

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:271
ANSWERED ON:23.07.2004
PACKAGE FOR TEXTILE PROCESSING UNITS
Rao Shri Sambasiva Rayapati

Will the Minister of TEXTILES be pleased to state:

- (a) whether any package for textile processing units is under consideration;
- (b) if so, whether this sector's performance has been dismal and needs to be strengthened;
- (c) if so, whether Government is also promoting the setting up of textile parks in the country; and
- (d) other steps being taken by the Government to improve the position of textile processing units?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) to (d): A Statement is laid on the Table of the House.

Statement laid on the Table of the House in respect of Lok Sabha Starred Question No.271 regarding package for textile processing units

(a) No, Sir.

(b) The textile-processing sector in the country is fragmented as well as dominated by small processing units. The output is sometimes substandard, and value realization and cost competitiveness in the international market is also low. Therefore, Government have identified processing stage as the weakest link in the entire textile production chain.

(c) Yes, Sir.

(d) Improvement is a continuous process, and Government is aware of the need for this. The following steps are being taken to improve the position of the textile processing units:-

i. Technology Upgradation Fund Scheme(TUFS) provides the interest subsidy of 5% on all modern machines for processing;

ii. Government of India through Ministry of Textiles is promoting Apparel Parks and Power loom Weaving Parks. Entrepreneurs can also set up processing plants in these parks.

iii. Textile Sector Infrastructure Development Scheme (TCIDS) has been introduced for plugging critical infrastructure gaps to make the textile processing units globally competitive. The central assistance under the Scheme, subject to maximum of Rs 20.00 crores is available to the extent of 100% of the critical components of the projects in respect of Common Effluent Treatment Plant, improving water supply and drainage facilities whereas other components are funded on 75:25 basis between Centre and State/ reputed agencies concerned.

iv. In order to promote the installation of modern textile processing machines in Indian process houses, import of such machines is permitted at a concessional rate of basic import duty of 5%.

v. The rate of depreciation for investment in high tech processing machines covered by TUFS has been increased from 25% to 50%;

vi. High-tech processing machines are permitted under zero duty Export Promotion Capital Goods (EPCG) Scheme. The Scheme covers second hand capital goods with a vintage of 10 years.

vii. Higher weightage has been provided for consideration of investment in high-tech processing machines for allotment of Manufacturers Exporters Entitlement (MEE) quota for yarn and fabrics. For New investors Entitlement (NIE) quota for garment exporters also, inter-alia, the investment in high-tech garment processing machines is considered.

viii. In order to take care of quality requirement and facilitate eco-friendly production of processed fabrics, eco-testing and quality testing facilities have been created throughout the country with an investment of over Rs. 60.00 crores, so that the testing facilities are available within the reach of majority of manufacturers / exporters of textiles and textiles items. The Scheme of creating such testing facilities is still on.

ix. The Textile Committee, Mumbai provides technical consultancy for certification of textile processing units under ISO 9000 and ISO 14000 Environmental Management System.