

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:5340
ANSWERED ON:29.04.2005
TEXTILE ITEMS FOR RAPID GROWTH
Rao Shri Devarakonda Vittal

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has identified 30 items in the textile production category to poise for rapid growth in textile trade industry;
- (b) if so, the details thereof; and
- (c) the steps taken/to be taken by the Government to boost the textile trade industry?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b) Yes Sir. To facilitate the rapid growth of textile trade industry, the Government in the Budget 2005-06 has de-reserved thirty items relating to knitting and knitwear from the purview of SSI. The list of de-reserved items is at Annexure-I.

(c) The Government has initiated the following important measures to boost the textile trade industry:

(i) Rationalisation of the fiscal duty structure;

(ii) Launching of the Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the sector, Rs. 435 crore has been allocated for 2005-06;

(iii) In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn, was provided optional exemption from excise duty, and Central Value-added Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%, which aims at attracting more investments for modernization of the textile sector;

(iv) To facilitate import of state of the art machinery, the customs duty on specified textile machinery was brought down to 10% in Budget 2005-06;

(v) For accelerating modernization of the powerlooms segment of the textile industry, the ceiling for machinery under TUFS has been increased from Rs.60 lakh to Rs. 1 crore under Credit Linked Capital Subsidy (CLCS) @ 20%, and Capital assistance is available on investment upto Rs.1 crore in specified machinery subject to a ceiling of Rs.20 lakh on the amount of assistance;

(vi) Announcement of a package for restructuring of debt portfolios of potentially viable textile units with debt exposure of Rs.2 crore and above;

(vii) De-reservation of the woven segment of readymade garments from the SSI sector. Further de-reservation of 30 items of knitting and knitwear from the SSI has also been done;

(viii) A centrally sponsored scheme titled "Apparel Park for Export Scheme" has been launched for imparting a focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give a fillip to exports. An amount of Rs 2 crore has been set aside for setting up training facilities in each apparel park;

(ix) Government is already operating a Brand Equity Fund Scheme to promote Indian brands in overseas markets with the primary objective of brand promotion;

(x) For upgrading infrastructure facilities at important textile centers, a scheme titled "Textile Centre Infrastructure Development Scheme" (TCIDS) under implementation;

(xi) The Cotton Technology Mission was launched to improve the productivity and quality of cotton for manufacture and export of

competitive downstream textile products; and

(xii) Announcement and implementation of the National Textile Policy 2000, which aims at developing a strong and vibrant textile industry that can attain and sustain a pre-eminent global standing in the manufacture and export of clothing in the global scenario.

Annexure-I

Name of the Textile Products De-Reserved

1. Cotton cloth knitted
2. Cotton vests knitted
3. Cotton socks knitted
4. Cotton undergarments knitted
5. Cotton Shawls knitted
6. Other cotton knitted wears
7. Woollen cloth knitted
8. Woollen vests knitted
9. Woollen socks knitted
10. Woollen scarves knitted
11. Woollen undergarments knitted
12. Woollen caps knitted
13. Woollen shawls knitted
14. Woollen gloves
15. Woollen mufflers knitted
16. Other woollen knitted wears
17. 1. Synthetic knitted socks and stocking
18. 2. Synthetic knitted underwears such as vest, briefs and drawer.
19. 3. Synthetic knitted outerwears such as jersey slipover, pullover, cardigans and jacket.
20. 4. Synthetic Knitted children wear such as baby suits, knicker, frock, underwear and outerwear.
21. 5. Synthetic knitted fabrics except high pile fabric made by sliver
22. 6. Synthetic knitted swim wear such as trunk and costume.
23. 7. Synthetic knit wear such as scarf, shawl, cap, ties, blouse and jean.
24. 8. Synthetic Knitted Shirt, T-Shirt, Collar Shirt and Sports-Skirts
25. 9. Synthetic knitted hose
26. 11. Other synthetic knit wear
27. Stove wicks
28. Cotton belting
29. Belt lacing
30. Measuring Tapes-Cotton