

LOK SABHA
STARRED QUESTION NO.*228
TO BE ANSWERED ON 01.12.2016

TECHNOLOGICAL ADVANCEMENT IN TEXTILE SECTOR

*228. SHRI BHARTRUHARI MAHTAB:
DR. SATYAPAL SINGH:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state:

- (a) whether the textile sector is witnessing sluggish growth on account of technological constraints and other reasons, and if so, the details thereof and the reasons therefor;
- (b) the details of the schemes/programmes being implemented for the development, technological advancement and revival of sick units of textile sector across the country;
- (c) the number of textile units benefited from the said schemes /programmes during the last two years and the current year, State/ UT-wise and Scheme/ Programme-wise;
- (d) the details of the funds provided under the said schemes/programmes during the above period, State/UT-wise and Scheme/Programme-wise; and
- (e) whether the Government has received complaints of irregularities/malpractices in the implementation of schemes/programmes during the above period and if so, the details thereof along with the corrective steps taken/being taken by the Government in this regard?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)
MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) to (e): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO PARAS (a) TO (e) OF
THE LOK SABHA STARRED QUESTION No. *228 DUE FOR
ANSWER ON 01.12.2016.**

(a): There are no visible signs of sluggish growth in the textile sector on account of technological constraints as may be seen from the figures given for production, exports and installed capacity of textile items in the last 3 years and the current year in the statement below:-

Items	Unit	2013-14	2014-15	2015-16	April-Sep (Prov.)	
					2015-16	2016-17
Manmade fibre (Production)	Mn. Kg.	1,307	1,344	1,347	648	698
Spun yarn (Production)	Mn. Kg.	5,309	5,488	5,665	2,852	2,883
Man made filament yarn (Production)	Mn. Kg.	1,293	1,248	1,164	581	574
Fabrics (Production)	Mn. Sq. mtr	63,500	65,276	65,505	32,669	33,196
Exports of all textile items	US \$ Billion	37.6	37.7	36.7	15.3*	14.4*
Spindles	Million No	49.46	50.16	51.2	52.25	50.65
Rotors	Thousand no.	814	834	860	871	843

*(April-Aug) (Prov.)

Except for the production of Man made filament yarn, there has been no decrease in production and installed capacity during the last three years. The export of textile has seen only a marginal decline.

(b): Ministry implements various schemes for the development of handloom, handicrafts, infrastructure, skill development, special package for garments, price support as well as for technological advancement. The schemes specifically implemented for the technological advancement of the textile sector include Ammended Technology upgradation Fund Scheme (ATUFS), Insitu upgradation of Powerloom, Technology Mission for Technical Textiles (TMTT), Scheme for Usage of Agrotextiles in North East Region and Scheme for Promoting Usage of Geotechnical Textiles in North-Eastern Region. Details are placed at Annexure-I. There is no plan scheme for revival of sick textile units

(c) & (d): The state wise releases made under TUFS, Powerlooms TMTT, Scheme for usage of Agro Textiles and Geo Textiles in the last two years and current year is given at Annexure II(i) to II (iii).

(e): The details of complaints of irregularities/malpractices in the implementation of the schemes received during the last two years and the current year are at Annexure-III. As part of the corrective steps to check recurrence of irregularities, Ministry has adopted a transparent process of sanction and monitoring of the scheme through a web based MIS i.e. I-TUFS and a PAN based identification of beneficiary units. A revised implementation mechanism is put in place wherein fund releases are based on physical inspection of machinery installed by joint inspection teams .

Technology Development Schemes of the Ministry of Textiles

1 Amended Technology Upgradation Fund Scheme (ATUFS)

1.1 The Amended Technology Up-gradation Fund Scheme (ATUFS) has been notified by the Ministry of Textiles vide Resolution of even number dated 13.01.2016. In accordance to the said Resolution, the financial and operational parameters and implementation mechanism for ATUFS during its implementation period from 13.01.2016 to 31.03.2022 are given in Guidelines of ATUFS issued vide Resolution No. 6/5/2015-TUFS dt. 29.02.2016. The scheme aims to facilitate augmenting of investment by provision of one time capital subsidy for technology upgradation in all segments of textile Industry. It will thereby improve productivity, quality, employment, exports along with import substitution in the textile industry.

1.2 Features:

Every eligible individual entity will be paid Capital Investment Subsidy (CIS) under ATUF Scheme, on the eligible investment, as per the rates and the overall subsidy cap indicated below:

Sl. No.	Segment	Rate of Capital Investment Subsidy (CIS)	CIS per individual entity
1.	Garmenting, Technical Textiles #	15% on eligible Machines	Rs. 30 crore*
2.	Weaving for brand new Shuttle-less Looms (including weaving preparatory and knitting), Processing, Jute, Silk and Handloom.	10% on eligible Machines	Rs. 20 crore*
3.(a)	(a) Composite unit /Multiple Segments - If the eligible capital investment in respect of Garmenting & Technical Textiles category is more than 50% of the eligible project cost	15% on eligible Machines	Rs. 30 crore*
3(b)	(b) Composite unit/Multiple Segments - If the eligible capital investment in respect Garmenting & Technical Textiles category is less than 50%, of the eligible project cost.	10% on eligible Machines	Rs. 20 crore*

Note :

* In case the applicant had availed subsidy earlier under RRTUFS, he will be eligible for only the balance amount within the overall ceiling fixed for an individual entity. The maximum subsidy for overall investment by an individual entity under ATUFS will be restricted as indicated above for respective segments.

In the meeting of the Union Cabinet held on 22.06.2016, under the Chairmanship of Prime Minister, additional incentives for textile and apparel sector has been approved.

1.3 The additional incentives inter-alia cover providing production incentive through Technology Up-gradation Fund Scheme (TUFS) linked Capital Subsidy. The additional incentive to the garmenting sector has been notified vide Resolution No. 6/18/2016-TUFS dated 25.07.2016 as **Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS**, to incentivise production and employment generation in the garmenting sector (ITC NSN Code Chapter 61,62). As per the objective of the SPELSGU, to boost employment generation in the textiles sector, the Government would provide an additional 10% Capital Investment Subsidy (CIS) for garmenting units which have availed 15% CIS benefit under ATUFS based on the achievement of projected production and employment after a period of 3 years. The period of 3 years will be counted from the date of release of ATUFS subsidy to that unit. The Scheme came into effect from the date of the Resolution of ATUFS i.e. 13.01.2016 till 31.03.2019.

2. In-situ Up-gradation of Plain Powerloom

The scheme was launched in Sept, 2013 with the prime objective to provide financial assistance to economically weaker low-end powerloom units where the benefit of the TUFS has not reached and to improve quality and productivity of the fabric. The scheme is meant for small powerloom weavers. Preference would be given to those units having maximum two to four looms in household units and / or within one shed among the eligible units. Financial assistance to the extent of 50% of the cost of the upgradation attachments / kits, doobby and jacquard subject to maximum subsidy Rs. 15,000/- per powerloom and the maximum subsidy to a powerloom unit holding eight powerlooms would be Rs. 1,20,000/. Powerloom permit / Acknowledgement against Industrial Memorandum (IM) issued by for installation of the Powerloom is a pre-requisite for availing of assistance under the scheme.

3. Technology Mission on Technical Textiles: Technical textiles represent a multi-disciplinary field with numerous end use applications. To remove the impediments hampering the production of technical textiles in the country and to meet growing demand in the domestic and export market, the government has launched Technology Mission on Technical Textiles (TMTT) during December 2010 with two mini- missions for a period of five years (from 2010-11 to 2014-15) with a fund outlay of Rs. 200 crore.

TMTT has been extended for another two years (FY 2015-16 & FY 2016-17) with the left out fund of TMTT i.e. Rs 55.30 crore. Under the extension of TMTT, new components i.e. Focus Incubation Centre (FIC), Scheme for Promoting Usage of Agrotexiles and Geotechnical textiles in India (excluding North Eastern States) have also been introduced.

4. Scheme for promoting usage of Agrotexiles in North East Region: Ministry of Textiles, Government of India has approved a Scheme for promoting usage of Agrotexiles in North East Region in the 12th five year plan with an outlay of Rs. 55 crore. The aim is to encourage utilization of Agrotexiles in improving the Agriculture, horticulture and floricultural produce of the N-E states through awareness programmes, Development of Agrotexile products suitably customized for use in the North-Eastern region, Creating demonstration set-up depicting the benefit of usage of Agrotexile products suitable for the region. Further under the scheme Agrotexile-Kits will be provided to farmers containing the Agrotexile material, instructions, right methods and practices when using Agrotexile products etc.

With increasing acceptability of Agrotexiles, entrepreneurs are expected to set up Agrotexiles production units in the country and particularly in NE Region. The scheme has been approved during December 2012 & became operational during June 2013.

(5) Scheme for promoting usage of Geotechnical textiles in North East Region: A Scheme for Promoting Usage of Geotechnical textiles in North Eastern Region in the 12th five year plan with an outlay of Rs. 427 crore has been approved. The aim is to utilize Geotextiles in development of the infrastructure of the NE states by providing technological and financial support by meeting additionality in project cost due to the usage of Geotextiles in existing/ new project in road, hill/ slope protection and water reservoir.

With increasing acceptability of Geotextiles, entrepreneurs are expected to set up Geotextiles production units in the country and particularly in NE Region. The Scheme was approved on 03rd December 2014.

Annexure-II(i)

STATE-WISE RELEASE OF SUBSIDY UNDER TUFs

(Amount in crore)

Sr. No.	State Name	2014-15		2015-16		2016-17	
		No.of Cases	Subsidy released	No.of Cases	Subsidy released	No.of Cases	Subsidy released
1	ANDHRA PRADESH	236	76.34	201	40.84	166	52.85
2	ASSAM	4	2.03	4	0.79	3	0.61
3	BIHAR	2	0.08	2	0.04	3	2.06
4	CHANDIGARH	41	19.98	24	10.25	20	4.25
5	CHATTISGARH	2	0.82	2	0.84	0	0
6	DADRA & NAGAR HAVELI	45	35.1	42	24.93	46	27.4
7	DAMAN & DIU	14	3.83	15	8.79	10	3.81
8	DELHI	104	33.1	97	27.23	81	18.46
9	GOA	2	0.66	3	6.27	3	0.81
10	GUJARAT	1127	281.92	1139	337.75	1156	358.64
11	HARYANA	155	38.56	154	25.57	163	35.59
12	HIMACHAL PRADESH	39	14.65	37	12.64	34	11.77
13	JAMMU & KASHMIR	11	3.09	9	1.87	9	2.18
14	JHARKHAND	2	0.84	2	0.13	2	0.36
15	KARNATAKA	90	33.84	70	28.39	54	25.07
16	KERALA	40	9.33	32	2.8	27	9.96
17	MADHYA PRADESH	105	104.57	92	68.86	85	76.08
18	MAHARASHTRA	784	347.35	646	218.58	576	302.7
19	ORISSA	1	0.12	2	0.24	2	0.13
20	MIZORAM	1	0.01	0	0	0	0
21	PONDICHERY	3	0.48	2	0.03	2	0.17
22	PUNJAB	658	277.85	702	152.78	644	268.76
23	RAJASTHAN	344	99.05	288	77.89	280	123.26
24	TAMIL NADU	1411	218.13	1143	111.79	1021	197.73
25	TELANGANA	90	21.95	75	23.01	74	16.58
26	UTTAR PRADESH	122	25.19	100	16.67	88	14.48
27	UTTARANCHAL	13	4.21	12	3.13	6	2.79
28	WEST BENGAL	96	20.37	98	25.75	86	19.89
	Total	5542	1673.45	4993	1227.86	4641	1576.39

Annexure II(ii)

Subsidy released State wise under Powerloom in the last two years and the current year

Name of the Cluster	2014 – 15		2015 - 16		2016 – 17**	
	No. of Looms upgraded	Subsidy released	No. of Looms upgraded	Subsidy released	No. of Looms upgraded	Subsidy involved
Ahmedabad	0	0	12	0.84	0	0
Dholka	0	0	0	0	0	0
Surat	472	39.92	304	30.54	315	29.72
Gujarat	472	39.92	316	31.38	315	29.72
Ludhiana	24	2.88	16	1.92	0	0
Punjab	24	2.88	16	1.92	0	0
Nagari	165	14.63	463	31.83	427	29.89
Hindupur	396	59.40	1076	161.4	291	43.65
Palmaner	0	0	0	0	0	0
Andhra Pradesh	561	74.03	1539	193.23	718	73.54
Sircilla	0	0	4412	630.51	939	138.79
Nalgonda	0	0	0	0	0	0
Telangana	0	0	4412	630.51	939	138.79
Erode	964	144.60	13412	1987.51	7198	1065.06
Salem	70	10.50	2432	362.4	1220	183.00
Somanur	4646	576.98	12964	1702.55	12397	1484.01
Karur	0	0	0	0	3	1.05
Rajapalaym	0	0	0	0	0	0
Arupukottai	0	0	0	0	0	0
Sholingur	0	0	0	0	0	0
Tamil Nadu	5680	732.08	28808	4052.46	20818	2733.12
Burhanpur	12	1.50	56	5.4	20	2.4
Madhya Pradesh	12	1.50	56	5.4	20	2.4
Bhagalpur	0	0	3	0.21	30	3.06
Gaya	0	0	0	0	0	0

Name of the Cluster	2014 – 15		2015 - 16		2016 – 17**	
	No. of Looms upgraded	Subsidy released	No. of Looms upgraded	Subsidy released	No. of Looms upgraded	Subsidy involved
Bihar	0	0	3	0.21	30	3.06
Bhiwandi	1508	118.65	9636	923.58	11021	1353.44
Ichalkaranji	240	26.36	0	0	116	17.40
Malegaon	0	0	106	15.9	0	0
Nagpur	0	0	0	0	0	0
Solapur	0	0	8	1.12	0	0
Vita	0	0	0	0	0	0
Maharashtra	1748	145.01	9750	964.19	11137	1370.84
Kishangargh	0	0	0	0	0	0
Rajasthan	0	0	0	0	0	0
Mau	0	0	0	0	0	0
Tanda	0	0	88	9.39	154	16.37
Varanasi	34	2.55	317	29.81	294	31.67
Uttar Pradesh	34	2.55	405	39.20	448	48.04
Bangalore	0	0	0	0	494	74.10
Belgavi	0	0	0	0	307	46.05
Tiptur	0	0	0	0	0	0
Banahatti	0	0	0	0	0	0
Karnataka	0	0	0	0	801	120.15
Ranaghat	0	0	0	0	2	0.20
Nabwadip	0	0	0	0	0	0
West Bengal	0	0	0	0	2	0.20
Grand Total	8531	997.97	45305	5918.41	35228	4519.86

Annexure II(iii)

Year wise Fund Allocation vis-à-vis Expenditure under Technology Mission on Technical Textiles (TMTT)

Financial year	Fund allocation made to Centres of excellence (Rs. in crore)	Expenditure (Rs. in crore)
2014-15	32.00	30.71
2015-16	23.00	22.32
2016-17	30.30 (82.5 Lakhs*)	0.53

*Authorization to Textile Commissioner has been provided for Rs.82.5 Lakhs

Year wise Fund Allocation vis-à-vis Expenditure under Scheme for promoting usage of Agrotextiles in North-Eastern Region:

Financial year	Fund allocation (Rs. in crore)	Expenditure (Rs. in crore)
2014-15	9.00	9.00
2015-16	10.00	10.00
2016-17	14.99	--

Year wise Fund Allocation vis-à-vis Expenditure under Scheme for promoting usage of Geotechnical textiles in North-Eastern Region:

Financial year	Fund allocation (Rs. in crore)	Expenditure (Rs. in crore)
2014-15	4.00	4.00
2015-16	15.00	3.63
2016-17	19.99(4.0*)	2.11

*Authorization to Textile Commissioner has been provided for Rs.4.0 crore

THE COMPLAINTS OF IRREGULARITIES/MALPRACTICES IN THE IMPLEMENTATION OF SCHEMES/PROGRAMMES DURING THE PERIOD OF THE SCHEMES

i. Complaint against M/s. Rajvir Industries Ltd. :

- Central Vigilance Commission (CVC) referred the complaint against M/s. Rajvir Industries Ltd. to the Ministry of Textiles for enquiry in May 2010. The Complaint said that the company defrauded the Government of Rs. 30 crores by wrongfully receiving interest reimbursement subsidy under TUFs. Based on Textiles Commissioner's Inquiry Report, Ministry had recommended to Chief Vigilance Officer stringent and credible punitive action in the matter. Vigilance Division was asked to take a view on referring the matter to CBI for further enquiry.
- CVC vide letter on 21.09.2011 advised Ministry of Textiles to handover the case to Central Bureau of Investigation (CBI) for a detailed investigation. Ministry of Textiles on 30.11.2011 requested CBI to file FIR in the case of M/s. Rajvir Industries Ltd. and others who have defrauded the Government.
- State Bank of Hyderabad reported recovery of Rs. 4.96 crores (Rs. 3.57 crores of TUFs subsidy and Rs. 1.38 crores of interest) and Axis Bank has reported recovery of Rs. 4.10 crores (Rs. 3.28 crores of subsidy and rest interest @ 10%). The recovered amount of Rs. 9.06 crores has been remitted to Government
- The CBI court, in its Order dated 3rd January, 2014 has stated that the Hon'ble Court has accepted the final report of the Investigating Officer and the case is closed. CBI court, mentioned that there is no sufficient evidence available on record to prove charge of criminal conspiracy, cheating and criminal misconduct on the part of public servants and other beyond all reasonable doubts in the court of law.
- However, WP No. 298/2012 filed by M/s Rajvir Industries Ltd Vs Union of India & Others before the Hon'ble High Court of Andhra Pradesh in which MoT was respondent No 1. with the prayer to return the eligible TUFs subsidy. The Hon'ble High Court vide Order dt. 21.7.2015 has stated that the Writ Petition is dismissed as withdrawn.

ii. Complaint against Tayal Group of Companies :

- Central Economic Intelligence Bureau (CEIB), New Delhi has informed about the misuse of TUFs by the Tayal Group of companies (Krishna Knitwear Technologies Ltd., Eskay K'nit India Ltd., Ksl and Industries Ltd., Jaybharat Textiles and Real Estate Ltd., Krishna Lifestyle Technologies Ltd., Asif Corporation Ltd., Tayal Energy Ltd., Global Softech Ltd.). CEIB, interalia informed that the Group Company appears to have received huge subsidy under TUFs on the basis of forged documents / false claims.
- Information from 17 (seventeen) concerned lending agencies vide letters of dt. 28.7.2014 and also DO letters dt. 22.7.2015 was sent to EDs of 12(twelve) lending agencies. Also, RO Navi Mumbai and RO Ahmadabad vide e-mails dt. 17.7.2015 and 22.7.2015 were instructed to conduct physical verification of the assets of these units.
- The lending agencies have not submitted proper information yet. The reports received from ROs have also mentioned that the management has not produced the documents mentioned in the letter, in the absence of which the teams could not ascertain if the machinery is as per TUFs. However, they have conducted the physical verification of the machinery installed in the units. The reports are under examination and further information are being sought from lending agencies.

iii. Complaint for misuse of TUF Scheme by 25 textile units in Rajasthan :

- MOT received Preliminary Enquiry Report (PER) in PE JDH 2012 A 0001 / CBI Jodhpur, through Vigilance Section in connection with misuse of TUFs by following 25 textile units in Rajasthan.

Sr. No.	Name of the unit	Sr. No.	Name of the unit
1	Navin Synthetic	13	Sunglow Suitings Pvt. Ltd.
2	Giriraj Spintex Pvt. Ltd.	14	Sunrise Synthetic Pvt. Ltd.
3	Manjushree Syntex	15	Melange Suitings,
4	Shiv Mahal Textile Pvt. Ltd.	16	Deva (India) Tax Fab,
5	Suraj Universal Ltd.	17	Sanskar Synthetics Pvt.
6	Shree Giraj Suitings Pvt. Ltd	18	Shivram Synthetic,
7	Swaraj Sulz Pvt. Ltd.	19	Topman Fashion,
8	Kanchan India Ltd.	20	Suvidhi Rayons Pvt. Ltd.
9	Sadhna Sulz Pvt. Ltd.	21	Sharad Syntex Pvt. Ltd.,
10	Sudhir Synthetics Pvt. Ltd.	22	Saileela Synthetics Pvt.
11	D.S. Suitings Pvt. Ltd.	23	Jaishiv Syncotex Pvt. Ltd.,
12	Reyman Textile Pvt. Ltd.	24	Gentleman Suitings Pvt.
		25	Kanhaiya Texfab Pvt. Ltd.,

- Vide OM dt. 7/12.6.2013 the concerned lending agencies were instructed the following:
 - i. Regarding units which are prima facie found guilty of irregularities by CBI the concerned lending agencies to recover the subsidy released along with penal interest @ 10% p.a. and remit the same to Pay and Accounts Officer, Ministry of Textiles, New Delhi, under intimation to this office immediately.
 - ii. Regarding the remaining fifteen units i.e. suspected units which are under enquiry by CB the concerned lending agencies advised to ensure that sufficient collateral security to cover the subsidy released so far and penal interest may be maintained for possible recovery.
 - iii. In all the 25 cases the lending agencies instructed that no further subsidy claims in respect of these units should be forwarded for release of subsidy.
- Office of the Superintendent of Police, CBI, Jodhpur vide letter dt. 5.1.2014 has informed that this may kindly be considered for withdrawal. CBI further informed that no FIR has been registered by them in the matter and as such the question of investigation does not arise.
- However, the regional office was informed to conduct physical verification of the units and based on the reports received subsidies are being recovered along with penal interest.
