

LOK SABHA
UNSTARRED QUESTION NO. 2930
TO BE ANSWERED ON 12.03.2021

SUBSIDY/TAX EXEMPTION FOR TEXTILE INDUSTRIES

2930. SHRIMATI DARSHANA VIKRAM JARDOSH:
SHRI SHIVAKUMAR C. UDASI:

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

- (a) whether the Government is planning to provide any subsidy/tax exemption for textile industries, particularly in Surat as several textile industries are suffering due to COVID and subsequent lockdown in the State of Gujarat and if so, the details thereof;
- (b) whether the Government has formulated any proposal to mitigate the loss of jobs and reduction in market growth of cotton textile industry in the country, particularly in Gujarat;
- (c) if so, the details thereof, State-wise; and
- (d) the steps taken by the Government to increase employment generation in textile industry?

उत्तर

ANSWER

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

(a): The government of India has launched Amended Technology Upgradation Fund Scheme (ATUFS) in January 2016 with an outlay of Rs. 17,822 crore upto 2022 on pan-India including the state of Gujarat. Every eligible individual entity (not the unit) is entitled for reimbursement of Capital Investment Subsidy (CIS) under this scheme, as per the following rates:

S.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

Further, considering the socio economic impact of Covid-19 outbreak, a provision has been provided to the units for exercising an option to get the Joint Inspection Team(JIT) recommended subsidy released before verification of the JIT reports by submitting bank guarantee against the value of recommended subsidy. This facility has been extended to the cases both under ATUFS and previous Version of TUFS and made available for 6 months.

(b) & (c): The global pandemic of Covid-19 affected various industrial sectors in the country including the textile sector. The government has taken following initiatives/ measures to help ameliorate the conditions in textile sector to boost production, marketing and job opportunities in the sector on pan-India including the state of Gujarat:

- i. In order to make the textile sector competitive by rebating all taxes/levies in international market, the Government has decided to continue the RoSCTL (Rebate of State and Central Taxes and Levies) scheme until such time the RoSCTL scheme is merged with Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. For this purpose, the Government has approved adhoc allocation of funds of Rs. 7398 crore for FY 2020-21 for issuance of duty credit scrips under RoSCTL scheme.
- ii. Further, in order to boost exports in MMF sector, Government has removed anti-dumping duty on PTA (Purified Terephthalic Acid), a key raw material for the manufacture of MMF fibre and yarn and also on Acrylic fibre.
- iii. The Government has announced a special economic package viz. AatmaNirbhar Bharat Abhiyaan for boosting economy of the country and making India self-reliant. Relief and credit support measures have been announced for various sectors. The weavers & artisans of textile sector can avail benefits of these relief and credit support measures to revive their businesses which have suffered due to lock down necessitated by Covid-19 pandemic.
- iv. To support the handloom and handicraft sectors and to enable wider market for handloom weavers/artisans/producers, steps have been taken to on-board weavers/artisans on Government e-Market place (GeM) to enable them to sell their products directly to various Government Departments and organizations.
- v. A social media campaign [#Vocal4handmade](#) was launched on the 6th National Handloom Day by the Government, in partnership with all stakeholders, to promote the handloom legacy of India and to ensure people's support for the weaving community.
- vi. Textile and garment manufacturers all over the country including Gujarat contributed to the growth of PPE industry and India became globally the second largest manufacturer of PPEs. As per estimates based on inputs provided by the industry, the country has manufactured nearly 6 crore PPE body coveralls and 15 crore N-95 masks during April to December 2020 period (as per data available). Nearly 1100 manufacturers had registered for PPE Body Coveralls and more than 200 manufacturers for N-95 mask manufacturing. The average market size of this newly created industry is around Rs. 7000 crores.

(d): The government has taken following initiatives which have large potential for employment generation in the textiles sector:

- i. The Government had approved a special package for textile sector with an outlay of Rs. 6000 crores to boost employment generation and exports particularly in Garmenting and Made-ups.
- ii. In order to bring the import of raw silk to Zero level, indigenous manufacturing and establishment of large scale Automatic Silk Reeling Machine(ARM) has been promoted for the first time since 2016-17. 67 ARMs have been distributed. These will also boost the employment generation.
- iii. National Technical Textiles Mission launched in budget announcements in February 2020 with an outlay of Rs. 1480 crore for the period 2020-24, with a view to become a global player in technical textiles and place India as one of the major exporting countries is likely to generate a large number of employment in the textile sector.
- iv. Union Budget 2021-22 announcements include launch of the scheme of setting up mega investment textile parks. These parks with manufacturing units, when operational , will generate large employment.
- v. The Production Linked Investment scheme covering MMF and Technical Textiles sector has been announced which will create global champions in exports and thus boost employment.
