

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:791
ANSWERED ON:27.11.2014
HANDLOOM AND POWERLOOM SECTORS
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Will the Minister of TEXTILES be pleased to state:

- (a) whether handloom and powerloom sectors are facing challenges from various global competitors;
- (b) if so, the details thereof;
- (c) whether the Government proposes Technology Upgradation Fund Scheme for these sectors to enable them to compete globally;
- (d) if so, the details thereof and the salient features thereof;
- (e) whether the Government proposes to set up Trade Facilitation Centres and Craft Museums in the country; and
- (f) if so, the details thereof along with the criteria fixed for selection of sites for setting up of such Centres and Museums?

Answer

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

(a) & (b): Handloom is traditional to India and does not face any direct competition from the global competitors. So far as Powerloom is concerned, there is competition. This is due to low level of technology.

(c) & (d): The Ministry of Textiles has made the following provisions under Revised Restructured TUFS (RRTUFS) as per GR No. 6/19/2013-TUFS dated 4.10.2013 during the Twelfth Five Year Plan period, to enable handloom and powerloom sectors to compete globally:-

Handlooms Sector:

- i. 5% Interest reimbursement (IR) or 30% capital subsidy on benchmarked machinery.
- ii. Investments like factory buildings, pre-operative expenses and margin money for working capital are eligible for benefit of reimbursement under the scheme with 50% cap of total new eligible investment under RR-TUFS. Land is altogether excluded from eligible investments under TUFS. This benefit, however, shall not be available for textile units under the Scheme for Integrated Textile Park (SITP).

Powerloom Sector:

- i. 30% Margin Money Subsidy (MMS) or 6% interest reimbursement and 15% capital subsidy on investment in brand new shuttleless looms.
- ii. A pilot project on technology upgradation of powerloom sector by way of hire purchase scheme with an overall outlay of Rs. 300 crore is being implemented.

(e) & (f): A Trade Facilitation Centre and Craft Museum for Varanasi has been approved in the Budget of 2014-15 to develop and promote the handloom, handicraft and silk products of Varanasi and to provide necessary help to weavers, artisans and entrepreneurs of Varanasi for boosting their marketing activities in domestic as well as international markets. Ministry of Urban Development, Government of India has allotted 8.18 acres of land at Bada Lalpur, Varanasi. The Honble Prime Minister has laid the foundation stone on 7th November, 2014 for setting up the Trade Facilitation Centre & Craft Museum.

A Trade facilitation centre at Srinagar with a total budget cost of Rs.12.30 crore was also approved by the Government under the comprehensive handicrafts Cluster Development Scheme(CHCDS) in the year 2010. M/s J&K (Sales & Exports) Corporation, Srinagar has been identified as the implementing agency for the said project as per scheme guidelines.

The criteria for selection of sites in case of Government Agencies are by nomination basis while in case of NGOs open tender bids are invited.