers contribution to the EPF in the next 3 years; option to employees earning less than ₹ 15000 for contributing to EPF; increasing overtime caps; fixed term employment; additional incentives for garmenting under ATUFS; enhanced duty drawbacks to include refund of State levies; reduction in the provision of 240 days to 150 days under 80 JJA to claim tax relief for garment industry. The special package is expected to generate employment to the tune of ₹ 100 lakhs, investment of ₹ 74000 crore and increase exports by 30 billion US\$.

(b) A provision of ₹ 612 crore has been made for handlooms at the BE stage in the year 2016-17. This accounts for 18.26% of the Ministry’s budget and provides an enhancement of 24% over the budget provided at the BE stage in 2015-16. The Ministry of Textiles implements the National Handloom Development Scheme, the Yarn Supply Scheme and Welfare Schemes for promoting Handlooms. Under NHDP, a marketing incentive @10% of the average sales is given to handloom agencies such as handloom corporations, cooperative societies, primary handloom weaver societies for preparing conditions conducive to marketing. To incentivize the handloom sector, it has been decided to provide capital subsidy @ 10% with a cap of ₹ 20 crores to eligible machinery in the handloom sector under the recently approved ATUFS.