

LOK SABHA
UNSTARRED QUESTION NO.1881
TO BE ANSWERED ON 29/11/2019

MODERNIZED EXISTING SCHEMES

1881. SHRI VASANTHAKUMAR H.:

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

- (a) whether the Ministry is considering to modernize existing schemes for the development of textile industry in skill/powerloom/silk sector;
- (b) if so, the details thereof and the steps taken by the Government thereon so far; and
- (c) the steps taken by the Government for technology upgradation fund schemes across the country so as to benefit the industry?

उत्तर

ANSWER

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

(a) & (b): Yes, Sir. In order to achieve sustainable growth, modernization and development of Textile Industry in skill/powerloom/silk sector in the country, Government is implementing several policy initiatives that strengthen these schemes and also widen the scope of these schemes. The following are some initiatives of the Government to modernize the existing schemes:

- i. **Skill sector:** with a view to address the skilled manpower requirements of textile sector, the Ministry had been implementing Integrated Skill Development Scheme (ISDS) from 2010-11 to 2017-18. The scheme was implemented on pan India. Under the scheme, 11.14 lakh persons were trained out of which 8.43 lakh persons were given employment.

In order to continue the endeavor of the Ministry in addressing the skill gap in the textile industry, the Government has approved a new scheme titled “Scheme for Capacity Building in Textile Sector (SCBTS)” for the entire value chain of textile sector, excluding Spinning and Weaving in the organized sector, for a period of three years from 2017-18 to 2019-20 with an outlay of Rs. 1300 crore. The objectives of the scheme inter alia include providing demand driven, placement oriented National Skills Qualifications Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organised textile and related sectors and to provide skilling and skill-upgradation in the traditional sectors. 10.00 lakh persons will be trained under the scheme.

The Government is also implementing National Handloom Development Programme (NHDP) under which training is imparted to the handloom weavers for their skill upgradation on upgraded/modernised looms and accessories for better quality and productivity. Under

the scheme, 53703 weavers have been imparted skill upgradation training from 2015-16 to 2019-20 (upto 30th September 2019).

- ii. **Powerloom sector:** Government of India, is implementing PowerTex India Scheme, a comprehensive Scheme for the Development of Powerloom and Knitting & Knitting wear sector w.e.f. 01.04.2017 to 31.03.2020 & 01.07.2019 to 31.03.2020 respectively with an outlay of Rs. 487 crores for three years. This scheme has components relating to loom upgradation; infrastructure creation and concessional access to credit. The scheme has been designed to attract investment of Rs. 1000 crores and employment to 10000 persons in power-loom sector and will also result in higher returns to power-loom units. The total funds earmarked for the purpose under the said scheme under PowerTex India scheme is Rs. 487.07 Cr.

Now, the Government has started stake holder's consultation to take feedback on suitable policy formation. In this connection, 1st meeting with the prominent Powerloom and Knitting associations was held on 18/11/2019. Moreover, impact/evaluation study of the existing schemes for Powerloom and Knitting industry is also being conducted through an independent agency.

- iii. **Silk sector:** Government of India has been implementing a Central Sector Scheme "Silk Samagra" an Integrated Scheme for Development of Silk Industry (ISDSI) during the years 2017-18 to 2019-20 for the overall development of silk industry in the Country with an objective to scale up production by improving the quality and productivity. The scheme comprises four major Components viz. (i) Research & Development, Training, Transfer of Technology and I.T. Initiatives, (ii) Seed Organizations, (iii) Coordination and Market Development and (iv) Quality Certification Systems (QCS) / Export Brand Promotion and Technology Up-gradation.

The scheme supports beneficiary oriented components for Mulberry, Vanya and Post Cocoon Sectors. These interventions cover the major areas viz. (a) Development and expansion of host plant, (b) Strengthening and creation of Silkworm Seed Multiplication infrastructure, (c) Development of farm and post-cocoon infrastructure, (d) Up-gradation of reeling and processing technologies in Silk, and (e) Capacity Building through Skill development / Enterprise Development Programme.

(c): Technology Upgradation Fund Scheme (TUFS): A flagship scheme of the Ministry of Textiles, Technology Upgradation Fund Scheme (TUFS) was introduced in 1999 to catalyze investments in all the sub-sectors of textiles and jute industry for technology upgradation of the machinery by way of 5% interest reimbursement. The scheme was initially approved from 01.04.1999 to 31.03.2004. Subsequently, the scheme was extended in 2004 and again in 2007 with modifications.

Now, with a view to promote ease of doing business in the country and achieve the vision of generating employment and promoting exports by way of technology upgradation in textile sector through "Make in India" with "Zero effect and Zero defect" Amended Technology Upgradation Fund Scheme (ATUFS) was launched in January 2016 with an outlay of Rs. 17,822 crore upto 2022. The objective of the scheme is to facilitate augmenting of investment, productivity, quality, employment, exports along with import substitution in textile industry and also to indirectly promote investment in textile machinery manufacturing.

Every eligible individual entity (not the unit) is entitled for reimbursement of Capital Investment Subsidy (CIS) under this scheme, as per the following rates:

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

In case the entity had availed subsidy earlier under RRTUFS, it will be eligible to the extent of balance subsidy for new or existing units within the overall ceiling fixed for an individual entity.

Government has also notified the Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivize production and employment generation in the garmenting sector. The additional incentive of 10% will be provided to the garmenting units which would be availing the 15% Capital Investment Subsidy (CIS) under ATUFS for the installation of benchmarked eligible machinery after a period of three years. The cap on capital investment subsidy for the eligible machines in the garmenting units has, therefore, been enhanced from Rs. 30 crore, which was the cap under ATUFS, to Rs. 50 crore. This additional subsidy of 10% will be on achievement of the projected production and employment generation, as stated by the unit in the Detailed Project Report (DPR). An additional subsidy of 10% will also be provided to the made-ups units enhancing the cap to Rs. 50 crore on the lines of SPELSGU under ATUFS based on achievement of the projected production and employment.
