

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:3653

ANSWERED ON:03.09.2012

PROMOTION OF TEXTILES INDUSTRY

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

- (a) whether the textiles industry are facing slow down;
- (b) if so, the details thereof and reasons therefor along with the steps taken by the Government to arrest the down trend;
- (c) the quantum of fund allocated during the last three years for welfare of textiles and workers engaged therein;
- (d) whether new textile industry units/textile hub in the country are likely to be set up to provide employment to the unemployed people;
- (e) if so, the details thereof along with the target set/to be set by the Government for employment generation in the textiles industry;
- (f) the details of incentive/concessions likely to be given to textiles sectors including investment made by the Government during the last three years, State-wise; and
- (g) the steps taken/being taken by the Government to provide adequate financial assistance and cheaper raw material to the handicraft units/textiles industry in order to make the textiles industry competitive globally?

**Answer**

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

(a) & (b): Textiles industry witnessed a slow down following the price crash in cotton prices from Rs. 62500 / candy to Rs. 29500 / candy in May 2011 with many industries left with large high priced inventories of cotton and cotton yarn resulting in erosion of working capital and imposing considerable stress on the quality of assets. The Textiles industry has witnessed an incipient turn around in financial year 2012-13 as cotton yarn prices have picked up and rupee depreciation has enhanced competitiveness.

Government addressed the slowdown in Textiles industry by proposing a debt restructuring package for textiles industry amounting to Rs.35000 crores Following consultations with Reserve Bank of India, Government has issued directions to Banks to open special windows for undertaking the debt restructuring of textiles industry on a case by case basis in accordance with prudential guidelines of Reserve Bank of India.

(c): The plan allocation for the Ministry of Textiles under the Technology Upgradation Funds Scheme(TUFS) was revised from Rs. 8000 crores to Rs. 15404 crores in the 11th Five Year Plan. Government also enhanced the 11th plan allocation of Ministry of Textiles from Rs. 14000 crores to Rs.19000 crores for providing benefits to textiles industry. The plan allocations in 2010-11 was to Rs. 4500 crores and 2011-12 was Rs. 5000 crores and 2012-13 Rs. 7000 crores.

(d): Yes Madam, Government implements the Scheme for Integrated Textiles Parks (SITP) which is aimed at establishing greenfield infrastructure for textiles industry and generate employment.

(e): The SITP has a 12th Plan allocation of Rs. 1400 crores, 21 new parks were sanctioned in 2011-12 to generate an estimated investment of Rs. 3500 crores and employment of 3.5 lakh workers, over the next 4 years.

(f): Government incentivizes investments in the Textiles sector under the Technology Upgradation Funds Scheme (TUFS) which is a backended interest reimbursement scheme. TUFS catalyzed an investment of Rs. 1.37 lac crores in 11th Plan with a subsidy of Rs. 11949 crores.

(g): Government formulates the cotton distribution policy on a yearly basis to ensure adequate raw materials security to domestic industry.