

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:490

ANSWERED ON:03.12.2004

CONDITION OF POWERLOOMS IN MAHARASHTRA

Chavan Shri Harischandra Deoram;Gaikwad Shri Eknath Mahadeo;Rathod Shri Harisingh Nasaru

Will the Minister of TEXTILES be pleased to state:

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(a) whether Government is aware that powerloom owners are facing many problems in the country specially in Maharashtra;

(b) if so, the details thereof;

(c) whether the Government have any proposal / scheme to solve the problem of powerloom owners in the country; and

(d) if so, the details thereof?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b) The Government had been receiving requests from the Maharashtra powerloom industry for removal of CENVAT. In this year's budget the following important announcements have been made for the textile sector as a whole including the powerloom sector:-

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- This excise exemption has been given across the value addition chain. For those, opting to pay duty and avail CENVAT credit, two rates of duty have been given as under:-
- All textile goods made of pure cotton, not containing any other textile materialâ€”4%;
- Other textile goodsâ€”8%.
- Additional Excise Duty on Textiles and Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.

(c) & (d) Following steps have been taken to upgrade and promote the powerloom sector of the country:-

- Incentives have been made available under the Technology Upgradation Fund Scheme (TUFS) whereby the powerloom owner can reduce the cost of borrowing capital either by availing 20% upfront Capital Linked Subsidy or by obtaining 5% interest reimbursement of on the loan availed.
- Government has announced a Scheme for assistance for construction of Group Workshed for powerlooms to create a better working environment and obtain high productivity.
- Import of shuttleless looms has been allowed under concessional customs duty of 5% without countervailing duty. Excise exemption has also been given on such looms.
- Accelerated depreciation benefits at the rate of 50% have been extended on the weaving machinery installed under TUFS.
- Government has taken up modernization and strengthening of powerloom service centers (PSCs), which have been set up to provide technical services of training, testing, project preparation etc.
- Computer Aided Design Centres have been set up to enable small powerloom units to access new designs and upgrade fabric by product development inputs.
- For the betterment of powerloom weavers / workers in the powerloom sector, Government has launched a Group Insurance Scheme for them which has two componentsâ€”
 - (i) Coverage under existing "Janashri Bima Yojana" of Life Insurance Corporation of India (LIC) Add-on Group Insurance coverage for deathâ€”both components administered by LIC.