

GOVERNMENT OF INDIA
MINISTRY OF TEXTILES
RAJYA SABHA
UNSTARRED QUESTION NO-1276
ANSWERED ON- 16/12/2022

POLICY TO PROMOTE HANDLOOM SECTOR

1276. SHRI SUSHIL KUMAR GUPTA:

Will the Minister of TEXTILES be pleased to state:

- (a) the details of the policy to promote the handloom sector;
- (b) whether it is a fact that Government proposes scrapping of Boards which were established to benefit the weavers;
- (c) if so, the details in this regard; and
- (d) whether Government is considering to keep weaving sector out of the purview of GST?

ANSWER

THE MINISTER OF STATE FOR TEXTILES
(SMT. DARSHANA JARDOSH)

(a): The Government of India, Ministry of Textiles is implementing the following schemes during 2021-22 to 2025-26 for development of handlooms and welfare of weavers across the country, including the backward and tribal areas:

1. National Handloom Development Programme;
2. Raw Material Supply Scheme;

Under the above schemes, financial assistance is provided to the eligible handloom agencies/weavers for raw materials, common infrastructure development, marketing of handloom products in domestic/overseas markets, loans on concessional rates etc.

(b) & (c): A thorough review of the functioning of the All India Handloom Board was done. It was apparent therefrom that the weavers from across the Nation were barely getting any benefit from the Board, and the Board did not take weavers across all States into confidence. Further, there was no contribution from the Board as regards policy formulation and its implementation. The Government therefore took decision to disband All India Handloom Board.

(d): Goods and Services Tax (GST) has been introduced by Government of India to rationalize multiple taxes on goods & services and bring uniformity and transparency in the taxation system. Accordingly, it is applicable to the Textile sector, including handlooms.

GST rates are prescribed on the recommendation of GST Council, which consists of Union Finance Minister and Ministers nominated by representative State Governments. In its 45th meeting, GST Council made a recommendation for revising GST rates on textile products and related services from 5% to 12% to correct inverted duty structure in these goods and services.

Subsequently, GST Council in its 46th meeting decided to defer the increase in GST rate on textile and textiles related job work services. Consequently, there has been no change in GST rate on garments and fabrics.
