

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:2003  
ANSWERED ON:04.12.2014  
GENERATION OF EMPLOYMENT OPPORTUNITIES  
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**Will the Minister of TEXTILES be pleased to state:**

- (a) whether any initiatives have been made for the development of various sectors of the textile industry during the 12th Plan period;
- (b) if so, the details thereof;
- (c) the extent to which the progress has been made as a result of these initiatives in various sectors of the industry, sector-wise;
- (d) whether this industry has the potential for generating large number of employment opportunities by using the labour intensive technique; and
- (e) if so, the details of employment opportunities generated by various sectors of the textile industry during the 12th Five Year Plan, sector-wise?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a) to (c): In order to facilitate development of various sectors of the textile industry, Government has launched various policy initiatives viz. Scheme for Integrated Textile Parks (SITP), Scheme for Development of Technical Textiles, Integrated Skill Development Scheme (ISDS), Schemes for the development of the Powerloom Sector, National Handloom Development Programme, etc. The details of schemes are given in Annexure-I.

(d): These schemes will facilitate setting up of new units as well as expansion of the existing units, which have potential for generating large employment opportunities.

(e): The Report of the Working Group on Textile & Jute Industry for Twelfth Five Year Plan, had projected employment at the terminal year of the Plan i.e., 2017 is 121.20 million including the employment in allied sectors like cotton agriculture, sheep rearing, jute, agriculture, etc. The details are given in Annexure-II.

Annexure-I

Technology Upgradation Fund Scheme (TUFS)

Technology Upgradation Fund Scheme (TUFS) was introduced in 1999 to catalyze investments in all the sub-sectors of textiles and jute industry for technology upgradation of the machinery. The government has approved the continuation of Technology Upgradation Fund Scheme (TUFS) for the 12th Plan (2012-17) under Revised Restructured TUFS (RR-TUFS) with a budgetary allocation of Rs. 11952.80 crore. The scheme since inception has propelled investment of more than Rs.2,60,000 crore till 01.11.2014. An amount of Rs.19760crore has been released towards subsidy under the Scheme as on 01.11.2014. Planning Commission has approved an allocation of Rs. 11952.80 crore under TUFS for the 12thFive Year Plan. The investment target for the 12th plan is Rs. 1,51,000 crore.

## Integrated Skilled Development Scheme (ISDS)

Integrated Skilled Development Scheme (ISDS) has been introduced with an objective to address the trained manpower needs of textiles and related segment during 12th Five Year Plan with an outlay of Rs. 1900 crore to train 15 lakh persons. Under the Scheme, projects for training about 12 lakh persons has already been given to various stakeholders including 10 States Government Agencies.

## Scheme for Integrated Textile Parks (SITP)

Scheme for Integrated Textile Parks (SITP) introduced in 2005 to facilitate world class infrastructure to setting up of textile units in throughout India by way of giving Government of India (GOI) assistance by way of grant is limited to 40% of the project cost with a ceiling of Rs. 40 crore has been extended in the 12th Five Year Plan also. Since inception of scheme, 74 parks have been sanctioned throughout India with Government of India assistance of Rs. 2281 crores, attractive investment of Rs 26403 crores and employment generation of 10 lakhs.

## Handloom Sector

To improve the living standard of handloom weavers and sustained employment in the handloom sector, the Office of DC (Handlooms) through various schemes and programmes, has adopted focused, flexible and holistic approach by facilitating marketing of handloom products, infrastructure development, brand building and empowerment of weavers by organizing them under self-help groups, training and skill upgradation, infusion of new and contemporary designs through design intervention as well as product diversification, technology upgradation, easy access to raw material at subsidized prices and easy credit flow at low interest rate etc. With this objective, following schemes have been implemented during 12th Plan:

1. National Handloom Development Programme- two components:
  - a. Comprehensive Handlooms Development Scheme (3 schemes of 11th Plan merged into this scheme. These schemes were Integrated Handlooms Development Scheme, Marketing and Export Promotion Scheme and Diversified Handlooms Development Scheme).
  - b. Revival, Reform and Restructuring (RRR) Package for handloom sector.
2. Handloom Weavers Comprehensive Welfare Scheme- two components:
  - a. Health Insurance Scheme for access to health care facilities
  - b. Mahatma Gandhi Bunkar Bima Yojana for life insurance
3. Yarn Supply Scheme
4. Comprehensive Handloom Cluster Development Scheme

## Silk Sector

For development of Sericulture Industry, Government has been implementing 3 Central Sector Schemes viz (i) Research & Development, Training & IT initiatives, (ii) Seed Organisation / Coordination and Market Development (HRD), (iii) Quality Certification Systems and a Centrally Sponsored Scheme viz Catalytic Development Programme (CDP) with the aim of synergizing and disseminating technologies, innovations developed by its R&D units and incentivizing investments among the stakeholders to enhance production, productivity and quality of silk. The core objective of the above schemes are to scale up production, particularly, production of quality, bivoltine and improved cross breed silk cocoons in the country through cluster approach and generation of large number of direct and indirect employment by the terminal year of XII Plan.

During 2014-15, as against the targeted raw silk production of 28500 MT, 13343 MT have been produced up to September, 2014. The employment generation in Sericulture Industries is raised to 7.85 million persons in 2013-14 compared to 7.65 million persons in 2012-13, indicating a growth of 2.61% against the target of 9.242 million persons envisaged for 12th plan.

#### Schemes for the Development of the Powerloom Sector

Ministry of Textiles, Govt. of India has launched various schemes for the development of unorganized powerloom sector in the country. The details of the Schemes and the progress achieved are as under:

##### 1. Technical Service Support:

Ministry of Textiles, Government of India has set up Powerloom Service Centers (PSCs) in all the major powerloom clusters. As on today, there are 47 PSCs working in different locations to support the unorganized powerlooms across the country. The Powerloom Service Centers play a vital role in the development and modernisation of the decentralized powerloom sector. The functions performed by Powerloom Service Centers are mainly in the nature of providing technical support & training and covers area like training, trouble shooting, design development, consultancy and testing.

##### 2. Group Workshed Scheme (GWS)

The Govt. of India introduced a Group Workshed Scheme for decentralized Powerloom Sector on 29.7.2003. The said Scheme was modified from time to time and last was on 06.02.2014. The Modified Group Workshed Scheme aims at setting up of Powerloom units with modern weaving machinery to enhance their competitiveness in the domestic as well as global market. Government is

providing subsidy of Rs.300 per Sq. ft or 40% of the unit cost of construction of Workshed whichever is less. Minimum 4 weavers can form a group for installing 48 modern looms of single width or 24 wider width looms to avail the benefit under the scheme.

### 3. 15% & 30% Margin Money Subsidy Scheme under Technology Upgradation Fund Scheme (TUFS)

The Govt. is implementing Margin Money Subsidy (MMS) under TUFS, especially to modernize the decentralized Powerloom Sector and other MSME units in textile & jute sector. The scheme was announced on 06.11.2003 by Ministry of Textiles and modified from time to time. The Scheme was last modified on 04.10.2013.

### 4. Pilot Scheme of In-Situ Upgradation of Plain Powerlooms, launched in Oct, 2013

# The scheme aims to improve quality and productivity of the fabric being produced by upgrading their existing plain loom with certain additional attachments and enable them to face the competition in domestic and international markets. It aims at covering 99,000 looms during 12th Plan.

# Financial assistance of Rs.15,000/- per loom will be given to the powerloom units for upgrading ordinary loom by installing specific/ identified attachments (kits) to semi-automatic loom. Maximum of 8 looms per weaver are eligible under In-situ scheme.

# In-situ Upgradation of plain powerloom has been approved for 17 clusters at Sircilla, Mau, Tanda, Burhanpur, Bhagalpur, Malegaon, Nagpur, Ichalkaranji, Bhiwandi, Surat, Ahmedabad, Somanur, Ludhiana, Kishangarh, Nagari, Hindupur and Dholka.

### 5. Hire-Purchase Scheme for Powerloom Sector under TUFS

This scheme has been approved and notification to this effect has been made under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) w.e.f.01.04.2013. Under the Scheme, the hirer (Special Purpose Vehicle - SPV) would procure the machines and then provide them on hire-purchase basis to the weavers for a period of 10 years. Ultimate ownership will transfer to the Powerloom weavers only at the end of the term of hire-purchase. The SPV will be given the following benefits;

# 30% Subsidy on machinery under RR-TUFS.

# 3% additional upfront credit risk cover where the beneficiary provides at least 50% collateral security to the SPV. Else this 3% benefit will be passed on to the SPV, where no collateral security is offered, to create a debt security pool.

# 2% Extra costs towards additional interest and administrative expenses to enable the SPV to meet initial loading of installments due to extended tenure of Hire-Purchase i.e. 10 years than the loan repayment period of 7 years.

6. INTEGRATED SCHEME FOR POWERLOOM SECTOR  
DEVELOPMENT (ISPSD)

Objective

Providing a platform for powerloom weavers to market their products at cluster level, regional level, national and international level.

Benefits

Under the Scheme, financial assistance is given for organizing exhibitions, infrastructure support, stall rent, stall furnishing, electricity charges, publicity, back up services and administrative expenses to Powerloom weavers/ owners.

Corpus for Yarn Bank

Small weavers do not have enough resources to purchase yarn in bulk quantity from the open market and depend on local yarn dealers. The local dealers sell the yarn at higher price than the mill price and take undue advantage of market situation. To address this problem, GOI provides interest free corpus fund upto Rs.100 lakh for setting-up of yarn bank per cluster.