

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:5328  
ANSWERED ON:29.04.2005  
PROMOTION OF TEXTILE INDUSTRY  
Singh Shri Dushyant

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether there is a vast scope to promote textile industry in the country especially in Rajasthan;
- (b) if so, the efforts made by the Government in this regard;
- (c) whether the Government proposes to set up new textile mills in the State; and
- (d) if so, the details thereof, locationwise?

**Answer**

MINISTER OF TEXTILES ( SHRI SHANKERSINH VAGHELA )

(a) Yes, Sir. There is a vast scope to promote textile industry in the country including the state of Rajasthan due to India's rich cultural heritage, its distinct strength in strong and diverse multi-fibre raw material base, availability of abundant low cost skilled work force, design capability, entrepreneur skills and its presence across the entire value chain of the textiles and apparel industry from raw material to the finished goods.

(b) Government has taken a number of measures and introduced various schemes from time to time to promote textile industry of the country including that of Rajasthan. A list of such steps taken in the recent past is furnished in Annexure-I.

(c) Through various policy regimes and schemes, Government provides a favorable and conducive environment for entrepreneurs to set up textile units. In view of this, the present policy of the Government is not to set up any textile mill in the country including Rajasthan.

(d) Does not arise.

Annexure-I

Measures taken by the Government in the recent past to help the textile sector.

- To improve productivity and quality of cotton, Government has launched the Technology Mission on Cotton (TMC). The Mission has achieved success in increasing the productivity and reducing the contamination through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

- The Technology Upgradation Fund Scheme (TUFS) has been launched to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector. The Scheme has been further fine tuned to increase the rapid investments in the targeted sub-sectors of the textile industry. The cost of machinery has been further brought down by reducing the customs duty on imports.

- In order to facilitate modernisation of the Powerloom Sector, Schemes such as High-tech Weaving Parks, Modernisation and Strengthening of Powerloom Service Centers, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @ 20% have been introduced.

- In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty. In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%. These modifications in fiscal levies aim at attracting more investments for modernization of textile sector.

- To facilitate import of state of the art machinery to make our products internationally competitive in post quota regime, in 2005-06 Budget, the customs duty on textile machinery has been brought down to 10% except 23 machinery appearing in List 49 which attracts Basic Customs Duty (BCD) of 15%. The concessional duty of 5% on continues to be at 5% in respect of most of machinery items.

- In 2005-06 Budget, 30 items of knitting and knitwear have been de-reserved. This would facilitate setting up of large sized modernized units for meeting the international competition.

- Government has launched the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

- "Apparel Parks for Exports Scheme" has been launched with a view to imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. Under the Scheme, Government gives grant upto Rs.17 crores per apparel park for infrastructure work, training and common facilities.

- Textile Centres Infrastructure Development (TCIDS) Scheme has been introduced with the objective of modernizing infrastructure facilities at major textile centres of the country. Government of India gives grant upto Rs.20 crores for a particular centre.

- In order to cater to the growing skilled manpower requirements at shop floor level, Ministry of Textiles is providing assistance for strengthening existing and opening new Apparel Training and Design Centres (ATDCs).

- National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by inducting trained professionals to manage the industry. This has resulted in an increased demand for trained professionals in various sectors servicing the industry.