

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:1319

ANSWERED ON:08.08.2011

FINANCIAL ASSISTANCE TO TEXTILE INDUSTRY

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Biju Shri P. K.; Dharmshi Shri Babar Gajanan; Shekhawat Shri Gopal Singh; Yadav Shri Dharmendra

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

- (a) the details of the representations received by the Government with regard to the problems being faced by the textile industry and the estimated loss incurred by the sector during the last financial year;
- (b) the State-wise details of the closed/sick textile mills and the steps taken by the Government to revive these mills and the quantum of financial assistance/relief provided to such mills during the last three years;
- (c) the number of workers who have lost their jobs as a result of such closures and the measures taken by the Government for rehabilitation of these workers during the said period;
- (d) whether there is decline in the export of textile products recently; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a): Government has received representations from M/s. South India Spinners Association, Tamilnadu Spinning Mills Association, Ichalkaranji Powerloom Weavers Co-op. Association Ltd, Tirupur, Exporters Association, West Bengal, Garment Manufacturers and Dealers Association, Federation of Hosiery Manufacturers' Association, Apparel Export Promotion Council, Hindustan Chamber of Commerce, Confederation of Indian Textile Industry, etc. with regard to supply and demand mismatch, huge inventory of finished goods piling up, restriction on the export of cotton yarn, increase in the prices of cotton yarn, adverse effect on textile trade due to imposition of 10% excise duty on branded Readymade Garments, etc.

Representations have also been received in the Handloom sector with regard to the problems being faced by weavers in connection with credit, yarn price rise, etc.

Loss(es) incurred by the textile sector are not estimated.

(b): As on 31.05.2011, 127 cotton-man-made fibre textile mills (Non-SSI) were closed during the last 3 years. The State-wise details of the closed textile mills are given in Annexure.

Government has setup Board for Industrial & Financial reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act with a view to arranging for the timely detection of sick and potentially sick companies and for the speedy determination of preventive and remedial measures which need to be taken in respect of such companies including units. There are 870 textile cases registered with BIFR as on 31/03/2010. Out of 127 mills closed as on 31.05.2011, 38 mills are registered with BIFR as on 31.3.2010. BIFR decides on reliefs / concessions to be given to sick units..

(c): 41118 workers are on the rolls of closed cotton/man-made fibre textile mills (Non-SSI).

In order to rehabilitate the workers rendered jobless due to permanent closure of Non-SSI, private textile mills, the Government of India formulated the Textile Workers' Rehabilitation Fund Scheme (TWRFS). The relief under the Scheme is available only for three years on a tapering basis, 75% of the wage equivalent in the first year, 50% in the second year and 25% in the third year.

The Government has also offered a liberal Modified Voluntary Retirement Scheme (MVRS) to the workers affected by the closure of unviable NTC mills. The scheme provides for increasing ex-gratia payment to the workers by 50% to 100% depending upon date of revision of wages.

(d) & (e): As per the export data compiled by Directorate General of Commercial Intelligence and Statistics (DGCIS), Kolkata, during 2010-11 (Apr.-Oct.), the export of Fibre, yarn and Madeups registered an increase of over 13.0 %, 77% and 21%. The export of fabrics and Readymade garment (RMG), however, showed a decline of 2% and 6% respectively and the overall export of textile items increased by about 10% compared to the same period last year.