

LOK SABHA
UNSTARRED QUESTION NO.3147
TO BE ANSWERED ON 04.08.2016

DEVELOPMENT OF TEXTILE SECTOR

3147. SHRI RAM KUMAR SHARMA:
SHRI ARJUN LAL MEENA:

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

- (a) whether the Government has recently implemented a promotional scheme for development and expansion of textile industry in the country;
- (b) if so, the total funds earmarked for the purpose under the said scheme, sector-wise;
- (c) the details of targets fixed for quantum of cloth production, generation of additional employment opportunities and earning of foreign exchange through this scheme; and
- (d) the funds spent so far on development of Textile Export Hub under construction in Rajasthan?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री अजय टम्टा)
MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a) & (b): Yes, Madam. The Government has recently launched a Rs. 6000 crore special package for employment generation and promotion of exports in Textile and Apparel sector in the country. The details are at **Annexure-I**. The funds allocated to different schemes inter-alia include additional incentive of Rs. 400-500 Crores under TUFs and reimbursement of 3.67% EPF contribution to employers; Rs.5500 Crores for additional duty drawback for garments.

(c): The textile package is expected to benefit all sectors i.e. spinning, weaving, knitting processing of textile value chain including handloom sector. The package has envisaged substantial investment in apparel sector in next three years. With increase in investment, demand for raw materials like fabric, yarn, tec., will increase which will ultimately boost growth in entire textile value chain including handloom sector.

(d): A total of Rs. 127.2 crores has been released to six textile parks set up in Rajasthan under the “Scheme for Integrated Textile Park” (SITP).

The Government has announced a special package of Rs 6,000 crores for boosting the employment generation and export potential of the Textile and Apparel Sector. Salient features of the package are:-

1. Labour Law Reforms

- a) Government to bear 3.67% of employer's Employee Provident Fund (EPF) contribution for new workmen in addition to existing reimbursement of 8.33% employer contribution under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) for 3 years.
- b) EPF will be made optional for employees earning less than Rs. 15,000 per month; thus, leaving more money in the hands of the workers.
- c) Overtime cap will be raised from 50 hours per quarter to 100 hours per quarter leading to increased earnings of workers.
- d) Considering the seasonal nature of the industry, fixed term employment will be introduced for the garment sector. A fixed term workman will be considered at par with permanent workman in terms of working hours, wages, allowances and other statutory dues.

2. Additional incentives under ATUFS

- a) The subsidy provided to garmenting units, under Amended-TUFS, is being increased from 15% to 25%, providing a boost to employment generation.
- b) The package breaks new ground in moving from input-based to outcome-based incentives; a unique feature of the scheme will be to disburse subsidy only after expected jobs have been created.

3. Enhanced duty drawback coverage

- a) In a first-of-its-kind move, a new scheme will be introduced to refund the state levies which were not refunded so far.
- b) This move will greatly boost the competitiveness of Indian exports in foreign markets
- c) Drawback at All Industries Rate will be given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme.

4. Enhancing scope of Section 80JJAA of Income Tax Act

- a) Looking at the seasonal nature of garment industry, the provision of 240 days under Section 80JJAA of Income Tax Act would be relaxed to 150 days for garment industry.
