

LOK SABHA
STARRED QUESTION NO. *298
TO BE ANSWERED ON 13.03.2020

RESTRUCTURING PACKAGE FOR TEXTILE INDUSTRY

*298. SHRI SUNIL KUMAR SINGH:
MS. PRATIMA BHOUMIK:

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

- (a) whether the Government has received any demand for a restructuring package for textile and garment units, if so, the details thereof;
- (b) whether nearly 25-30 per cent of textile and garment units are facing capital issues/crunch, if so, the reasons therefor along with the funds allocated during the last three years to the industry; and
- (c) the steps taken/proposed to be taken by the Government in this regard?

उत्तर

ANSWER

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

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

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION No.*298 for 13.03.2020 REGARDING RESTRUCTURING PACKAGE FOR TEXTILE INDUSTRY ASKED BY SHRI SUNIL KUMAR SINGH, MS. PRATIMA BHOUMIK;

- (a) Government has not received demand for a restructuring package for textile and garment units.
- (b) Indian Texpreneurs Federation (ITF) in partnership with CRISIL Ltd had conducted a study on the financial health of the textile industry in India wherein it was revealed that there is severe working capital stress in the industry and that Textile and garment units are facing capital crunch. As per the study, reasons for working capital stress are tepid demand growth on global front, pressure on profitability, cotton price volatility and erosion/ unavailability of working capital .

Year wise funds allocated under Amended Technology Upgradation Fund Scheme (ATUFS) during last three year is as follows:

(In Rs. Cr.)

Year	BE	RE
2016-17	1480.00	2621.98
2017-18	2013.00	1913.15
2018-19	2300.00	622.63

- (c) However, to boost exports in textile sector, Government has introduced the new RoSCTL (Rebate of State and Central Taxes and Levies) scheme w.e.f 7th March 2019. Government has also notified a special one-time additional ad-hoc incentive of upto 1% of FoB value to be provided for exports of apparel and made-ups to offset the difference between RoSCTL and RoSL + MEIS@4%, from 7.3.2019 to 31.12.2019. To boost exports in MMF sector, Government has removed anti-dumping duty on PTA, a key raw material for the manufacture of MMF fibre and yarn. Exporters are also provided assistance under Market Access Initiative (MAI) Scheme. Interest equalization rate for pre and post shipment credit for exports by MSMEs of textile sector has been enhanced from 3% to 5% w.e.f. 02.11.2018. Benefits of Interest Equalization Scheme has been extended to merchant exporters from 02.01.2019 which was earlier limited to only manufacturer exporters.
