

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:5437

ANSWERED ON:29.04.2013

TEXTILES INDUSTRY

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

- (a) whether the imposition of excise on readymade garments has affected the retail garments industry;
- (b) if so, the details thereof and the remedial measures taken to counter the same;
- (c) whether the depreciation in rupee has put an adverse impact on import of thread/yarn and cloth by various textiles industries including hosiery/powerloom/ handloom industries and weavers/workers engaged in these units;
- (d) if so, the details thereof along with the measures taken by the Government to ease the process of import of cotton yarn/ thread/fabric and to support powerloom/ handloom/hosiery industries and their workers/weavers in the country in view of the above;
- (e) whether the hosiery units have either closed down or are on the verge of closure in the country; and
- (f) if so, the details thereof and the reasons therefor along with the steps taken by the Government to revive the hosiery units particularly small scale industrial units?

**Answer**

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

(a) & (b) During 2011-12 and 2012-13, the mandatory rate of excise duty on Readymade Garments (RMG) bearing or sold under a brand name was 12% with an abatement of 55% and 70% respectively. The Clothing Manufacturers Association of India represented to the Government for imposition of Uniform Excise Duty Regime on both Branded and Unbranded Garments. Subsequently, in the Union Budget 2013-14, it has been decided to restore the "Optional route" of Excise Duty on Readymade Garments under which there is option for zero excise duty route in addition to the CENVAT route under which manufactures can pay excise duty on the final product and avail of credit of duty paid on inputs. As of now there is no adverse impact of excise on readymade garments.

(c) & (d) No Madam. India is largely self sufficient in respect of its raw material like fibre, yarn and fabrics and the quantum of import are not significant. The majority of import takes place for re-export or special requirement. However, to review the availability of raw material to various sectors of the textile industry like powerloom, handloom, hosiery sectors, the Government has set up bodies like Cotton Advisory Board (CAB), Cotton Yarn Advisory Board (CYAB), Hank Yarn Price Monitoring Committee and these institutions review the position from time to time to facilitate raw material availability for domestic industry. To support to powerloom industry and others, Government has been implementing various Schemes viz. Technology Upgradation Fund Scheme (TUFS), Integrated Scheme for Powerloom Sector Development (ISPSD), Group Workshed Scheme (GWS) and Group Insurance Scheme (GIS).

(e) & (f) The Country has a large number of hosiery units and there are no reports of any such units getting closed down.